

MARA INSTITUTE OF TECHNOLOGY

**EVALUATION OF THE EFFICIENCY OF THE CURRENT
ORDER FULFILMENT PROCESS IN
HEWLETT-PACKARD**

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ABSTRACT

The purpose of this study is to evaluate the current order fulfillment process and to identify problems that could lead to excessively long order cycle time and give recommendations on how to reduce its time. Order cycle is the measurement used to measure the efficiency of order fulfillment process. It measures in term of time as to how long it takes to complete the whole order cycle i.e order fulfillment process.

The methodology used in order to complete these tasks are hands-on experience, observation, face to face interview with the authority concerned and interview with the customers. As for secondary data textbooks, company's report, magazines and Internet are used to assist in making the analysis of the problems and recommendations.

First, the 12 steps of order fulfillment process is discussed in term of its importance and cost. Then the problems that affect it are identified for example processing priorities, damaged or wrong products, configuration error and production hold. Recommendations are given to improve the order fulfillment process and reduce the order cycle time through the implementation of the hub concept ,sole logistic company, upgrading the system used for order processing and others.

Evaluation of the effectiveness of the order fulfilment process is done by monitoring the order cycle time of the randomly selected orders. The effectiveness of the order fulfillment process will reflect the level of the customer service provided by Hewlett-Packard. The effectiveness of its order fulfillment process is evaluate by monitoring the cycle time and analysis of order fill performance.

TABLE OF CONTENT

PAGE

CHAPTER 1

1.0	Background of the Study	1
1.1	Hewlett-Packard Sales (Malaysia)	2
1.2	Financial	3
1.3	Objectives of the Study	6
1.4	Scope and Limitation	6
1.5	Problems Statement	7
1.6	Literature Review	7
1.7	Methodology	11

CHAPTER 2

2.0	Order Fulfillment Process	13
2.1	Life Span of an Order	21
2.2	Job Description	23
2.3	Relationship Between Order Fulfillment Process and Order Cycle Time	24
2.4	Factors Affecting Order Processing Time	27

CHAPTER 3

3.0	Systems Used by Hewlett-Packard for Order Fulfillment Process	33
3.1	Introduction	33
3.2	WWOMS	33
3.3	PIM	37
3.4	TIGER	38
3.5	HEART/COCHISE	41
3.6	CONRAD	41
3.7	PATSY	42
3.8	Opinion on the System Used	43

CHAPTER 4

4.0	Order Cycle Time	45
4.1	Definition of Each Segments	46
4.2	Definition of Each Cycle Time Segments	49
4.3	Cycle Time Calculations	50
4.4	Definition of Cycle Time Segment Dates	50
4.5	Calculation of Total Order Cycle Time	50
4.6	Hewlett-Packard Targeted Order Cycle Time	52
4.7	Current Order Cycle Time	53
4.8	Analysis of Orders	54

1.0 BACKGROUND OF THE STUDY

The founder of Hewlett-Packard are Dave Packard and Bill Hewlett who are bestfriend and engineers while in Stamford. The two bestfriends decided to start a business and *"make a run for it"* , thanks to the support from the Stamford professor and mentor, Fred Terman. They formed a partnership in January 1, 1939 and came up with the name Hewlett-Packard by tossing a coin. Hewlett-Packard first product was an audio oscillator (HP200A), it is an electronic instrument used to test sound equipment. It was built in Palo Alto garage in California which later became Hewlett-Packard headquarters.

Walt Disney became their first customer when they ordered 8 audio oscillator for the making of the classic movie '*Fantasia*'. The company was then incorporated in August 18, 1947. From that point it went on growing by learning about the '*new*' technology of electronic. HP then take one step further by publishing its stock to the public in 1959. On the same year the HP corporate objective are written. It became an important foundation for the HP management style which are also known as the HP way. According to Bill Hewlett, HP co-founder *"what is the HP way - I feel that in general terms it is the policies and actions that flow from the belief that men and women want to do a good job, a creative job, and that if they are provided the proper environment they will do so"*.

Palo Alto, California became HP headquarters. It then opened its first manufacturing plant outside of Palo Alto in Boeblingen in West Germany. HP grows steadily in the test and