

Group Project – Case Analysis of Sport Obermeyer

The Sport Obermeyer case describes the forecasting, planning, and production processes of a global skiwear supply chain. Sport Obermeyer is a high-end fashion skiwear design and merchandising company headquartered in Aspen, Colorado that sells its products through U.S. department stores and ski shops. Although the company has a global supply network, most of its critical outerwear products are sourced through the Hong Kong-based company Obersport, a joint venture between Sport Obermeyer and a Hong Kong partner. Obersport, in turn, manages supply and production operations in Hong Kong and China.

The case provides an in-depth description of the planning and production processes Sport Obermeyer and its supply channel partners undergo each year to develop and deliver Obermeyer's product line, with a particular emphasis on the nature of the information that flows among the members of the supply chain and the timing of key decisions and events.

In preparing your case report, please think carefully about the following questions: (Hint: feel free to IGNORE price differences across styles throughout your analysis; you can discuss how such price differences would change your analysis at the end of your report.)

1. Using the sample data in Exhibit 10, make a recommendation for how many units of each style Wally Obermeyer should order during the initial phase of production. Assume that there is no minimum order size requirement, and that Obermeyer's initial production commitment must be at least 10,000 units. Assume that an initial order of 10,000 units leaves sufficient capacity for the second order.
2. Using the sample data in Exhibit 10, make a recommendation for how many units of each style Wally Obermeyer should order during the initial phase of production. Assume that all ten styles in the sample problem are made in Hong Kong (a minimum commitment of 600 units per style ordered), and that Obermeyer's initial production commitment must be at least 10,000 units. Ignore price differences among styles in your initial analysis. Clearly spell out the methodology you have used to make your ordering decisions, and the logic behind your methodology.
3. Repeat your analysis, now assuming that all styles are made in China. What differences (if any) result?
4. What operational changes would you recommend to Wally to improve performance? Clearly list the expected benefits from each change. Please try and be very specific in terms of the changes and benefits in response to this question.
5. How should Obermeyer management think (both short term and long term) about sourcing in Hong Kong versus China? What sourcing policy would you recommend?

The deliverable of the project is a final report. The report should be no longer than 10 pages (excluding title page, table of contents and appendix; minimum font 11pt, 1.5pt line spacing). Your report will be evaluated based on:

1. Quality of your answers to the above questions (85%);
2. Professionalism of your report (15%) - spelling, syntax, and etc.