



CASE 1

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Making Product Decisions in Citra (M) Sdn Bhd

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ABSTRACT

This case describes the dilemma of Citra (M) Sdn Bhd in making product decisions. This dilemma arises as a result of the need to respond to an urgent order of the 14” colour picture tubes from its headquarters in Korea. These tubes were intended to solve the inadequate production problem of Citra (China) whose production had been disrupted by an explosion. On one hand, satisfying this request might disrupt Citra (M) Sdn Bhd’s production plan due to capacity constraints. On the other hand, accepting this order represents an opportunity to tap the vast market in China. Thus, in spite of the capacity constraints and the possible disruption to its production plan, the General Manager of Citra (M) Sdn Bhd asked himself, “*How could I possibly reject this order from China?*”

Keywords: product decisions, disruption, production plan, capacity constraints

PROLOGUE

On 26th March 2002, Mr. Jo, Sales General Manager of Citra (M) Sdn Bhd (hereafter referred to as Citra Malaysia) was having a meeting with the top management in the company’s boardroom to discuss the strategy plan for the second half of the year. Towards the end of the discussion, Jo was interrupted by an unexpected call from Mr. Pak, the Sales Manager of Citra (Pusan) in Korea. The excerpts of the telephone conversation were as follows:

Mr. Pak: Jo, we have bad news from Citra China plant. An explosion has just occurred in the 14” colour picture tubes line. After discussion

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