

Title: Location

Scenario: Growth

Format: Interactive Case Study

Green Spokes is a start-up bicycle manufacturing business that has been running for a few years. The company has invested heavily and is developing a strong presence within the Road Bikes segment. Please read the scenario briefing for more information.

The next three years represent an opportunity to take the company into a strong and sustainable position. It has the capacity to grow and there is still room to expand market share.

The business is currently located in rural premises out of town at a low rent but with poor exposure and basic facilities.



Consider what you are trying to achieve by moving location e.g.:

- Provide enough floor area to perform the functions of the business efficiently (Each worker needs 8 square meters of space to work efficiently. Each component needs 0.1 sq. m. and each product need 1 sq. m)
- Some extra space for fluctuating demand if needed
- Impress your customers
- Increase customer awareness
- Keep your employees happy
- Increase efficiency
- Avoid contract termination fees



TASK:

- Analyze and evaluate the current and potential location balanced against the company's capacity for growth over the next three years
- Decide upon a future strategy in terms of the location of the business which considers fixed costs, cash flow, revenue, flexibility, rental and relocation costs and efficiency
- Execute and evaluate the chosen strategy