OPERATIONS STRATEGY FOR CORRUGATED CARTONS MANUFACTURER
A CASE STUDY FOR
NISOL CORRUGATED CARTONS LTD.

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The Dissertation was submitted to the Department of Management of Technology of the University of Moratuwa in partial fulfillment of the Requirement for the Degree of Master ’of Business Administration.

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2007

90756
Abstract

Nisol Corrugated Cartons produces printed corrugated boxes. The company does not compete by having the lowest prices. Instead, it does so by offering high reliability concerning quality and delivery lead times.

The company's operation strategy has changed vastly over the past year, ever since the company gone for the expansion. This in turn emphasized the importance of having the right level and structure of stock for offering the high level of service. In the light of these new challenges, Nisol entrusted the new policies with a project aiming to construct a framework for gaining an understanding of the operations strategy decisions.

The purpose of this master dissertation was to evaluate and determine new operations strategy. This was performed in view of company's new supply chain, increased customer requirements and competitive focus. Moreover, the effect that customer demand information (forecast and orders) and internal linkage between the departments pose on the operations strategy decision and thus in the determination of the competitive priorities-. were also researched.

A case study research, at the Nisol, was performed to fulfil the purpose. The aim was to collect relevant information for the purpose at hand. Unstructured interviews with managers from different departments were the main source of information. These were supported by in field observations, and documentation to some extent.

The customer order decoupling point (CODP) was an important issue inside the operations strategy and sufficient evidence was found for recommending a manufacturing to stock / manufacturing to order strategy.-CODP of the process can be verified as corrugated board making since the 43% of the orders are small quantity orders and customization will be started from the printing process of the corrugated boards. However, multiple CODP's were seen on the process with the vast
product mix. Pasting process, waxing process and corrugators are found as the CODP's with respectively 7ply boards, waxed cartons and partitions & dividers as few examples. Furthermore, indication was found to assert that internal linkage is a prerequisite for a successful implementation of this operation strategy.