



ALLEGHENY COLLEGE

ECON 240 Class of 2016

Acutec Field Trip

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Fall Semester

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1 The Building

The building was built in 1929, it was originally Synthetic fiber plant and was Closed in the 1970s. the building was not air conditioned until they got a hold of it. The plant temperature has to be between 68 to 73 degrees. The parts are very susceptible to temperatures because if the temperature changes the tolerance will be different and the company needs a part with a very consistent tolerance. Acutec has to have very good climate control. In the building they have signs everywhere that have the acronym FOD. Which stands for Foreign object debris, is also an important aspect because they cannot allow certain things getting in to parts. The reason being is that it can cause damage to the part and in the case of airplanes it can kill people if something stops working.[1]

2 The Parts

Many of the parts that we saw have special coating that is only done in Texas and in Pennsylvania which brings great differentiability. Since they are not a big company like the automotive industry or the iPhone industry which make thousands of parts in one day they have to take a different approach to how they make their 70-140 parts a year. Many of the parts that are made are worth 200-300 because they don't really make that many parts they need to sell the decent priced parts. Every part has to be treated to the highest quality. The parts go all around the world but not by Acutec. They sell their product in a specific place and then they sell them internationally. Only about 10% Acutec exports internationally, but 40% will be sold around the world. Most of the parts are done with a machine. When the part is not worked by a machine the workers have to have a lot of experience to work with the part and have all the necessary tools.

3 The Workers

The workers in Acutec have to come with a high skill because that is the only way to stay competitive. It was not the case where a person out of high school can get a job. They could accept them only if they have the ability to score a 5 or 6 on an exam. It really doesn't matter what the educational level the worker has, the worker will get hired if they score high enough. Usually harder for those with less education. In the world that we live in today there is no more room for the guy with a hammer, everything in that company has gone digital. The Workers are important as the

Machines. That is why they take the time too train their workers for 15 weeks, to get them ready for the job. .One of places where they spent a lot of money was in IT department. The former president did not say how much but through his tone of voice, it seemed like a huge amount.

4 Technology

Acutec business has to be up to date with the latest technology to survive. Working with 3D printers Acutec believe that 3D printing is the future and they want to invest some time to figure out how it works. In the near future actually make parts with 3D printers. For now they just have models of the 3d printers. 3D printers maybe A slow process but having the ability to have multiple 3d printers can actually save time and elminate workers giving them advatange in the market.The advancement in the current machines have lowerd rate worker and speed, keeping up with the technology is very important to Acutec. Although technology is very important to company they also have to note that any other company can obtain acutec technology, so thing that has differentiate them has to be the workers.They need developpe their workers so that they can preform at the workers best.

5 WIP

WIP stands for work in progress, it is your money just sitting there . Parts that were either sold or gonna be sold taking up space. The Parts cannot be exported because they have not been processed yet and therefore you want the WIP out of there as soon as possible because it just money ready to made. According the fromer VP if you ever own a business without a doubt we are going to run into WIP. Workers have to do a "FIFO" First In First Out so they have to get the first thing that came in.

6 Side Notes

Some of things That I noticed from walking arround is that everything was very clean. Most of the worker were operating machinery keeping busy. The Former VP talked to his worker like as if they were his friend, and had postive attitude. IT depratment were running their database on sql intergrated with a software Im not

sure what . They had distributed system, maybe running Puppet, but they had the ability to monitor all of there workers on screen.

7 Questions

1. What are the sources of Acutec's competitive advantage? Acutec's workers are fully tested and ready to go for there work, they have lastest technology, and have a good reputation from quality work.
2. What are challenges does Acutec face with its rapid growth, especially with regard to the international market?

Well, they want to move mexico but they are afraid that thier quality might go down. They fear that once they gain enough experince they will migrate to the US. They will get paid 3x if they were to stay here.

3. What are government's policies that affect Acutec recently?
4. What roles does Acutec play in the local community?

Creates jobs to the local community, Acutec also is invoved with the comunity.

5. Is Acutec environmental friendly? If Yes, how? If No, are there future plans for sustainable development?

Well if look at the case of the Plastic boxes we can say that reduced the use of cardboard boxes thus being enviromental friendly. Seems pretty sustianble to me you can keep the

References

- [1] Wikipedia. Foreign object damage — wikipedia, the free encyclopedia, 2016. [Online; accessed 3-May-2016].