

Shuzworld

Business



Recommendation In order for Shorewood store to sit in their prime target markets, it is important to carry out careful analyses on the three options; 1. Leasing an existing box store on Route 20 the stand alone option 2. Store in the Auburn Mall or do nothing 3. Prepare for the best time to enter into the market Notes: The most advisable option to go for is the stand alone store since it will have a very significant profit potential in case of favorable market conditions making a profit of \$ 00, 000 and in case there is unfavorable market conditions it will make a loss of \$ 500, 000.

From the decision tree, the MOVE of this decision is \$230000.

If the company goes for the option of Auburn Mall store, it will not make a profit as the case of stand - alone store because Auburn mall store has a small inventory square footage, and there is no store traffic. For this option, the company makes a profit of \$ 300, 00 In case of market conditions are favorable, and when the market conditions are unfavorable the company makes \$ 50, 000 losses.

Based on the decision tree, the MOVE of this decision is \$150000 SLIDE 2: Recommendation o The most advisable option to go for Is the stand alone store o This decision has an MOVE of \$230000 after conducting the survey If the company goes for the option of Auburn Mall store, It will not make a profit as the case of stand - alone store. This decision has an MOVE of \$ 150000 as provided by the decision tree below The most suitable decision Is that which Is most profitable to the company.

This profitability is given by the MOVE. In this case, the decision with the highest MOVE is the opening the stand alone store with \$80000 higher than the Auburn Mall store option.

Hidden SLIDES 21: Competitive Advantage 1. Operations Management Philosophies 2. Shorewood Company can increase the effectiveness and efficiency of the employees by carrying out the following operation management philosophies 0 Lean Manufacturing 0 KIT Manufacturing Lean Manufacturing is performance based for increasing competitive advantage by

The Company creates a culture where all the employees adapt long - term commitment from the top management level. Just - In -Time (JIT) Manufacturing is where the Company plans for manufacturing processes that help in achieving high volume production using the minimal inventories. The system is supposed to eliminate the inventory of raw materials (Schroeder & Flynn, 2001), work in progress, and finished goods by making them available as when required. KIT has many advantages for example increases the utilization of machinery and equipment.

Improvement of the quality of product or services Reduction in space requirements of the firm and higher involvement of employees since they are responsible in the production process.