

Mini Case Study

" A Quick Choice of Transport Modes "

1. The company⁶



The company: Schnitten AG is a successful traditional Austrian company in the 23rd district of Vienna. For years its customers have been delighted with its unique wafer creations.

In addition, Schnitten AG has another production site in Oed (Wiener Neustadt). Currently, the company has around 500 employees and offers its products only in Europe (retail and wholesale).

Organisation chart (excerpt):

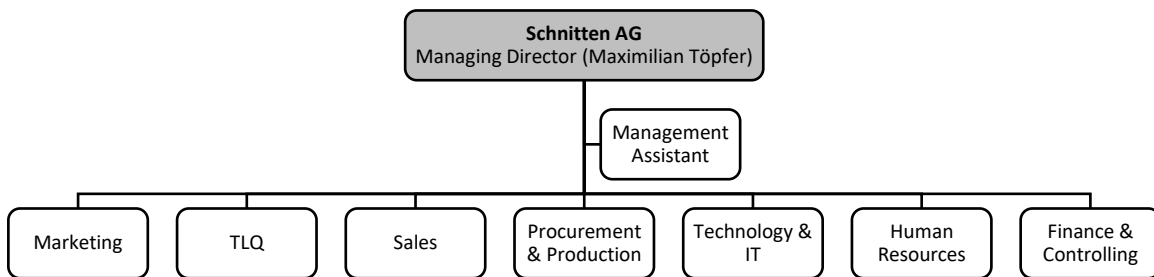


Figure 1: Extract from the Schnitten AG organisation chart

Comments on Figure 1:

- "TLQ": This is the department for transport, logistics and quality management.
- "Purchasing & Production": The department manages purchasing and production for the head office and other manufacturing locations.

Products: The flagship product of Schnitten AG are its unique wafer creations, coming in different flavours - from apple to tiramisu. It's the lemon wedges after a secret and traditional recipe which are best known. Furthermore, Schnitten AG has recently added the best and largest cookies to their product range which currently includes the flavours "Cookie Light" - the cookie for the slim figure - "Cookie Dark" - using the best dark chocolate - and "Cookie White" - for those who prefer the lighter version.

Environment and sustainability are at the heart of Schnitten AG's corporate philosophy. By using "fair trade" certified raw materials and cooperating closely with its suppliers, Schnitten AG has taken its first steps towards a more sustainable future and a respectful attitude towards the environment. The marketing department is currently working in close cooperation with the TLQ department on a greener design of the transport, logistics and supply chain processes of Schnitten AG as part of the "Together we go eco" project.

2. Your role

You were selected from several candidates for an internship at Schnitten AG. Due to your school specialization and staff shortages, you will be assigned to the department "Transport, Logistics and Quality Management (TLQ)" (department head: Ms. Maria Klein).

⁶ The description of the company was largely based on Josef Manner & Comp AG.

3. An exciting start

Your first day of work in the TLQ department already begins with an exciting task. Due to a defect of the production machine "Alpha" (= the Cookie-capping machine of Schnitten AG for cookie production), the management convened an extraordinary meeting of the heads of department, at which your superior (Mrs. Klein) must also be present. After a lengthy discussion, the management decided that the spare part should be purchased, and that Mrs. Klein's department is to take over the necessary transport planning. In two hours at the latest, the management would like to receive a proposal on the transport process.

Since your superior and her staff are already busy with the transport and route planning of the recently introduced cookies due to great demand and urgency, they would like to rely on your active support. You will take over the transport planning of the spare parts delivery for which you receive the following information:

From: produktion@schnittenag.at
To: maximilian.toepfer@schnittenag.at
Re: pressing problem - production machine Alpha

Dear Maximilian,

The dosing head of the Alpha production machine, i.e. our cookie capping machine with which we produce cookies for the new assortment, is defect. My assistant has already researched that there is currently only one spare part in stock in Bucharest. Here are the details for this part:

*Type: AYZ1023
1 item in stock in Bucharest
€ 39.90; weight less than 5 kg
no delivery*

Unless we receive this spare part quickly production will come to a halt.

Figure 2: Mail from the head of the "Purchasing & Production" department about the problem

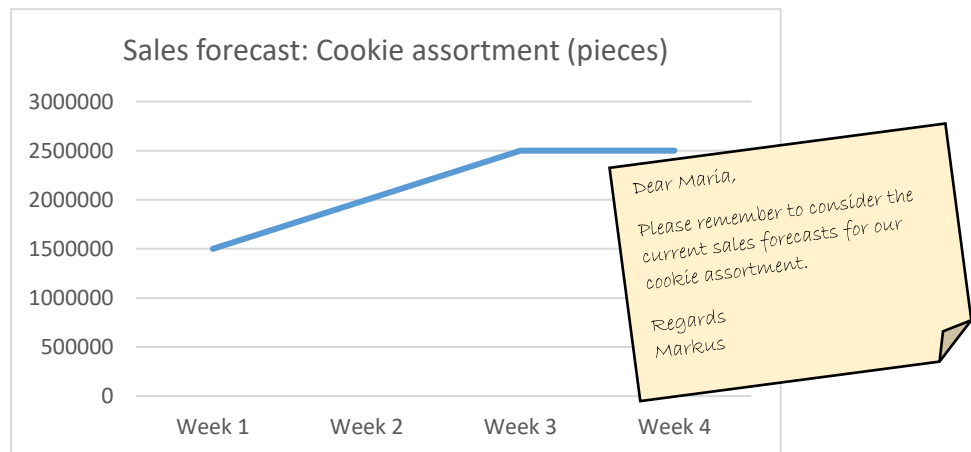


Figure 3: Information of the sales department on the cookie assortment for the next 4 weeks

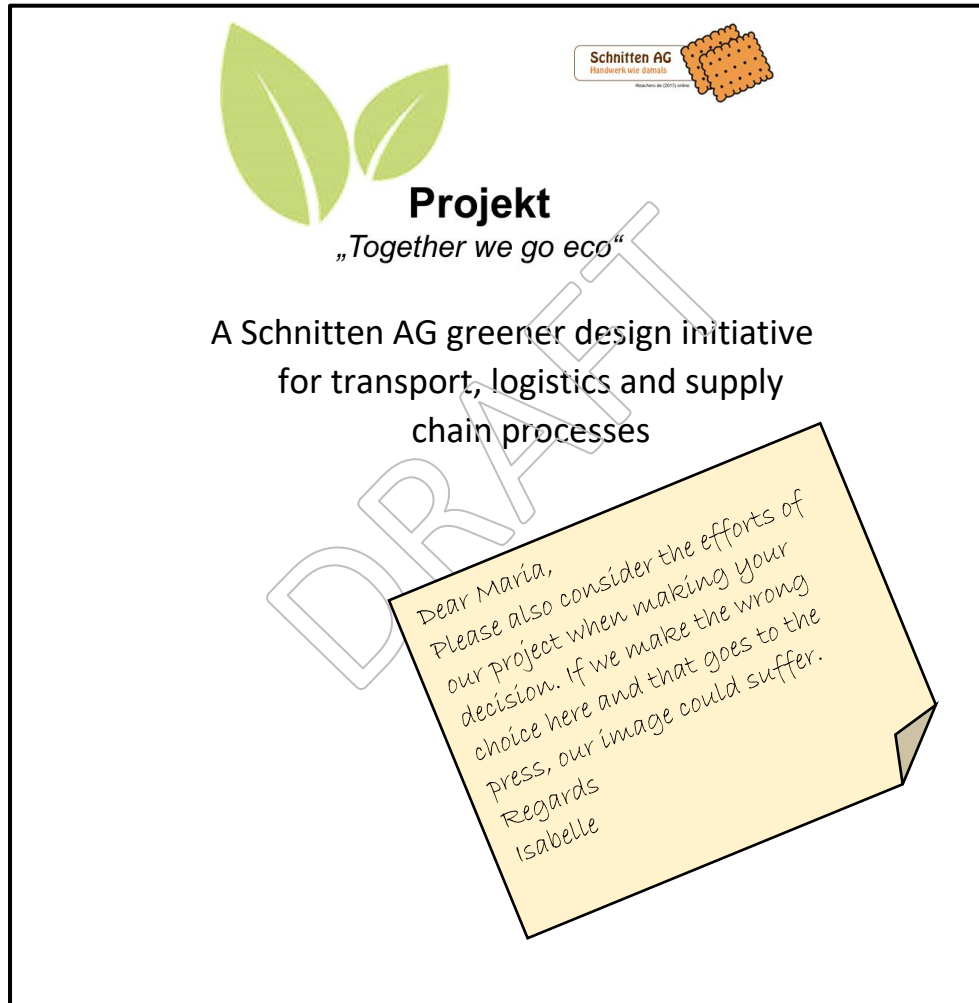


Figure 5: Information from the marketing department on the sustainability programme

From: lager@schnittenag.at
To: maria.klein@schnittenag.at
Re: Warehouse status

Dear Maria,
The stock status query resulted in the following:
The average inventory coverage of all three cookie variants is less than 5 days.
Regards
Julia

Figure 4: Information of the warehouse employee on the warehouse status of the cookie assortment

Notes - department heads meeting; topic: Alpha production machine (continued):

Management decision: spare parts is to be purchased, TLQ department takes care of transport planning (information from the departments must be taken into account; however, fast and safe transport is more important in the acute situation than consideration of sustainability and must be evaluated equally).

Figure 6: Session notes from your supervisor

Task 1

You want to provide your superior with optimum support in transportation planning, so

- first, analyze the problem plus the information provided by the extraordinary department head meeting,
- second, answer the following questions:
 1. What is the central problem the production department of Schnitten AG faces?
 2. Which information must your superior consider for transport planning?

Task 2

After you have gained an initial overview of the various pieces of information, work for your supervisor begins. With a scoring method, justify which mode of transport or which combination of several modes is/are most suitable for transporting the spare part, using all available information (including justification).

Consider the following ideas of your boss:

Ideas for the scoring table design

Suitable modes of transport are only road, rail, sea and air transport.

Criteria: Environmental friendliness, safety, speed, spare parts affinity

Scale: school grading system (1 point = Very Good, 5 points = Fail)

Weighting: The weighting is done in steps of 5 and needs to be done by you based on the information.

Thank you!

Figure 7: Information of your superiors