

Developing good business sense assignment



**ASSIGN
BUSTER**

For this assignment I decided to observe three different companies: vehicle shipping company National Transport, LLC, medium size, kitchen cabinet-making Craftsman Cabinetry Company, and a freight and logistic trucking company ARM Logistics, LLC. The first company, National Transport, LLC ships vehicles statewide, nationwide, and worldwide. They cooperate with local auctions, personal buyer and sellers, and insurance companies; I think that is the main reason of their success. The owner manages all operations; employees do the loading job.

Operations and input involved in the process are receiving the order, picking up cars from locations, storing and loading them in containers, shipping with their own trucks and drivers, tracking delivery on the railroad and ship to desired destination, and always unloading. Main MOM cost for this company is shipping container from continent to continent; it cost them a minimum of \$3000. I think it should be considered as some sort of distributing cost. Since they have their own towers and forklifts, the other expenses are rent for warehouse and land, which are considered Plant cost.

Paying for labor to load vehicles, drive trucks, and truck maintenance is one of their second highest expenses. Employees are organized very simple: they have a few teams and the leader for each team; but two people are especially unique, because they know how to fit five cars in one container (normally they load four). Their best tip for competition is the price; it is lower than any other shipper. Honestly, there is not much competition in the area of worldwide shipping, so despite their low quality services they have many customers.

The second company, Craftsman cabinet-making equines was founded In Independence, Ohio in 1969. They managed to expand rapidly for over a decade before they were acquired by Masc. Corporation of Taylor In 1990. The firm Is a Fortune 500 company, In which they manage Its operations, hire employees, and work on estimates and new orders. Employees do the job from the very beginning, such as working with solid wood and plywood, to a finish painting, installing and repairing warranty damages.

Compare to the first company, they have much higher Input, because in addition to skilled workers they need, Craftsman has o have raw material to work with, many specific tools and machines, which Is costly. In order to secure losses, they require a 50% deposit from all customers. Operations consist of giving estimate prices, working with blueprints, taking measurements from actual buildings, building cabinets, doors, drawers, etc. , painting if necessary, delivering and installing.

Employees are organized the way that every team has own few tasks in the line of production: some prepare and work on raw material, some work on painting, other teams work on installation. Overall, it is very labor-capacious ND time-taking process, but the monetary output worth it. Mall kinds of MOM expenses are Raw materials and Plant costs; specific tools and machines for cutting wood and curving doors (they had to invest something first, but still their payments for equipment are high) and material itself. Labor costs are somewhere in the middle; the space which is rented for reasonable, but still high premium.

To be competitive, they buy material in big portions, give discounts on multiple orders, and suddenly, laid off some employees due to slow down in new construction, where they rights between states seemed to be very profitable, but in this economy situation experiences difficulties as well, due to high competition. Input is simple; semi truck, trailer with- or without rifer, and experienced driver with CDC; and few thousand dollars for the fuel. Operations are finding good cargo, loading, driving to location needed. There are two options for drivers, solo- when only one driver makes a trip; or two drivers exchange each other.

Both options are beneficial some way. Employees are organized different way than the other two companies, due to the tauter of this business. Each driver takes some responsibility independently while he, or she, is driving. Issues like traffic tickets, directions and being on time is kind of their responsibility as well. Main MOM costs are Plant and Labor costs; getting equipment that will work well (trucks and trailers), wage for the drivers, expenses for fuel for each trip. Some kind of Distributing costs is broker-related expenses (usually five to eight percent of the total sum).