

Deluxe Trading Company Purchasing Department

Background

Deluxe Trading Company (DTC) is a fast-growing consumer products company that licenses new products from all over the world and acts as agent and distributor for those products domestically. As the company has grown, the Purchasing Department has had to grow and expand to keep pace. In order to keep up, the Purchasing Department has added two new buyers, and three new assistants to the existing staff, bringing the total to 12. All of them are crowded into the current suite of four offices that were not designed to be occupied by more than one person in each. As the latest products were added to the inventory, it soon became apparent that the Purchasing Department's recordkeeping and filing systems were no longer adequate to handle the volume of work.

John, the Director of Purchasing, has successfully negotiated with DTC's senior management team to get new offices for the Purchasing Department in Building A. The only stipulation was that the Purchasing Department must be up and running in the new office in time for the start of the new fiscal year on May 1, 200X.

The new office suite is scheduled to be available for the installation of new phones and computer networks and any other build out by March 10. Pete, the buyer for office furniture and equipment, knows that there is a two-week delivery time for the new furniture, so he forecasts that everything can be done by March 25.

Purchasing Supervisor Sue says that DTC's vendors will need a 30-day lead time before they move in order to change over their invoicing to the new address and phone numbers.

John will be responsible for assigning the staff to their new offices. In order to have enough time to move their personal items, files and office supplies to the new offices, John realizes that he needs to make the assignments not later than April 10.

While Sue was thinking about how they were going to move the files and all the paperwork and records, she realized that the move might be an opportunity to empty out the old files they no longer needed, and to design a new filing and recordkeeping system that could handle the new process they had put in place. She has talked to several of the department staff members, and they voiced some good ideas about how the recordkeeping system could be improved. The records would be moved over to the new offices in Building A in several trips, but all the records need to be in place by April 15.

John would like to start conducting daily Purchasing Department operations from the new location at least one day prior to the start of the new fiscal year; just to be sure they have a chance to identify any problems that they haven't anticipated in the plan.

Two of the buyers do not get along with each other. One of them has even accused Sue of showing favoritism in work assignments toward the other. The other buyer has talked to others in the staff about how unfair management is, and that some of the staff will be "punished" by

assigning them to what he calls the “less desirable” offices. John wants to head off any issues among the staff over how the new offices are designated by having an office lunch and conducting a “lottery” for the new offices by drawing room numbers out of a hat with everyone participating.

John is concerned that the move might generate some stress and frustration on the team. He is sensitive to the gossip going on about the move and how offices will be designated. He has determined that if 25% of the team (3 people in the case of the Purchasing Department) expresses concerns or complaints, he should make it a public issue.

Instructions

Using the Action Planning form, create an action plan for the Purchasing Department’s move.

Step 1. Based on the information given, write the Planning Goal (end result desired) in form of a SMART goal (Specific, Measurable, Action-oriented, Realistic, Time-bound).

Step 2. The case identifies at least 5 Action Steps that must be accomplished and gives clues to the responsible person and the due dates for each step. Identify which Action Steps are critical.

Step 3. Identify any Potential Problems or Opportunities presented in the case. (Hint: these will relate to the Action Steps identified as critical) For each Potential Problem rate the probability (P) that the problem will occur and the severity (S) or amount of impact if the problem does occur on a scale of High/Medium/Low. For Opportunities, rate the severity (S) or impact if the opportunity is realized.

Step 4. For each Potential Problem or Opportunity, list the Likely Cause(s) for that issue.

Step 5. List Preventive Actions that the DTC team could take to prevent those likely causes from happening.

Step 6. List Contingent Actions that the DTC team could take if the Preventive Actions fail.

Step 7. Determine a Contingency Alarm to trigger each Contingent Action if it needs to be implemented.