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# Carol Electronics

First of all I think Carol needs to do something about its shipping costs. With a $100 shipping cost for 1-week shipping it is hard to be flexible in delivering items. Carol will have a hard time competing with Amazon.com’s Prime free 2-day shipping. Carol needs to take better advantage of its close proximity to its customers – 30 miles. This should allow it to put together a better shipping program. For example, it could use couriers to deliver items same day to its customers. This would let the customer’s stock room feel like an extension of Carol’s. This type of service would give Carol’s a big advantage over the competition.

If this service would be too expensive, Carol should also consider the normal mail. Within 30 miles service would be overnight or 2-day which would be far faster than their current service.

If they had their own delivery trucks, they could build work on a restocking model where the truck would be fully stocked and drive through the territory calling on customers every few days. The delivery clerk would then restock the customer’s supply up to a pre-set level.

Carol could also move to a “minibar” model where the items are not considered “sold” until they are removed from the stock room. With this model the customer would not have to worry about setting a stock level, having to reorder, or carrying stock. When Carol next visited the stockroom they would note what was taken and restock the area. They would then bill the customer for items removed in the meantime. This service would be very convenient for customers because they do not need to go through the trouble of filling out a purchase order, they merely go over to the stock room and pick something out. There would be no reason for the clients to purchase from other companies as long as the item was in stock in their Carol “minibar.”