

Assignment final proposal



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In order to enter the global economy, Future Growth Inc. Must gain financial support to achieve appropriate prices and adequate advertisement. Market Structure Future Growth Inc. Holds the determination and ability to gain success. Since being established in 1946, Future Growth Inc. Has financed, built, and sold its brand of forestry and construction equipment. The company has been able to increase profits over the years. As the United States' economy fell, Future Growth Inc. Experienced one-third of its workforce being laid off, a 30 percent decline in profits, and a domino effect from the reduction of housing market sales.

These factors have hindered the construction industry in its entirety. Nursing homes and hospitals still hold a demand for building construction within the United States, despite the economic recession (University of Phoenix, 2014). The heavy construction equipment necessary for the development of bridges, water lines, manufacturing and energy plants, nonresidential as well as residential buildings, and roads is manufactured by Future Growth Inc. Among this heavy construction equipment are mixers, off-highway trucks, large cranes, pavers, and bulldozers.

Having been in the industry for over a century, Future Growth Inc. Is an experienced company. Executives have realized that collecting the funds necessary for the investment of this heavy equipment is greatly influenced by the arbitration rate, per capita income, various social conditions, and the existing infrastructure's condition (Gross & Weiss, 1996). The Thomas Money Service Inc. Scenario provided by University of Phoenix (2014) shares, 'There are currently many domestic and international companies manufacturing construction and forestry equipment.

Each company's equipment offers slightly different features and functions, which allows the market to supply many substitutes" (Para 6). This industry is an oligopoly market structure, as it is a market dominated by only a select few manufactures of a differentiated or homogeneous product (McConnell, Bruce, & Flynn, 2009). Future Growth Inc. Aims to advertise its unique products in the Middle East, specifically in United Arab Emirates. Product Elasticity Experts insist that construction machinery demand in the Middle East has steadily increased.

A number of factors will continue to drive the demand for such machinery in this area Of the world (Sway, 2010.) Sway (2010) shares hat the General Manager of the AJAX Contractors Association, Humid Salem stated, " As major developers start to repay contractors, they will be able to repay their sub-contractors and suppliers, giving a major boost to the industry as a whole. This will lead to more growth in the sector, and create a renewed demand for construction machinery as new projects get underway" (Para 3). Future Growth Inc. Also hopes to lease or sell more than 500 pieces of equipment has have been repossessed during the global economic recession. In the United States, these products are elastic, while demand elasticity in the Middle East is fairly lower. This provides a great opportunity for Future Growth Inc. To take advantage of that area's new demand for construction. Increasing a business' revenue can be achieved in three different ways: the value of client sales can be increased, client numbers can be increased, and clientloyaltycan be increased. Raising the price of a service or good is the fastest way to increase revenues.

However, price increases for goods and services may not always be the best route to take when increasing revenues is the goal. Client loyalty to the company and product can prove to increase revenues, as these loyal customers are willing to pay the price that reflects the experience, value, and skills provided by Future Growth Inc. (Doyle, 2005). Doyle (2005) states, " Perhaps you need to lose some of the clients who were used to your low prices to make room for clients who are willing and able to pay the prices that reflect your true worth" (Para 16).

Raising prices has the potential to attract new clientele, as the act of raising prices can express the value of the product provided. When a company holds confidence in its self-worth, the industry as a whole will notice and respond accordingly (Doyle, 2005). Consumers question the value of a product if they perceive prices as being too low. The company's growth can also be hindered if prices are too low, as it has entered an unequal exchange of value. Developing a marketing budget including the increased price from marketing costs is being considered by Future Growth Inc.

The ultimate plan is to increase advertisement in the United Arab Emirates and United States. Nursing homes and hospitals may take advantage of repossessed inventory to help meet the demand that the industry has for new facilities. The economy of the United States remains an area of concern for Future Growth Inc. So, exiting this market is not included in the company's plan for growth. Profit-maximizing quantity is a focus of Future Growth Inc., which is determined through the use of the marginal analysis concept. Future Growth Inc. determines marginal cost by subtracting the change in total costs. When marginal revenue is greater than marginal cost, the sales

of Future Growth Inc. Must increase until marginal revenue and marginal cost are equal. This will optimize profits. The table provided by the University of Phoenix in the Thomas Money Service Inc. Scenario illustrates this.

Minimizing product costs is a focus at Future Growth Inc. As well. Traveling by air can keep distribution costs high, whereas water travel can reduce these distribution costs.