

Aspect			Company	
			A	B
Market	Characteristics		<ul style="list-style-type: none"> Low-volume products Customized products Wide product range Short product life Customers give demand forecast and then call off order against it 	<ul style="list-style-type: none"> High-volume products Standard products Narrow product range Seasonal demand High level of new product introduction Changing product mix
		Order-winners	<ul style="list-style-type: none"> Product design Delivery speed 	<ul style="list-style-type: none"> Price Delivery speed
	Qualifiers		<ul style="list-style-type: none"> Delivery reliability Quality conformance Price 	<ul style="list-style-type: none"> Quality conformance Delivery reliability Product design
Operations strategy	Operations	Features	<ul style="list-style-type: none"> Low-volume batch process Long process lead time Use raw material and work-in-progress inventory to reduce process lead time High precision work High labour cost (60 per cent total) Uncertain process and product 	<ul style="list-style-type: none"> High-volume batch process Short set-up times Small batch sizes Use finished goods inventory held at distributors to meet demand changes Low-cost manufacturing Low labour cost High material cost
		Task	<ul style="list-style-type: none"> Meet product design and quality specification Reduce process lead time Control labour cost Deliver on time 	<ul style="list-style-type: none"> Reduce material and overhead costs Manage finished goods inventory Reduce raw material and work-in-progress inventory
	Planning and control system	Master production scheduling	<ul style="list-style-type: none"> Make to order and assemble to order Manufacture to known and forecast customer orders Rough cut capacity planning due to long process lead time 	<ul style="list-style-type: none"> Make to stock Manufacture to forecast customer orders Fixed three-month production plan Finite capacity planning
		Material planning	<ul style="list-style-type: none"> Time phased Material purchased or manufactured for known and forecast orders High product obsolescence risk Extra material ordered to cover scrapped items Raw material inventory held to reduce operations lead time 	<ul style="list-style-type: none"> Rate based Material purchased or manufactured against forecast Finished goods inventory held to eliminate operations lead time and meet seasonal demand
		Shop-floor control	<ul style="list-style-type: none"> Push system Skilled operators schedule and track orders Despatch and production control staff liaise between customer and operators to manage delivery priorities Capacity planned by work centre 	<ul style="list-style-type: none"> Pull system Kanban system Just-in-time material flow Low raw material, component and work-in-progress inventory

EXHIBIT 10.17 The relevant manufacturing tasks and MPC system investments of two companies serving different markets