

The case study of jones



**ASSIGN
BUSTER**

They have become the leader in the competitive market of fiberoptic medical instrument in UK by outsmarting their major American rival NMC Inc. Within a short span of six years, the company management had managed to secure a major share of the fiberoptic medical instrument market to its credit. After having continued with its general product lines, Jones & Cousins were prompted to launch their new range of product lines in the market. One of the major reasons of launching the new product lines in the market was surely the increasing pressure from their rival NMC Inc. Their American counterpart was too busy launching their new range of products. Considering that, it was quite necessary for the management of Jones & Cousins' to launch their latest product lines and continue to take control of the major share of the fiberoptic medical instruments market. What was quite surprising to the company management was the grave challenges that the new product lines had to face since the moment they were launched, though they were central to the entire product line of the company. In case of the new product lines, Jones & Cousins had adopted the strategy of rapid product development.

Failure in the production department seems to be the prime reason behind all the problems associated with these new product lines. The production of the part of the company was on a steady level. In spite of that, the company seemed to take a blow in terms of meeting with the demand that exists in the market. The ratio or gush of incoming orders seemed to be too great for the company. That is the reason why it failed to meet the increasing demand. The case study points out that there have been incidents when the

customers even had to wait for six weeks or more to get the products delivered to their respective addresses.

Increased price rates are another problem associated with the products. Earlier the Jones & Cousins' products used to be of low rates. However with the inception of the new product line the company chose to enhance the prices of their products. To inject the products into the market the company had resorted to highly aggressive sales force. While doing so Jones & Cousins had also resorted to an unethical procedure. Many of the old products were given a bit of modifications. Those modified versions were sold in the market as new ones with the increased prices imposed on it.

The inventory level of finished goods is in fact quite sky-scraping at Jones & Cousin's. This aspect is assumed to be one of the causes creating trouble for the new product lines of the company. Recently a reputed consultant was hired by the company to get into the details of the problems with their newly introduced product ranges. One significant part of the consultant's finding was focused on the excessive length of finished goods. The consultant's report pointed out that there can be a diminution or downsizing of around 40% in the overall inventory and it can be done without harming the delivery service level. In spite of a densely stuffed inventory, the past few years have seen a poor performance level from the company. The management was unwilling to downsize its inventory level as it had a fear deep within that such an act would actually have a negative impact on their dwindling performance level.

Ignorable corporate objective from the front of the company seems to be a cause of the problem too. Performance level especially customer satisfaction level is quite weak with Jones & Company.

The problem of ‘panic ordering’ seems to be a constant problem with the introduction of the new product lines. The problem was caused from the end of the dealers and affiliates. Based on this panic ordering syndrome an affiliate or a dealer can not ensure the acceptance of the product in the market in proper time or not. As a result they are prompted to increase the size of the order. The same thing has happened with Jones & Cousins. Many of the dealers as well as affiliates of the company had placed orders of excessive range. While placing the order these companies had in mind that Jones & Cousin would be able to deliver part of the orders. However such acts on the part of dealers and affiliates of the company put an excessive amount of pressure on the production department. This particular aspect had a great role to play in the failure of the production department.

Forecasting as well as data gathering seems to have been a formidable challenge during the introduction of the new product lines. It seems that the forecasting pertaining to the demand of the products in the fiberscope medical instrument market had not been a flawless one. Proper information regarding the demand of these products have not been availed and scrutinized by the concerned departments. At the same time, those data that actually measure the accuracy of the forecast have not been properly tracked also.

Manufacturing department is an important part of the main operations of Jones & Cousins. The manufacturing of all the products actually takes places in a few systematic steps such as-

Assembly – What seems evident from the case study is that it is a manually intensive process. Such a concentrated as well as rigorous task calls for long hours of operations. Therefore it is a time consuming one. This lengthy process might have created a problem during the production of the new range of product lines which were to be delivered to their clients on an urgent basis.

Packaging – This particular part of packaging is actually done with the help of a few huge packaging machines. These machines in fact put the bulk instruments into the plastic containers. Then the instruments are passed onto the sterilizers. Capacity of these machines can be improved so that more instruments can fit in them.

Sterilization- Sterilization is the final step of the manufacturing procedure. A huge Cobalt Radiation Sterilizer sterilizes plastic container, cardboard container, instruments etc. Through the sterilization process harmful contaminants in the containers are destroyed. Just like packaging, here too the capacity limitation is a factor that can be improved upon.

Drivers of these problems (systematically and organizationally)

The roots of these problems are seemingly deep rooted. No single reason can be imposed upon the situation as a major cause of the problems. A few

things should be considered seriously. Here are a few probable causes driving these problems both systematically as well as organizationally.

The case study evidently brings to notice that the success level of Jones & Cousin's gets impeded by some crucial factors related to the market and market trend of fiberoptic medical instrument. The case study reveals that the major source of problems sprout from

The trend of market share change in the professional healthcare sector;

The doctors and surgeons sticking to their preferred manufacturers in most cases.

Group purchasing organizations.

Extended contracts with other suppliers.

From the organizational point of view, the production planning and scheduling seems to be divided into too many sub-divisions which takes too long a time to reach a decision. For example, the transfer requirements have to pass throughout the organization for approval which takes at least one or two weeks. Problems in the schedules or in the MRP system, decides assembly schedules and replenishment orders. Any change in the schedules of assembly or packaging calls for rescheduling workers calls for more component parts and manufacturing procedures.

The aforementioned reasons are driving the problems of Jones & Cousins' to an extreme point. The conversion of a long term client to their own camp is taking too much of a time.

Problems with distribution process seem to be another driving cause. Decentralized nature of many of the regional warehouses had been a constant source of challenge in the distribution procedure of Jones & Cousins. Though Jones & Cousins had been using the very best sales force to push the products into the market, still break in the distribution channels is a constant problem for the company. Presently, Jones & Cousins make use of only four or five distribution companies. Through the services available from these distribution companies, Jones & Companies have to send their products in hundreds of hospitals situated in different parts of the world such as – England, Wales, Scotland, Northern Irelands etc. When there is a huge rush of orders, small quantity of distribution channels is evidently going to be troublesome for any company.

The reasons for Customer Service Manager being the first person to recognize major issues

It is quite natural for the customer service manager to be the first person to be familiar with such issues. The customer service department is integrally linked with the planning and distribution job of the company. It is the personnels of this department only who are answerable to the customers if anything goes wrong in these two abovementioned sections. The men working under customer service manager do everything they can to ensure that the customers get the best service from the company's end. In fact the customer service department deals with some of the most crucial job responsibilities such as –

Dealing with occasional customer outbursts

Convincing difficult customers

Thinking out strategies to perk up the standard and timing of delivery to clients

Managing both the dealers as well as affiliates

Keeping the clients, dealers, affiliates constantly updated with the latest information pertaining to the product delivery schedules as well as problems and errors

Taking care of issues pertaining to the ratio or movement of products from the FG or finished goods inventory.

Making a balanced rapport with all the departments of the company.

As the customer service department has to shoulder all these responsibilities, the personnel of this department are the ones who are in direct touch with the hospital staffs too. Therefore all the major issues that arise, become known to the customer service manager first; then the information gets transferred to the other departments of the company.

How to fix these problems?

All these products are crucial to the fiberoptic medical instrument market. They needed to be implanted in the marketplace in a faultless manner. The introduction of these new products saw some acute problems especially in the production, planning and scheduling part. It resulted in high level of customer dissatisfaction resulting in diminished reputation of the company.

However if there has to be some changes or improvements in the situation, Jones & Cousin has to keep an eye on a few important aspects. Such as -

It has to keep an eye on the monthly forecasting.

The delivery system must be improved upon.

A little bit of variation in the production schedules can bring in some benefits for the company.

Balanced reduction in the inventory level without harming the sales prospects should also be a prudent step to control the damage.

However apart from these steps there needs to be something more to control the damage already done to the sales figures.

Striking a balance between the increasing demand and supply.

Having an eye on the typical demand patterns as well as weekly and monthly net orders for new products.

Scrutinizing all the steps pertaining to the production or manufacturing procedures such as - assembly, packaging and sterilization. The prior problems with these departments such as capacity or time consumption factors would have to be properly looked into.

Tracking the three indispensable parts of the business such as - planned production, monthly net orders and Finished Goods (FG) inventory of the company.

Tracking weekly demands for the company goods in the market.

<https://assignbuster.com/the-case-study-of-jones/>

Properly tracking the figures pertaining to group sales. The increase in the group sales has to be monitored properly.

Keeping a track of the diluted earnings per share.

Tracking group trading profits.

Tracking the distribution channels and working promptly on the problems that arise in these channels.

Applying a better methodology in the process of data gathering and preservation. It would be required to scrutinize the prior monthly plans obtained from hard copies. In this way it would be easier to improve the status of the forecasts.