

# [Essay on problem statement](https://assignbuster.com/essay-on-problem-statement/)

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## Quantitative Problem Statement

Capital value of business is $120, 000 too low.

The major effect of low capital to an organization is the ability of a competitor to accomplish two acquisitions at once. Fairlie (2008) suggests that the business may face 60% difficulty in increasing the stock of the business $200, 000. Banjerjee (2005) suggests that the business can offer a $200, 000 rights issue to the existing shareholders in order to overcome this crisis. Vance (2005) indicates that the business can engage in increasing capital levels by $150, 000 by disposing redundant assets. According to Vance (2005), the management can engage in increasing capital level by $50, 000 by looking for a new investor.

## Qualitative Problem Statement

Employee motivation is below 70%.

Bruce (2006) indicates that a company affected by low motivation of about 30% may experience failure of exceeding 60% efficiency of labor force. 60% labor efficiency translates into more than 40% drop in production. According to Albarracín (2005), the company’s innovation capacity will reduce to about 83% while improvement activities will reduce by 15%.

Bruce (2006) suggests that the company can offer a 30 minutes break to the morning hour’s employees. In addition to the break, Bruce (2006) recommends that the logistics department can offer a 2 day free transport to all employees of the firm. The company management can facilitate the catering department to offer a $2 tea break incentive at the employee’s cafeteria. Bruce (2006) adds that the human resource should increase active shop floor employees by 15 in every production section and 5 in every service section. Also, the human resource may shift 3 human resource managers and 5 supervisors rotationally after 2 weeks.

The tentative estimate cost of this move is $75, 000. Considering the experts required, the move also needs 3 turn-around strategists and 4 performance analysts to deliver 40% progress in 2 months.

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