Manufacturing Division

Mission Statement: Become the premier private custom airplane provider.

Marketing Slogan: “Nothing comes close to Going”

Scenario- The manufacturing division of Going, Inc., unlike the airline service division, has been successful in its production and sale of small privately-owned airplanes. Going, Inc. airplanes have been wildly successful since its first plane rolled out from the assembly hanger 3 years ago. The public has taken to the marketing idea of flying a “branded” name of airplane. The concept for the planes has been to maintain a first class look and feel to the interior and exterior, in addition to providing "best in class" power/speed. As the company strategy was to build an expensive plane catering to a small market, it has been shocked by the increasing demand for its product. The company has been slow to react to the demand in forecasting, capacity, and process improvements.

Below are the key process measurements criteria that management wants to improve to meet sales demand.

Criteria	Going, Inc.	Bezna
Capacity	15 planes / month	100 planes / month
Quality Rating	Med	High
Flexibility Rating	Med	High
Order Accuracy Rating	Low	High
Speed (lead-time)	16 weeks	11 weeks
Mfg cost overhead	High	Low

Production numbers by month:

Month	2002	2003	2004
Jan	4	10	10
Feb	4	10	11
Mar	5	10	12
Apr	6	9	13
May	6	9	14
Jun	8	10	11
Jul	9	11	14
Aug	8	11	12
Sep	7	11	11
Oct	8	11	14
Nov	9	11	12
Dec	10	10	-

Sales order by month:

Month	2002	2003	2004
Jan	5	12	15
Feb	4	11	12
Mar	6	12	13
Apr	6	13	16
May	7	13	18
Jun	8	11	20
Jul	8	12	18
Aug	9	12	20
Sep	8	14	18
Oct	9	14	21
Nov	10	14	23
Dec	12	16	-

Note: Current backlog is at 100 planes.

1. Product Design Strategy
    a. Going, Inc. airplanes are luxury-laden, patterned after high-end products such as Lexus, Eddie Bauer, and Sony.
    b. Going, Inc. airplanes are built for speed and power to be "best in class" for small class planes that are designed for up to a 1,000-mile range.
    c. Going, Inc. has three base models that can be fully customized to any customer request.
2. Quality Management Strategy
    a. The company has been slowed in production by average quality, and rework/scrap is commonplace.
    b. Currently, the company is emphasizing quality control by 100% inspection.
3. Process and Capacity Strategy
    a. The company owns one assembly hanger that can build three planes simultaneously.
    b. The company has estimated it can assemble a maximum of 15 airplanes per month with its current capacity and design.
4. Location Strategy
    a. The company owns a large warehouse 20 miles from the assembly hanger.
    b. The assembly hanger is located in Houston, Texas, and Corporate Headquarters is in New York City.
5. Layout Strategy
    a. The Going, Inc. assembly hanger is rectangular and three planes can fit side-by-side for final assembly.
    b. Due to the many customization options, minimum amounts of parts for all options are stored near the planes.
6. Human Resources, Job Design Strategy
    a. The company does not have the best relationship with its unions. Minimal pay increases and hiring over the last 3 years has created a chasm between the two parties.
    b. Employees have complained about lack of a voice and lack of up-to-date training programs.
7. Supply Chain Management

    a. Going, Inc. has maintained as much as possible a US-made-only parts requirement.
    b. Going, Inc. has collaborated with many vendors to seek the lowest cost possible.
8. Inventory Management
    a. The company has over 10,000 part numbers and three basic models of airplane in its software system.
    b. Inventory is performed once a year.
    c. The company does not have any vendor-owned inventory and tries to keep 30% of its stock in its assembly hanger.
9. Scheduling Strategy
    a. Orders are taken on a first-come, first-serve basis.
    b. A 16-week lead time is currently given to all customers, regardless of plane design.
10. Maintenance and Reliability Strategy
    a. Going, Inc. has experienced costs in quality and owner warranties consistent with the industry average.