

What are the implications of BTO for the value chain of suppliers of Dell components?





Value Chain and IT Transformation at Desko (A)

TheCaseSolutions.com

Study Case Presentation

Albert Winadi, Fredy Jingga, Kartika Ruru

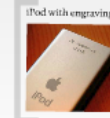
Built to Order

"A style of order fulfillment where production is commenced once a confirmed order is received"

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Most suitable for:

- Highly customizable,



- Low-volume products, or



- Expensive holding inventory



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Problems

- Susceptible to market demands
- Can not fully utilize manufacturing capacity

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Benefits

- Provide customer with the exact requirements
- Reduce cost and risk to holding inventory

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Solution

- Proactive demand management
- Find the 'perfect' Decoupling point
(Identifying which suppliers should be BTO,
and which should be BTS)

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Problems

- Susceptible to market demands
- Can not fully utilize manufacturing capacity



Benefits

- Provide customer with the exact requirements
- Reduce cost and risk to holding inventory



Hybrid BTO

a combined approach,

where some items are built to stock,
and others are built to order

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