

Chapter 12

discussion questions

[Business](#), [Strategic Management](#)



- Approximately how far ahead would one need to plan for the following types of facilities?

A. Restaurant-At least one to three nights in advance. You could go to the farmers market to get fresh vegetables but you may only be able to get staples/necessities once or twice a week. B. Hospital-I would say at least a week if not a month to be enough to take care of all the patients they might get. C. Oil refinery-An oil refinery I would have to say would need to plan for a weekly possibly monthly schedule. D. Toy factory-I would say a daily maybe weekly schedule to keep up with demand. E. Public school-I would say based on what I have heard while I was in school that they would have to plan for a monthly schedule. F. Electric power plant-Daily would be my guess to provide power at all times, as well as monthly to bill customers for their services. G. Private school-I would think that they do the same thing that a public school would do most likely a monthly schedule.

- What problems are created by simultaneously considering the capacity questions of how much, how large, where, when, and what type?

The facilities decisions are exceedingly complex and extremely difficult to analyze. When these problems are lumped together simultaneously it creates very complex forecasting problems and errors trying to break down data.

- A school district has forecast student enrollment for several years into the future and predicts excess capacity for 2000 students. The school board says that the only alternative is to close the school.

The school board in this scenario is being rash. I think that the school could be opened and run at capacity. They could add on to the school and rent mobile trailers to teach kids in while the additions are being completed. There is a way that this could be dealt with in a way that everyone wins. Closing the school is a worst case scenario and could devastate a community and ruin kid's chances at a shot at a good education.

- Why are facilities decisions often made by top management?

What is the role in these decisions of operations, marketing, finance, accounting, engineering, and human resources. They are made by top management because they have all the information and follow all of the trends of the latest business decisions. The top management people have all of the marketing department information, finances of the company. Accounting sends all the vital information needed to influence specific decisions that management might make. Engineering and human resources do the job that top management assigns them to do. Human resources hires and enforces rules. Engineering does all the assignments that top management assigns them.

- In what ways does corporate strategy affect capacity decisions?

Corporate strategy affects capacity decisions by devising plans to make decisions by coming up with goals to meet budgetary and profit requirements. Based on all of the information they can come up with they apply it all and come up with a way to market their product.