

Strategic plan development paper



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Riordan Manufacturing Company - Strategic Planning and Development

Introduction: Dr. Riordan, a well known chemist, established and founded Riordan Manufacturing as a research and Development Company in 1991 while focusing upon processing polymers into high tensile strength non-textile fibers for producing substances that are made off inelastic¹ materials. Today, Riordan Manufacturing is widely regarded as a foremost comprehensive worldwide manufacturing company of plastic inoculation molding products. Riordan Company employs several hundred employed personnel in two factories and has been projecting multimillion US\$ earnings over the few years. For Riordan, their success as a leading manufacturing company has only been because of their successful sales and marketing strategies which were also responsible for preserving excellent customer associations.

Riordan also realizes the fact that the company needs to redefine and redeem itself along with the time in order to progress consistently and reach the new horizons while taking the business to the subsequent height so as to remain competitive and spirited. Therefore, it becomes imperative for Riordan Manufacturing Company's top level management to devise a new strategic plan for bring extremely important developments which may guarantee Riordan the rank they have endeavored to attain.

This is also because of the fact that most of the modern day entrepreneurs and business managers are often so anxious with instantaneous subjects that they temporarily forget their ultimate objectives unintentionally. My development of Strategic plan for Riordan Manufacturing Company will revolve around the broader future vision² of the company itself. This vision circles around producing the final products at optimum costs while focusing

upon the company's future, maintaining excellent long term customer oriented relationships, maximizing employees' utility while incorporating employee-friendly policies, maintaining environment friendly activities while growing business' prospects, and complimenting the quality related issues in accordance with international standards.

Following are the key steps for the development of the strategic plan for Riordan Manufacturing Company.

1. Identification of the available market opportunities

Since Riordan is not the only company which produces molding materials made off plastic, there always remains a chance of fearsome competition in the market. However, this leads to the fact that correctly identifying and capturing of market opportunities may bring more success for the company. While having factory facilities placed in San Jose, California, Albany, Georgia, Pontiac, Michigan, and Hang Zhou in China³, Riordan has certainly found new markets around the world. Emerging giants like India, China and Brazil certainly can be considered as available markets due to their huge industrial potential.

2. Situation Analysis and Strategy Formulation

Due to the rapid expansion of economy and its growth in countries like India, China and Brazil, local producers of plastic molding products have profited hugely while not being in compliance with international standards and environment healthy policies. This leads to the fact that Riordan has a great future in these countries. Company's customers can be several industries of various types, chemical businesses, medical equipment producing companies, food companies, edible or non-edible liquid producers, etc.

Riordan can overcome these future customers by producing state of the art

products are much cheaper rates due to their huge experience, effective operational management and excellent supply chain mechanisms.

3. Implementation and Control

After devising the above stated strategic plan, it can now be implemented while keeping in mind the availability of necessary financial resources, required technical skills, and presence of effective leadership at the top level. While implementing the plan, it also is imperative for the company leadership to employ networking process for building founding information's pedestal. The outcomes of the strategy need to be calculated and estimated, while keeping the plan on track by making necessary adjustments.

Controlling can be implemented in order to devise the supervising process (NetMBA 2006).

References:

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Answers of the Four Questions:

Quality: ' The totality of features and characteristics of a product or service that bear on its ability to satisfy a given need.' - ISO

Q1: What were some of the innovations that Japanese quality experts developed to foster quality?

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Bring in latest innovations to the development of quality is one thing, whereas responding quickly to the changing needs of customers is altogether a different thing. Japanese experts achieved both these goals. Their contribution in managing, developing and bringing of new technological advancements to foster quality is considered as the greatest one. Efforts by the Japanese experts produced innovations for improving quality include Taguchi's methodological technology, Shigeru Mizuno and Yoji Akao's Quality Function Deployment⁴, Shingo's Poka-Yoke⁵ and many more (Glenn Mazur, History of QFD).

Q2: Quality can differentiate a company from its competitors; reinforce dealer loyalty; and generate sales leads. List other benefits of quality not described in this chapter.

Other Benefits of Quality are as following;

Continuous Improvement

Maintaining Of Product's Multidimensional Standards⁶

Reduction In Variation

Less Chances Of Defects

Increased Production Rate

Greater Acceptance

Lower Cost

Higher Employee Morale

Enhanced Value for Money

Reduced Barren Time, Chances Of Rectification, Warrantee Costs, And Liability

Q3: Discuss the following: " What if I know product requirements are wrong. Am I producing a quality product if I conform exactly to wrong

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requirements?"

In such a case when I know that the product requirements are wrongly stated, conforming to these wrong requirements should not mean that I am not producing a quality product. This is because of the fact that I am following the customer's guidelines which state the customer's level of acceptance for certain product. Clearly, quality is the conformance to customer's requirements. However, while being a producer or a component of a production team, my priority should be to consult with the customer for obtaining 'agreed requirements' if I have any doubts in my mind regarding the authenticity of requirements, since a good quality product is one that exactly meets the 'agreed requirements' of the customer. This way, not only correct measure of customer's requirements can be achieved, but also the level of customer orientation will get great boost.

Q4: Using examples, discuss the three components of the cost of quality.

Which costs are usually the most difficult to obtain?

Cost of Quality is a term that is extensively employed and also misinterpreted. It is the cost of 'not' creating a quality product, which can be a good or a service (American Society for Quality, COQ). Cost of Quality increases for every time a work is done again. Following are the three components of the cost of quality.

1. Preventive Costs: These are the costs incurred due to all activities which are particularly premeditated to avoid reduced quality in products. Examples of preventive costs include costs incurred due to planning, prevention, examination, inspection, monitoring etc.

2. Appraisal Costs: These costs are directly connected with measurement, evaluation, and audit of products to guarantee conformance to quality

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standards. Appraisal Costs can be of different types, such as costs for inspection of purchased material, in-process and final inspection, product and process audit, calibration of test equipment, etc.

3. Failure Costs: These costs result from products which are non-conformant to the customer's agreed requirements. These costs can further be classified into internal failure costs and external failure costs. Examples of failure costs include, costs incurred due to delays, repairs, re-cuts, remakes, rejects, seconds⁷, returns to manufacturer, etc.

Generally, failure costs are the most difficult of all three components of cost of quality which could be obtained. However, preventive costs can sometimes go beyond recoverable margin if they are boosted very high in order to reduce pre-measured failure costs in very sensitive situations.

References:

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