

Title: Production

Scenario: Growth

Format: Dynamic Case Study

Green Spokes is a 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. For further in-depth information read the scenario briefing in the simulation.

The company has the capacity to grow and there is still room to expand market share from the current level. With growth in mind Green Spokes is therefore reviewing how it could improve its production efficiency.

As the Production manager(s) you have been tasked with reviewing and making recommendations as to how increases in efficiency can be achieved.



Remember that any decisions made will also influence:

- Purchasing Costs
- Maintenance Costs
- Production Capacity
- Productivity
- Required floor area for stock
- Flexibility
- Productivity
- Batch Cost
- Overall efficiency



Also, consider the impact of your recommendations on:

- Cash Flow
- Fixed Costs
- Costs of sales
- Efficiency

TASK:

Explore and evaluate what could be done to increase efficiency levels by considering whether contracting out production is the best option for the company. When thinking this decision through you should have a clear understanding of all aspects of your business.

- What do you predict the effect would be of contracting out versus in-house production?
- What are your conclusions and recommendations?