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- Firstly need to review the contracts of nutriacare Ltd.- Even if the both companies satisfy with the service Steven Inc. provided overall profit of the Stevenson logistic division is decreasing rapidly. So Stevens need to review the both contracts and identify the places where need to change.
- Implement the finding into the operation - after review the entire operations and places which needed the change to entire operation become profitable. Then these finding need to implement in to the operation of Stevenson integrated logistic activities.
- Identify specific cost associate with each fleet and optimal capacity of each fleet
- Operating of fleet C seems like unnecessary cost because it will serve same as the customers of fleet A serves. cost of operating fleet C can be reduce by using fleet A in both fleet A and fleet C operation. Need to recalculate the cost of each fleet and try to identify whether there are any non-value adding cost are there or not. Then try to eliminate unnecessary cost in operations. And try to cut back the overall cost of the operation.
- Review and monitor – after change the operation Stevenson need to constantly monitor the process and make sure that the operation is smoothly run. Without disappointing the customers .also need to get customers feedback and make sure they are satisfy with the changes implemented.

(2) The firm wants to reduce the overall cost of operation and achieve higher sales margin but in other hand customer want to get best quality services in a lowest price. So It is difficult to get the right between delivery costs and customer service levels. There are

number of ways which company can follow to achieve a right balance between customer satisfaction and cost of operation such as Differentiation of service level which match the specific customer segment. when the company identify different customer segment of their overall business and provide the services which address specifically that customer segment need then the company will be able to have a right balance between the cost and the overall satisfaction. using customer service channels and using the proactive content effectively company can improve the customer experience to reduce the cost and increase retention. This approach will create a stronger bottom line and satisfy customers.