

# Online business simulation business plan

[Business](#), [Company](#)



## **Micro Manager Computer**

### Utilization of budgets and Pro-forma statements

Competition has and continue to influence the performance levels of different production firms all over the globe. Nonetheless, production firms in increasing their competitive capabilities can utilize several strategies. These strategies offer a competitive edge in both production and marketing of products. As such, being the manager of a firm that manufactures and markets personal computers, I will articulate on how budgets and pro-forma statements were utilized in ensuring the adequacy of funds in increasing the firm's production capacity, which is essential in attaining the required competitive capabilities.

Budget and pro-forma statements are essential in that they give estimates of future expenditures. Precisely, decisions made during the initial stages of creating the statements gave a reflection on the expected expenditures during the subsequent year. For this reason, the proposed report mentioned on such importance of the statements, which enabled the management of the personal computer manufacturing firm to determine the surplus funds available for increasing its production capabilities and developing competent marketing strategies that would ensure its success in the market (Davis & Davis, 2010). In addition, budget and pro-forma statements provided me with a succinct breakdown of the available resources inclusive of liquid and monetary assets, which played a crucial role in the attainment of the company's business goals.

The business goals of the personal computer manufacturing firm were aligned with the need to integrate technological innovations in its products, which merge with the preferences of its user segments. Therefore, the financial statements were essential in verifying the funds available for utilization in integrating technological innovations to the company's products. During the initial stages, budget and pro-forma statements did not comprise of many expenses, in fact the only expenses incurred at that time comprised of those used in carrying out market analysis, as this influenced different production elements of the company (Davis & Davis, 2010). Deductively, the pro-forma and budget statement(s) were pivotal in streamlining expenses that are essential in the initial stages of producing satisfactory personal computers.

The budget and pro-forma statements were further utilized in restructuring decisions aligned with the company's production; hence contributed in ensuring that the company had operating profits (Davis & Davis, 2010). As expected, operating profits in the first production phase were in the negative due to costs incurred in market entry. On the contrary, the company had operating profits in the subsequent phases as indicated by the pro-forma statements. For the reasons, I utilized the pro-forma and other financial statements in adjusting financial decisions so that funding on product promotion was increased in order to attain larger profits than indicated in the preceding statements. Both the budget and pro-forma statements were also utilized in balancing the company's resources in terms of equity and debt, which gave a reflection of the company's operating capacity. This allowed for merging of the company's capability in comparison to those of its competing

firms, which ensures integration of different adjustments to suit market and consumer needs.

## **Strategies**

Upgrading its operating efficiency also occurred as the core business goal of the personal computer manufacturing company. To achieve this, the company employed different strategies that align with the need to achieve economies of scale within the industry sector. Much emphasis was laid on just-in-time and lean operation strategies. Just-in-time strategy mainly involved drawing up of plans based on the constantly changing market trends. For this reason, the assumption was often made streamlined to integrate sustained improvement ideas including the need to merge manufacture of computers with the current needs of the consumers. The integration of such improvement ideas ensured production of suitable computers that suit the consumer preferences; hence, eliminating instances where computer products manufactured were reduced to waste due to lack of market or disregard of the products by consumers. Application of this strategy was beneficial in that it ensured the development of personal computers that were suitable for the emerging consumer preferences, which ensured an increase in volume of sales. Notably, an increase in volume of sales led to an increase in production, which reduced the production cost and hence increased proceeds per unit sales. While using the just-in-time production approach, I focused more on production initiatives, and the budget statements were developed based on such initiatives (Lee & Snyder, 2007), and this increased the feasibility in achieving the business goals. However, I exercised caution while applying the just-in-time approach in

order to avoid overestimating the effectiveness of integrating new marketing trends in the company's production process. It is worth noting that the application of the just-in-time approach did not take place in isolation as I constantly consulted other personnel within the computer-manufacturing firm.

On the other hand, I utilized the lean manufacturing strategy in increasing the production efficiency of the company. This mainly involved implementation of production initiatives based on the type of personal computers that the clients were willing to purchase (Lee & Snyder, 2007). For this reason, elements that added value to the consumers were integrated in the product development process while ensuring that the costs of integrating such elements were minimized. In addition, consumer demand was a central factor that was considered, as this ensured production of products that relatively concur with the demands. As an example, consumers preferred personal computers that can be portable and can be linked with other computers. Use of lean manufacturing made it a priority to continually produce more preferred products by reducing production of less preferred products. Overall, I utilized the lean manufacturing approach by first identifying product elements that were often disregarded by customers. Through this, I was able to integrate elements that are valued by the customers; hence increase consumer product consumption in any given production volume.

## **Work Cell Simulation**

In applying work cell manufacturing, our team reorganized and redesigned the manufacturing process into cells where the production of products with similar characteristics were grouped together. Configuring manufacturing components into work cells did provide crucial efficiencies for the manufacturing process in addition to enabling the company to minimize unnecessary handling of manufacturing materials. Throughout the manufacturing process, work cells help in minimizing costs while ensuring continuous flow of components in the manufacturing facility. Grouping together similar production processes and requirements increased the functional capacity of our manufacturing facility. Employees in our work cell manufacturing processes were cross-trained to increase their capabilities of handling all equipment within the manufacturing facility. We also had an execution plan that supported the flow process and increased our ability to standardize manufacturing tools and procedures. Equally, the work cells enabled the process of feeding the final product assembly line. Compared to other manufacturing layouts, work cell manufacturing provided reduced costs through processes such as increased processing time, minimized handling of materials. Other advantages included flexibility and motivation among employees.

## **Inventory Decisions**

The goal of our operating activities involved the improvement of the overall operating, financial, and market performance (Gleich, Jaideep & Wald, 2008). Inventory decisions guided us in addressing fundamental issues relating to production and distribution of manufactured goods. Inventory management

involved the ability of the team in using the firm's assets in the creation of sales revenue. Decisions made in the simulation exercise entailed computing the total asset turnover for our company. The speed of brand selling guided the process of determining the production schedule. Equally, a set production rules was applied in controlling the production line. The target and replenishment points specified the minimum and maximum points whereby the production of excess production made the manager to stop production as soon as the target point of the brand had been reached. Similarly, the manager initiated the production of the brand when its minimum target had been reached. Investment of research and development was targeted at the improvement of changeover equipment and production materials.

The company was guided by the policy of producing inventories that never run out while at the same time ensuring that it does not produce excess capacities. An increase in ending inventories is associated with penalties and all inventory decisions had to consider the minimization of excess inventories and unwanted inventories at all costs. Our geographic market included placing focus on markets that lie in the middle of the cost/size continuum and for this reason, cost minimization is important to improve sales revenue (Ernest, 2008). Examination of our operating capacities helped in making decisions related to the management of inventory equilibrium to satisfy the market demand.

## **Continuous Improvement Program**

The need to achieve quality assurance goals entailed the need to continuously monitor, improve, and execute functions relating to the management of strategy, marketing, manufacturing, and market research. Our company used a systematic approach to manage the process of producing quality products. This process will involve following particular specifications such that the company establishes policies and goals for quality. Equally, quality improvement was aimed at preventing the production of poor quality computers because the production of low quality computers was associated with giving the company bad image and thereby, affecting sales revenue. Management of strategy was aimed at enabling the company to determine solutions to counter any anticipated moves from competitors in addition to helping the process of improving the company's financial capabilities. Speaking of manufacturing operations, only specific quality of products could be accepted and computers that failed to meet a specific quality could not be shipped to clients. Variance studies will be used in determining the extent to which computer components are manufactured outside of specified tolerances. Source studies will enable the identification of the production errors during the manufacture of computers. This guided in the process of improvement the quality of production process and the amount of investment in each investment segment.

Information was collected and analyzed in the quarterly potential improvement curves and this provided guidance in the quality improvement process. Information regarding demand, revenues, and lost sales according to region and brand helped in analyzing brand and regional profitability.



Price, ad, and brand judgment will be used to improve the quality of the product improvement option. Information from the performance of the competitors will play a role in the market and other information that we viewed as being important in the game. This information helped in the improved of strategy tactics, and the in enabling decisions related to market share improvement and profits (Meekings, 2005).

## References

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