

Case study analysis outline

Business



This product was light et durable and was the base for their expansion into similar products. Soon after this Floodlit released foldable tables and stackable chairs. The company continues to grow throughout the ass and peaked in 2006 when revenue reached 60. MM. At this time Foldable was the leading company In their Industry. After 2006 however, Foldable started into a decline.

Lead-time increased drastically and the reliability of the delivers dropped significantly. After the fact, the company decided that this drop in form was due to inexperience.

After 2007 a group of investors came in and revamped he company bringing in new experienced members of management. This proved a necessary change as the company has been on the rise since then. C.

Case Focus - No more than two sentences describing what type of Issue(s) the protagonist needs to address and why. ? The new problem that Foldable is facing Is the Increased demand for their product. Their current operations will not be able to support this need and a strategy is needed in order to meet this demand. III. ANALYSIS - identify criteria for making decisions.

Place criteria in subheadings: a.

Financial - It Is more expensive to hire new employees with training. .

Strategic - It Is a short term thought to solve the Immediate problem. C.

Risks - If the forecasted Is not accurate then the overtime payment Is for nothing. Lb. ALTERNATIVE SOLUTIONS a. Solution 1 - Use of overtime I.

Implications, financial - 1.

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XX the normal wage rates including benefit 1 . Inventory costs less as well n.
 Implications, non-financial - fatigue which declines quality and yield 1 . May
 not appeal to all employees, decrease In moral, not long term solution III.
 Risks - If the demand is not accurate the use of overtime is for nothing b.

Solution 2 - Increase staff temporarily .

Implications, financial - hiring skilled workers costs \$1 500 in recruiting and
 administrative expenses. It. Implications, non-financial - more risk if demand
 not met " I. Risks - if demand was not met firing new workers would be
 demoralizing. C. Solution 3 - Changing designs Implications, Atlanta - 1 one-
 time changer, saves money save worker, increases quantity that you can
 produce it.

Implications, non-financial - one month to fully implement. Iii. Risks - none d.
 Solution 4 - Increase inventory I. Implications, financial - Money that is
 sitting when credit is tight lie.

Implications, on-financial - Minimal only if demand is accurate, warehouse
 capacity, taxing machinery Iii. Risks - With credit expense carrying a low
 inventory would cause concern, need to replace machinery e. Solution 5 -
 Subcontracting I. Implications, financial - add 20% to cost of labor of
 products. It.

Implications, non- financial - do not have to commit to minimum order Iii.
 Risks - unnecessary use of finances, no control over quality V. CONCLUSIONS
 - rank the options 1-5 with 1 being the highest in terms of risks versus
 benefits, as well as how well it aligns with the corporate strategy. . Solution 2

s the riskiest because of the cost to hire and train along with benefits. If this option does not pay off, there are not only unemployment payments, but also demoralizing of workers that must be fired after recently being hired.

B. Solution 3 is also quite risky. More-so financially rather than not financially. The cost of having workers being paid overtime is a significant liability. This would work to make the number of units increase quickly.

C. Increasing inventory is only risky if the forecasted demands are not accurate.

Having the inventory sit is costly but not horrible because it will eventually be sold. At the same time it would insure that orders are met and customer service stays high. D. Subcontracting isn't especially risky but is again a cost that has to be taken on.

It is better than having credit but still something that is considered last ditch. There is limited risk seeing as there is no minimum order needed. E. The least risky is to change the model. There is an initial cost and time commitment but other than that it is an improvement that will help in the long run whether there is an increase or not.

It is always good to keep idle time and reduction time down. VI.

RECOMMENDATION - identify your recommendation based upon an identified solution/combination of solutions. A. I would recommend using Solution 1.

This is because there is no need to train new employees. It is better to use employees that know the company. I would rather give them additional paid work even though it is slightly more expensive. Especially since this could

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Just be an initial bump in demand for some added advertising and exposure.
I would consider increasing our work force if demand is met and continues to rise.