

# Riordan manufacturer's operations and logistics



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Riordan Manufacturer's Operations and Logistics Riordan Manufacturer produces plastic beverage containers at its Albany Georgia, Plant, custom plastic parts produced at its plant in Pontiac, Michigan, and plastic fan parts at its facilities in Hangzhou, China. The company's Research and Development is done at its corporate headquarters in San Jose. In addition, the following text will include the operations in each of facilities mentioned and explore Riordans inventory management and quality control.

First of all, at the Albany, Georgia plant where the plastic bottles are produced, contracts are negotiated with customers for yearly quantities of standard and custom unique bottles; however, customers can also provide release orders for smaller quantities throughout the year these orders are received randomly. Due to the variability of the sales of customer's final products the Albany plant keeps a safety stock of the more popular standard containers for those customers that ask for them, however, the amount carried is a small amount due to the limited storage space. Similarly, the plant also keeps a safety stock of raw materials used to produce the bottles; by doing this it provides a degree of assurance that it will not have shortages that would preclude it from shipping orders on time. Moreover, it is up to management to decide on how much safety stock to carry because of the associate with inventory costs; this also insures there are no contract penalties imposed if the company misses a delivery date due to lack of materials.

Furthermore, the company has a policy to provide total customer satisfaction in terms of committed ship dates; Riordan statistics for the last three years for on-time delivery has been at 96% the other 4% due to severe weather

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conditions beyond their control. Moreover, Riordan uses Huffman Trucking Company to ship all of its product in the U. S. so far the Albany facility has a good record of supplying customers shipments on time that are closer to the plant, but has had some problems meeting customers required due dates in the North and North-Eastern parts of the U.

S. when weather conditions set in. Consequently, the Albany plant keeps track of its shipping performance by maintain metrics on how many were delivered late, the amount of time that the shipments were late, and the reasons. Next, the Pontiac Michigan plant operations. The Pontiac, MI plant handles the customers custom plastic fabrications, each custom project requires its own set of dies for the injection molding process, this plant is capable of creating new dies to meet customers specification needs.

For the most part, custom parts are produced in small production runs; however, this plant has to also maintain sufficient stocks of a wide variety of raw materials in order to quickly respond to customers request for custom parts. Now it is on to the Hangzhou, China facility to explore its operations. As it was mentioned above, Riordan's Hangzhou, China plant supplies fan parts this includes electric motors and local plastic polymers that is required for buyers to purchase, these polymers are produced to create the plastic parts such as, fan blades and fan housings and then are assembled to create the finished product model of electric fans, these are then individually packaged together along with instructions on how to use the product and then stocked awaiting sale. Moreover, their forecasting methods are based on the average sales for the last three years and extrapolating into the next

year; they hope by using this method that history will repeat itself within many scale limits.

Next, the orders for these fans can either be picked up at the China plant by customers or shipped by the China Plant which uses a Chinese shipping company that offers cheaper services compared to FedEx, however, for orders shipped internationally they use both shippers because they offer similar services and rates are comparable. Furthermore, it is helpful for customers to indicate their yearly requirements in order for the plant to estimate what resources will be required to fulfill anticipated orders. Finally, the operations of the Research and Development Department located at corporate headquarters. The R&D Department consist of five product development personnel, their job is to research and develop the next generation of heart valves, medical stents, and complimentary medical devices.

Since this plant only requires minimal amounts of raw materials and components to build proof-of-concept models of potential new product they do not have the same problems as the other supply chains face at the other plants. To conclude Riordan's operations it is necessary to include their inventory management and controls that is practiced at each plant.

**Inventory Management and Control** In order to ensure consistency of operations and quality control at all Riordan plants, a common set of procedure has been developed for the anagement of receiving raw materials, tracking products during manufacturing and accounting for the finished goods for inventory, these procedures are as follows: **Raw Materials Receiving** ? First the truck from supplier with raw materials arrives at

receiving area. ? Then receiving area supervisors compares the shipping document against scheduled incoming orders. ? Following validation of the material to be received, the receiving area team unloads the truck and moves the raw material into the raw materials area in the factory. At the end of each day the receiving area supervisor gives the log of all raw materials received during the day and the associated shipping documents to the receiving clerk.

? Then, the inventory clerk enters the information related to the raw material, receipts into the inventory system. This data includes the type of material received, the vendor, and the quantity. Manufacturing with Inventory As raw materials and sub-assemblies are taken out of inventor, the manufacturing staff completes an inventory usage form to indicate the type of materials removed from inventory and the quantity the procedure is as follows: ? The inventory clerk enters the information related to the raw material and sub-assemblies usage into the inventory system. ? Next, as the manufacturing team builds sub-assemblies and final products, they complete an inventory form which is given to the inventory clerk for updates into the inventory system. ? Then the inventory clerk enters the information related to the sub-assemblies and final products into inventory. Final Product Shipping ? First the orders are taken from customers via phone or fax; there are also sales staffs that can place orders for customers.

Next, the sales orders are entered into the customer shipping and billing system. ? Based on shipping documents generated each day, the shipping department will load the trucks with the products specified by each order. ?

The inventory clerk updates the inventory system based on the shipping documents. Reference Apollo Group, Inc (2006) Riordan manufactures.

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