



You have been given the Summary Business Plan for Quality Conserves Ltd which outlines their current status in the marketplace and their three year plan. What it doesn't tell you is that there are a number of problems within the company, which require a solution.

Problems:

- A number of wholesalers have been complaining that the quantity of stock they require cannot be fulfilled. In addition, they have to wait long periods of time for the deliveries of goods they have been told they can have.
- Although none of the retail customers have had problems with ordering goods, they too, have had long periods of waiting for the goods to arrive. In particular, Goflower and Perkins Pantry did not receive their delivery of mincemeat until the second week of December. Goflower is a big customer and is responsible for £2.2m of business. Perkins Pantry is responsible for £12,890 of business annually.
- Over the past six months, Quality Conserves sales of both bottled and pureed fruit has decreased substantially and projected figures demonstrate that by the end of the year, sales of these products will be $\frac{1}{4}$ of what they were in the previous year.

Issues:

Some investigation has already been undertaken and the following information has been gathered

- Samuels have recently started producing bottled and pureed fruit from their farms, including an exotic range from abroad such as mangoes, kiwis, mandarins, peaches and nectarines
- Quality Conserves Ltd has old machinery in their factory and each production line (there are two) can only produce one jam at a time. In between each production run, the plant needs to be stripped in order to be cleaned for the next production. This takes a day
- The freezer plant for storing fruit is very dated and can only store up to 400 tonnes of fruit at a time
- Sugar is stored in warehouses on the premises with a high wastage. For every 20 tonnes of sugar, 0.5 of a tonne is lost to wastage. This is due to poor storage and handling
- The plant operates 24 / 7 with only Christmas Day as a closure day
- There is a high turnover of factory staff (22%) and most of the employees on the production line are women
- Causton's confectionary produce blackcurrant jam, blackberry jelly, apple jelly and honey
- Causton's wages for factory workers are £8.50 per hour





- When customers order a particular jam, if there is no fresh fruit available and no freezer stock, they need to wait until the fruit has been sourced and the production line is available to make the jam. Because the fruit is seasonal, there is often some difficulty about sourcing the appropriate fruit
- Even when the fruit is sourced from Quality Conserves own farms, there is often an issue about storage as the farms produce more than can be stored in Quality Conserves own freezer plants. Therefore freezer space has to be hired and the nearest place for this is 90 miles away
- The fruit bottling plant has up to date and modern machinery, however, only 43% of the bottling staff have been trained to use it. They are trying to teach others to use it as they go along. But takes up a great deal of time and inevitably leads to mistakes being made and wastage occurring as a result
- The fruit purees and coulis use the same production lines as the jams
- The mincemeat is a seasonal line and is outsourced to “Christmas Unlimited”, a small producer who, it is rumoured, are struggling to keep going

Sales:

The company has six sales reps and they are directly responsible to the HR Director. The HR Director has very little knowledge of sales, so the reps have had to become “experts”. The problem with this is that when they report problems to the HR Manager, they are seen as trivial compared to other organisational issues and therefore very little changes to help the sales reps. Recently they have identified the following problems:

- Quality Conserves only make one years supply of fruit products at a time and the reps find it difficult to supply their customers quickly. Customers often have to wait up to two months for their order to be fulfilled
- There is no co-ordination of ordering, so each individual reps orders get treated individually by the factory manager

Buying:

The senior and junior buyers are responsible for all the fruit buying that is required. This can be difficult to predict as harvest of the company’s own fruits, is difficult to predict as it relies on the weather to a large extent. One of the problems that the senior buyers have identified is that when there are difficulties with their own production of fruit, other suppliers are also having difficulties. This means that to replace their own shortfall of fruit is costly.

The same criteria apply when there is a good harvest. Other producers will also generally have had a good harvest, and be looking for storage space at the same time. In the past this has led to chronic wastage with up to 2 thousand tonnes of fruit being ditched at a time.

- 20 tonnes of strawberries produces 41 tonnes of jam – 3426 cases of jam in 500g jars
- 20 tonnes of raspberries produces 38 tonnes or 3167 cases





- 20 tonnes of kiwis produces 37 tonnes of jam or 3083 cases
- 20 tonnes of apricots produces 40 tonnes of jam or 3265 cases
- 20 tonnes of mixed fruit produces 42 tonnes of jam or 3590 cases

Staffing

- There are problems over the wages for factory staff. They have recently seen jobs advertised by Causton's, which offer considerably more than they are getting, and they want a wages review
- A recent visit from the environmental health adviser has identified that there is a problem with the current cleaning product being used. It does not remove all traces of fruit from the production line in between runs
- The Senior Buyer is currently exploring a proposal from the jar and bottle suppliers. They are offering a reduction in the cost of a jar from 20p to 15p if Quality Conserves take 5 million jars in a one off order from Hong Kong
- Quality Conserves Ltd has just changed sugar suppliers and will receive a substantial discount if it exceeds 4000,000 tonnes for the year

