**VANDERLANDE INDUSTRIES: PARCEL & POSTAL PREDICAMENTS**

**CASE SYNOPSIS**

VanderLande Industries (VI) is a strong global player in the distribution, parcel and postal (DPP) automation market, providing fully automated systems for parcel and posting sorting centers. VI’s product line has always remained strictly customer-centric, with every product built from scratch according to the customer’s wishes, but with increasing market pressure from new market entrants offering faster and lower-cost standardized solutions, the firm is seriously considering altering its market-responsive, service-focused and integrated product offerings towards a more efficient, modular and standardized output.

This case describes the frameworks and knowledge related to the first set of large-scale, modular and standardized repeated projects that VI has offered. VI hopes to leverage its knowledge and experience accumulated from these projects and replicate the new approach in many future projects. However, VI’s infrastructure is not suitable for such a transition: the firm is entirely organized around customer-specific projects and employees are used to work for individual customers. Jan Hulsmann, managing director of VI’s DPP division, is struggling to find a way to re-organize the division so that it can be both cost efficient and customer attentive.

This case highlights the considerations involved in choosing an appropriate strategy for product offerings. It describes the difficulties in overcoming the trade-offs between service and efficiency, integration and modularity, and efficient and market-responsive supply chains, when designing or altering a product strategy. It delves into both the benefits as well as the downsides involved with different product strategy approaches, and attempts to make students think about what product strategy is most appropriate for what business and market context.

The main teaching objectives of this case are focused on product strategy and adjusting to changing market landscapes. After discussing the case, students should be able to:

1. Describe the differences between a product company and a project company.
2. Explain the trade-offs between specialization and standardization, modularity and integration, innovation and cost-efficiency, responsiveness and economical value.
3. Exercise to manage these trade-offs in a complex situation.
4. Generate creative solutions to the dilemma(s): expected outcomes include increasing modularity, altering the insourcing versus outsourcing mix, and expanding towards standardized products for less demanding customers.

This case is suitable for Master students in business management (MSc or MBA) and can be used in courses on operations management, supply chain management, purchasing, logistics, and general strategic management. It can also be used for executives and managers involved in product strategy.