

Dakota office products analysis essay



**ASSIGN
BUSTER**

Since behind the scene activity differs for both type of orders, on the phone and on the website, customer will be charged for extra activities based on efforts involved. This helps DOPE pass the customer to Customer As required. The alternative solution can be to make compulsory some minimum orders and available thru website only.

The second choice is to make sure account receivables are 30 days old only. No more than 30 days allowed by the DOPE. The main goal of whole exercise is to increase company's profitability.

There re several ways that we can increase profitability.

After implementing proper cost accounting system, we can confidently decide which profitable product is or which loss making product is. Since this is to decide based on type of customer services used by customers, profit making customers can be given additional services and charge for that services. Alternatively, company can amend their minimum requirement for orders and account payable for loss making customers to reduce their operational cost.

Based on analysis done for Customer A and Customer B, the customer which place its order in large annuity and online have least amount of overhead cost and customer who puts less or small number of orders are most costly to the company in the analysis Customer A places total 12 orders over the years in which half of them are online.

Customer B puts 1 00 such orders for the same amount and same year over the phone. So company should increase customers like A and decrease

customers like B or change their ordering habits to get close to Customer Ass habits. This will result in increased profits for DOPE.