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| DATE: October 17, 2011  TO : Pat Hobby  FROM: Nick Adams  SUBJECT: RECOMMENDED PURCHASE OF THREE AAA VIDEO CASSETTE RECORDERS (VCRs)  INTRODUCTION  **Purpose**  The purpose of this report is to recommend the purchase of three new VCRs.  **Problem**  We need these VCRs in the Management Development Training Department for the following reasons:  1. Currently, our two ABC VCRs (Purchased in 1997) break down approximately twice per week. When this occurs, they are unusable for ten hours per week and cost the department $ 150 each for weekly repairs.  2. Our department has acquired four new trainers. We offer 25 percent more management development courses this year than we did last year. These factors, coupled with the increased use of video presentations, require working VCRs.  **Personnel**  Our vendor contacts are as follows:  ABC Electeck XYZ Inc. AAA Electronic  Steve Ross Jay Rochlin Karen Allen  415-628-1904 415-489-7286 415-459-3872  DISCUSSION  **Criteria**  The following criteria were considered when I compared the three top-selling VCRs.  1. Maintenance– We need to purchase VCR which comes with a frequent (either quarterly or biannual) service agreement (at no extra charge).  2. Service Personnel– The service people should be trained by the company that sells the VCR.  3. Warranty– The warranty should be for at least one year.  4. Cost– The VCR should cost no more than $ 1,000.  **Analysis of Three VCRs**  The following table compares the top three VCRs we researched:   |  |  |  |  | | --- | --- | --- | --- | | **Table 1 Criteria Comparison** | | | | | CRITERIA | AAA | ABC | XYZ | | Maintenance Package | Quarterly | Biannual | No Options | | Service Personnel | AAA Certified | Subcontracted | No Options | | Warranties | 1 year parts and labour | 90 days parts and labour | 1 year parts and labour | | Cost | $ 950.00 | $ 899.99 | $ 1,500.00 | |
| CONCLUSIONS  Although the ABC and XYZ VCRs are good pieces of equipment, neither meets all our criteria. In particular, their service personnel are not trained by the VCR manufacturers. Also, the XYZ VCR, our current model, is the most expensive and offers the fewest service options.  RECOMMENDATIONS  Given the combination of cost, service contracts and warranties, AAA is our best choice for purchase. With three new AAA VCRs, we will be able to offer more efficient and effective seminars to a greater number of company personnel. |