MINIMIZING THE DELAY IN THE DELIVERY OF FIBERGLASS PRODUCTS IN NATURALITE INDUSTRIAL CORPORATION

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CHAPTER VI

6.1 PRESENTATION OF CONCLUSION AND RECOMMENDATION

1. CONCLUSION

A carefully planned delivery operations is a main ingredient in the company's success in terms of on time delivery. There are some instances that a company is not aware of the losses occurring in their company. For example, Naturalite Industrial Corporation has been ignoring the company's delay in the delivery of fiberglass products. With the increase of the customers, Naturalite Industrial Corporation (NIC) has a need of improving the delivery operations of their products to be able to meet the expected From the inclusive months of June to November 2005, there had been delivery time. reported customer complaints with regarding to the delivery of the fiberglass products. The company may have neglect the importance of on-time delivery of the fiberglass products to the respective customers. The company lacks proper scheduling of the delivery of their products and is not aware or the consequences that it may bring. A preliminary investigation has been conducted whether there is a relation between the delivery of the product to its customers and the delivery time. Naturalite Industrial Corporation is experiencing 23.99% average delay in the delivery of their products from June 2005 to November 2005.

Based on the findings, the delay in the delivery of fiberglass products adds expenses to the company. The major causes of the delay in the delivery of the products were (a) Traffic; (b) Absence (or tardiness) of delivery personnel and; (c) Vehicle breakdown. Alternatives have been proposed in order to minimize the delay on the delivery of fiberglass products and reduce the losses in the company. The first alternative

is the hiring of one logistics supervisor that will be held responsible for the monitoring and managing an on-time delivery of fiberglass products to its customers. The second alternative is conducting training and seminars that improves the discipline and skill of delivery personnel. The third alternative is the purchasing of one additional delivery truck to ensure the timeliness of the delivery of the product and prevent vehicle breakdown.

2. RECOMMENDATION

Through the cost and benefit analysis of the proposed alternatives, ACA 1 and ACA 2 are strongly recommended. ACA 1 is the hiring of one logistics supervisor and ACA 3 is the purchase of one delivery vehicle. The cost for hiring one logistics supervisor (in a year) is P 312,000.00. The cost for the purchase of one delivery truck is P2,100,000.00. It will be a great help on monitoring the delivery operations and decrease the possibility of delivery vehicle breakdown.

By implementing ACA1 and ACA3, the company will eliminate 84.86% (126 hours) of the delay in the delivery of fiberglass products; therefore will have an annual savings of P 872,524.8 and a payback for about four and a half years upon investment.