I. PERSPECTIVE OF THE COURSE

This course is concerned with the problem of developing effective linkages between the manufacturing and marketing functions in strategic planning for a business. In many firms a strong functional culture, company reward systems, and the educational background and professional experience of the managers in each of these functions operate to limit their focus in strategy formulation, precluding the development of a broad strategic perspective on the business.

Only recently have basic concepts, a framework for analysis, and methods that can be used to broaden the strategic debate to incorporate marketing and manufacturing perspectives been developed. These involve developing a description of the markets targeted by a company, selecting a sample of representative customer orders in each market, developing order winning
criteria for the orders in each market, segmenting the markets according to the order winning
criteria, measuring operations performance against each order winning criteria, determining the
degree of match (or mis-match) between market requirements and operations capabilities, and
preparing an analysis of the marketing and manufacturing strategy of the company.

This course is directed toward the application of these methods to case studies involving U.S.
and overseas companies in order to develop skills in improving the linkage between the strategic
planning efforts in marketing and manufacturing. It is directed toward enabling manufacturing to
support the marketing efforts more effectively than the firm's competitors; thereby creating a
competitive advantage in the market place.

II. OBJECTIVES OF THE COURSE

To develop an understanding of the reasons for the oft-observed lack of integration of a firm's
marketing and manufacturing strategies and to learn an approach for combating this problem.
The objective is to enable the student to help the firms for which they will ultimately work gain a
more sustainable competitive advantage.

III. TEACHING APPROACH

As necessary, relevant "techniques" and concepts will be developed through readings and
lecture/discussions. The primary learning tool, however, will be experience from in the
application of these concepts and techniques to written case studies. Assignment questions for
each case are provided later in this document. You should use these questions as a guide for your
preparation and be prepared to discuss your position on each in class discussion. On occasion,
however, the class discussion may not be structured around these questions.
Speakers are used as an additional resource for bringing executive experience into the classroom.
You are expected to use them as a resource and derive as much information as you can in the
time available. This means you should prepare for these class sessions by developing questions
you can ask the speakers in the Q & A time provided.

IV. COURSE MATERIAL

The following material will be used in the course: TEXT: Manufacturing Strategy: Text and

COURSE PACKET which includes:

Process Choice Exercise (class handout)
McDonalds case
Can Marketing and Manufacturing Coexist?
Plastech, Inc,
Marketing Strategy Formulation
Note on Market Definition and Segmentation
Aligning Marketing and Manufacturing Strategies With The Market (class handout)
Note on Consumer Market Segmentation
Industrial Market Segmentation
Customer Driven Manufacturing (class handout)
Northmore Finance Direct case
Santal (SA) case
Jackson Precision Castings case
Zara case
What is the Right Supply Chain For Your Product?
Functional Integration: Getting All of the Troops to Work Together

V. GRADING

An important part of the grade will depend on the effectiveness of your individual participation in the case discussions. While a minimum level of participation by every member of the class is expected, primary emphasis will be placed on the quality of the classroom contributions. In grading class performance, very little emphasis will be given to redundant or extraneous contributions. Contributions that add new insights into the case issues, or build on the work of others in advancing the case discussion, will be rewarded.

Two case briefs will be turned in during the course, one individual case brief and one group case brief (four members maximum). These reports will discuss your analysis of the questions assigned for the cases. You may select one case from those marked with an (*) in the course outline for your individual case brief, and one case from those marked with an (**) for your group case brief. These case briefs are due on the day of the class for that case. The individual case brief should not exceed three pages (excluding exhibits), and the group case should not exceed five pages (excluding exhibits). Please be prepared to present your analysis in class, and bring any overhead transparencies necessary to discuss your analysis.

An Optional Project Report is available to those MBA's that are currently employed full time, or to those who have a proposal approved by the course instructor. Instead of preparing the second group case brief, they may elect to develop an analysis of their business, using concepts and methods presented in this course. This will cover a manufacturing strategy analysis of their company. Guidelines for this report are included in the Optional Project Assignment section of this web page. This report is due for presentation in one of the final class sessions in the course.

Grading Formula.

Class Participation: 25%
Individual Case Brief (1): 20%
Group Case Brief (1): 20%
Individual Final Examination (2): 35%
Total: 100%

(1) Note 1: Please advise concerning your priorities for the individual and group cases by 9/30/06.
(2) Note 2: The take-home final exam is due 12/4/06 at 8 AM in Fisher 660A.
VI. DISABILITY ACCOMMODATION

If you need an accommodation based on the impact of a disability, arrange an appointment with me as soon as possible. We need to discuss the course format and explore potential accommodations. I rely on the Office for Disability Services for assistance in verifying need and developing accommodation strategies. You should start the verification process as soon as possible.

VII. INSTRUCTOR'S EXPECTATIONS

The expectation is that you will be present, well-prepared, and capable of defending a point of view in all of the classes.

VIII. SEQUENCE OF TOPICS: COURSE OUTLINE

Date/Class Assignment

MANUFACTURING STRATEGY ANALYSIS

9/21 Case: The Great Nuclear Fizzle at Old B and W, Reading: Chapter 2

9/26 Exercise: Process Choice, Reading: Chapter 5

9/28 Case: McDonalds

10/3 Case: Hoffmann Tobacco, Reading Chapter 6

10/5 Project Work (no class)

10/10 Case: Rumack Pharmaceuticals, Readings: "Plastech, Inc." and "Can Marketing and Manufacturing Coexist?"

MARKET ANALYSIS

10/12 Case: Tyndall A, Readings: AMarketing Strategy Formulation®, AA Note on Consumer Market Segmentation®, and AIndustrial Market Segmentation®

10/17 Case: Tyndall B (*), Reading: Chapter 3

10/19 Case: Anonke Apparel, Reading: ANote on Market Definition and Segmentation®
MARKET ALIGNMENT

10/24 Case: Reading: Northmore Finance Direct (*), Customer Driven Manufacturing

10/26 Case: Reading: HQ Injection Molding (*), Chapter 4

10/31 Case: Peterson Carton Services (**)

FOCUSED FACTORIES

11/2 Case: Santal (SA) (*), Reading: Chapter 7

11/7 Case: Tama Electronics, Inc.(**), Reading: Chapters 8

SUPPLY CHAIN STRATEGY

11/9 Case: Zara (*), Reading: Chapter 9

11/14 Case: Sherpin (**)

11/16 Case: Sherpin (B) (to be distributed in class), Reading: “What is the Right Supply Chain For Your Product?”

INFRASTRUCTURE ISSUES

11/28 Case: Jackson Precision Castings (**), Reading: Chapter 10

11/30 Guest Speaker(to be announced) Reading: Functional Integration: Getting All of the Troops Together
IX. CASE ASSIGNMENT QUESTIONS

Great Nuclear Fizzle Case (Babcock & Wilcox)

1. Draw up a timetable for the major events described in the case study.

Process Choice Exercise

1. Please fill in the answers called for on the Process Choice Exercise. We will discuss the reasons for your answers in class.

McDonalds Case

1. Review the service delivery process.
2. How does this meet the needs of the business?
3. Review the recent changes in the business. What has been their impact?

Hoffmann Tobacco Case

1. What was the underlying rationale behind the decision to orientate different product types to each of the two plants?
2. What were the reasons for undertaking the investments in the two manufacturing plants?
3. Why are the two plants achieving such markedly different levels of performance?

Rumack Pharmaceuticals Case

1. What are the key order winners and qualifiers in the market served by Rumack?
2. Using the data and information provided in the case, evaluate Rumack's capability to support the market requirements placed on manufacturing.
3. Review the implications for manufacturing of the company's marketing strategy.

Tyndall A Case

1. Which market segments are most attractive to Procter? Which measures of attractiveness are you using?
2. Which market segments would be the least difficult in which to compete?
3. Which products are the most attractive to Procter? What measures of attractiveness are you using?
4. Which products offer the greatest potential for differentiation from the competitors' offerings?
5. Is there reason to believe that your answers to the above questions would change over time, say in three to five years?

Tyndall B Case
1. Review the marketing initiatives undertaken by the Tyndall Furniture Company. In your review analyze the market segments in relation to the perceived order winning criteria and their customer characteristics.

2. Review the manufacturing initiatives undertaken by the Tyndall Furniture Company. What are the characteristics of the process choice decisions made or under review by the company?

3. What are the implications for manufacturing of the marketing initiatives (and vice versa)? To what extent does this analysis provide an explanation for the recent trends in profit performance?

4. Review the current position from a corporate perspective. How do you reconcile the manufacturing and the marketing perspectives of the business? What advice would you give to Matt Culley?

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**Anonke Apparel Case**

1. Review the marketing initiatives undertaken by Anonke. In your review, analyze the market segments in relation to the perceived order winning criteria and their customer characteristics.

2. Review the manufacturing initiatives undertaken by Anonke. What are the characteristics of the process choice decisions made by the company?

3. What are the implications for manufacturing of the marketing initiatives (and vice versa)? How well is the company performing against the market requirements being placed on manufacturing?

4. Review the current position from a business perspective. What are the important strategic issues for marketing and manufacturing? What changes, if any, would you recommend concerning the firm's marketing and manufacturing strategies?

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**Northmore Finance Direct**

1. Outline the development of the personal loan business described in the case study.

2. With regard to the call center, how does the service delivery process work?

3. What are the key tasks for operations in supporting the growth of the personal loan business? How well is operations meeting these requirements, what key issues need to be addressed, and what strategic changes and developments need to be made?

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**HQ Injection Molding Case**

1. What happened to this company ten years ago? Assuming that the corporate decision was to overcome these difficulties, what was the marketing strategy adopted and, comparing seven years ago and today’s operations, has it proved to be successful? Is there anything on the current balance sheet which would concern you?

2. The company now makes products of the original design and the revised design. How do these two sets of products win orders in their respective market places?

3. What manufacturing strategy has the company developed to support the order-winning criteria for each set of products?
Peterson Carton Services Case

1. Review the marketing strategy initiatives undertaken by Peterson Carton Services in the context of the declining profit situation. Within this, analyze the different market segments in relation to the perceived order-winners referred to in the case study narrative.
2. To what extent does this analysis provide an explanation for recent trends in profit performance?
3. What are the implications for manufacturing of the marketing initiatives?
4. Review the current position from a corporate perspective. What advice would you give to Gerry Townsend?

Santal (SA) Case

Examine the proposed split of Santal’s manufacturing function into two parts, one to support the aerospace and the other to support the automotive sectors with particular reference to:

- The rationale for changing from the existing manufacturing process arrangements.
- The particular approach chosen to split manufacturing.

Tama Electronics Case

1. What are the characteristics of the market segments that the company has chosen to compete in? How do products win orders in each market segment?
2. What are the important features of the four manufacturing units at Tama Electronics?
3. Analyze the data provided for the different products in Exhibits 2-4. What conclusions can you draw regarding the match between the market segments and the manufacturing units?
4. What should be done concerning the request by the employees to review the wage payment system?
5. What actions are necessary in order for the company to be competitive in the future?

Zara Case

1. What underpins the success of Zara in its chosen markets?
2. Outline the production and distribution processes.
3. How do the production and distribution processes meet the needs of the markets?

Sherpin Case

1. Analyze Sherpin's markets. What are the key order-winners and qualifiers that constitute operations’ strategic task
2. How well does operations support the needs of the company's markets?
3. What additional information would you need to provide essential insights into the origins and resolution of operations' performance?
Jackson Precision Castings Case

1. Review Jackson Precision Casting’s market based on the five representative customers for which information is provided.
2. Examine and evaluate the recently introduced continuous improvement initiative and the proposed payment system changes.

X. OPTIONAL PROJECT ASSIGNMENT

This project is concerned with conducting a marketing/manufacturing strategy analysis in a company. It includes three phases: Market Segment Analysis, Process Choice Analysis, and Marketing and Manufacturing Strategy Analysis. The purpose of this project is for you to apply the marketing and manufacturing strategy material presented in the course in an actual company setting.

MARKET SEGMENT ANALYSIS

The first phase in the project is to describe the nature of the market(s) served by the company. In this analysis it is important to understand how to break the overall sales of the company down into market segments and determine the characteristics of each market segment that are relevant to the operations function in the business. Following are several questions to guide the Market Segment Analysis:

* What market segments are targeted by the firm? How is each market segment defined?
* Who are the principal competitors in each market segment and what are their major strengths?
* What are the important order winning criteria for each market segment? How much weight is placed on each order winning criteria?
* What are the important qualifiers to enter each market segment?
* What customer examples are representative of the general characteristics of each market segment?
* What marketing initiatives has the company taken recently (or is contemplating)?

For each market segment it is important to determine the key features such as: the particular characteristics of the customer base, the types of products sold, the important product features, sales volumes during the past several years and sales forecasts for the relevant future periods, sales timing during the year, customer needs concerning lead times, pre and post sales customer service needs, pricing, technology requirements of the customers, quality requirements, etc. The purpose of the market analysis is to determine the particular capabilities required from the operations function in order to compete effectively in each market segment.

PROCESS CHOICE ANALYSIS
The second phase in the project is to develop an understanding of the nature of the production process and its present capabilities. Following are a number of aspects of operations that should be considered:

* What are the major steps in the process that are required to produce the product? What is typical pattern of material flow in the process?
* How would you characterize the operations function in this company in terms of the process choice framework shown in Figure 3.1 in the Manufacturing Strategy text by Hill? Why?
* What factors are considered in assigning products or customer orders to each of the major processes?
* What role do inventories play in the process? At what stages are they located? What products are produced on a Make-To-Stock or a Make-To-Order Basis?
* Review the major capital investments and expense programs that have been undertaken in recent years by operations. What were the objectives and the principal benefits obtained from these initiatives?

MARKETING/MANUFACTURING STRATEGY ANALYSIS

The final phase of the project is to determine the fit between the marketing and manufacturing strategies of the company. An important part of this work is the analysis of a representative sample of customer orders for each market segment studied. The data to be analyzed for each customer order includes: the order winning criteria, the unit price, any price discounts, the variable costs of producing the order (including transportation costs), the production time on each major process, any quality or defect measures, the customer and production lead time for the order. Prepare an analysis of the customer order data for the selected market segments to address the following questions:

* How well does the company perform with regard to the order winning and qualifier criteria in each market segment?
  * What factors affect the contribution margin in each market segment?
  * What market segments are the most (least) attractive? (How do you define the market segments?)
  * How well does each major production process support the different market segments?

The purpose of this analysis is to determine the operations performance of the company relative to the requirements in each market segment, to look for possible strategic mismatches, and to develop strategic recommendations for the company.