

Kitchen made pies essay



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How will the company cope up with the stagnant sales of Kitchen Made Pies?

How will the company reduce the production cost of Kitchen Made Pies and still maintain the quality of its products? Does purchasing new equipment really necessary for the operation and how will it be financed? Does borrowings in the bank beneficial for the company? Should Kitchen Made Pies limit the numbers of different types of pies made?

Production Cost -Kitchen Made Pies should cut down their production cost; they should find ways to look for alternative ingredients/mixtures without sacrificing the high quality of their products. 2. Equipment -Equipment is really necessary in the operation. But purchasing of it will signify additional expense of the company. 3. Sales -Increasing the sales by identifying the best pies produce and boosting it to the market through marketing strategies. 4. Funds/Budget/Cash Flow -Kitchen Made Pies is suffering from financial problem. Having account payable o the banks and suffering from unconvertible debts to the consumers. . Manpower -Utilize the people by meaner of Job rotation. Hiring positions which is not needed in the operation. To lower the production cost by meaner of identifying the best seller pies in the market and eliminating the pies which does not contribute higher sales, revenue and profit. It will lower the production cost; expenses incurred will be lessen since Kitchen Made Pies will only produce pies which are sellable and marketable in the industry. Customers may also request for the availability of the pies. Limited choices will be given to the clients.

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They may have another taste or preference in choosing kitchen pies and it will not be right away served. 2. Purchasing of additional equipment and eliminating some employees which will not be useful in the production process. Advantage: More efficient pie machine will help a lot to have an easy and fast production of Kitchen Made Pies. Less time will be consumed in the production process and more pies will be produced even without the help and supervision of many workers. Disadvantage: By buying new equipment, additional expense/payable will be added to the company that may result to financial problems or even shortages.

Reduced workforce or lay-offs might affect the remaining employees at work. Workers may feel overloaded which leads to poor performance and they will be dependent already on the new equipment. 3. Imposing strict collections on accounts receivables and eliminate or substantially cut back the discounts and delivery of pies to the customers who have delinquent accounts. Advantage: Strict collection of accounts receivables will help in the financial robber of the company. Kitchen Made pies can use the proceeds of their collection in purchasing additional materials or ingredients.

Disadvantage: Some clients may not understand the strict implementation of collection of debts. They may think that Kitchen Made Pies does not trust them enough in terms of payment. They may seek or consider other suppliers aside from Kitchen Made Pies and sales might be decline. 4. Loan borrowings in the bank or another financial institution for additional working capital of Kitchen Made Pies and paying the bank note which has currently mom due through secured loan and having his house as the collateral.

Advantage: This will help Mr..

Dubious in settling his long outstanding payable and showing good records in borrowing money. Through this he may increase his loan amount and can have an additional working capital for his business. Disadvantage: The bank is only offering a secured loan, in case Mr.. Dubious will have a mishandling of money and will suffer financial troubles in business, the bank will get his house as payment for his loan. 5. Kitchen made pies should utilize their manpower by cutting the number of their employees especially in the level of managerial positions and hiring only the incompetent and trusted individual.

Advantage of this is that the salary cost will be incurred and effective human resources. Be minimized; lesser expenses will be incurred. Disadvantage of this is that the turn-over of the responsibilities will be taken for granted or may not be effective and efficient in the operation. ' V. RECOMMENDATIONS I

recommend that Kitchen Made Pies should do the following in order to cope up with the financial crisis and will strengthen their products in the market: . Identify the best pies and top choices of the customers.

Eliminate the product which is not sellable but accept special orders in case they change preference in the pies. Always update the clients to the new flavors available. 2. Kitchen Made Pies may purchase additional equipment but they should consider terminating other workers which are not useful in the operation. 3. Proper staffing and delegation of duties to his employees. Job rotation and staffs should not focus to only one function. Explore other areas of works so that no more re-hiring.