

The Fitzgerald Machine Company

Topic: Production/Operations Management

Characters: Don Bradish, recently hired to remedy problems meeting scheduled deliveries
Jane Fitzgerald, VP of Operations, daughter of the company president

The Fitzgerald Machine Company is a \$25MM per year custom metal fabrication shop. It has a work force of 30 machinists and 15 office personnel Don Bradish was hired from Peptine Corporation three months ago as Fitzgerald's production scheduler. His background includes an undergraduate industrial engineering degree and three years of purchasing experience with Peptine immediately after college. This made him a good fit for Fitzgerald's needs. He was hired by Jane Fitzgerald, Vice President of Operations and daughter of the company president.

Recently the company has been having difficulty meeting delivery schedule deadlines. Don was hired to improve the company's performance in on-time deliveries. So far, he has been learning the systems of the operations and studying possible solutions, but he has not yet determined the best course of action to recommend.

On Friday, June 21, a \$300,000 order, which had been in the shop for nearly two months, was scheduled for shipment. On the Wednesday before scheduled delivery, the customer called and asked that delivery be delayed due to a labor dispute and work stoppage at his location. Although he expected the strike to be settled within one week or less, he was concerned that delivery of the order from Fitzgerald during the strike might cause unnecessary misunderstandings in the labor dispute. Don discussed this request with Jane, and they agreed to accommodate the customer's request on the condition that the customer agree to being billed on the originally scheduled delivery date and to pay on the originally contracted payment terms. The customer accepted those terms.

On Friday morning, June 21, the production manager reported to Don that the order would not be completed as scheduled and would probably require at least one more week to finish. Concerned about the impact of this delay on his job status, Don decided to investigate the cause of the delay before informing Jane of the problem. Before he could complete his inquiry, Jane called to inform him that she had just mailed the invoice for the order as agreed. She also suggested that Don negotiate with the customer a storage fee for the order, which would be paid in addition to the billing arrangement. Don wondered what he should say to Jane next.

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