

# Q1 question

Review the following scenario, then answer the questions that follow.

You are the manager of a Durban-based manufacturing business called CraftMaster Furniture that produces high-quality furniture. The business has been in operation for several years and has a well-established production process. The factory has separate sections for design, woodworking, finishing, and quality control. The facility employs a diverse workforce of 200 employees, including designers, craftsmen, and machine operators. The design team collaborates with craftsmen to create intricate and innovative furniture pieces that reflect CraftMaster's commitment to quality and aesthetics. The employees are highly trained and experienced in their respective roles and are committed to producing high-quality products.

However, recently there have been several issues with the production process that have resulted in delays, increased costs, and a decline in the quality of the products being produced. The woodworking section, which houses the craftsmen responsible for shaping and assembling the furniture, has faced challenges due to an increased number of defective raw materials. These materials fail to meet the expected standards, leading to rework and delays in production timelines.

Moreover, the finishing section, responsible for applying paints, varnishes, and other final touches, has reported inconsistencies in the application process, resulting in a decline in the overall quality of the finished products. These production issues have also had a significant impact on the financial performance of the business, with declining revenues and increasing expenses.

CraftMaster's products are renowned for their craftsmanship and have found a niche market among affluent consumers in urban areas; thus, the target market is high-end consumers in South Africa who value quality and craftsmanship in their furniture. The marketing team has traditionally focused on

advertising in high-end lifestyle magazines such as Home magazine and participation in interior design exhibitions and events such as the Durban House and Home Show. This strategy has effectively positioned the business as a provider of exclusive, handcrafted furniture.

However, recent market research has indicated that there may be opportunities to expand into the export market. CraftMaster sees an opportunity to extend its reach beyond South Africa into the United

Arab Emirates (UAE), where aesthetics and a growing real estate sector align well with the company's offerings. However, to enter international markets, the business requires resources to adapt its production processes, align with global regulatory standards, and invest in marketing efforts to establish its presence in the UAE. Short-term financing will be needed for this expansion and to cover cash flow issues arising out of the current production quality problems.

Note:

In answering the questions below, consider the following:

\* Maintain a balance between theory and application

Q.1.1 Classify the process layout type for CraftMaster's production facility, then draw a diagram to illustrate your answer. Justify your choice.(15 marks)

Q.1.2 Apply the steps in quality planning and control to CraftMaster's operations.(15 marks)

Q.1.3

Explain the components of the consumer's total product with application to the scenario.(10 marks)

Q.1.4 Outline an integrated marketing strategy for CraftMaster aimed at the maturity stage of the product lifecycle.(15 marks)

Q.1.5 Explain the options for short-term financing for CraftMaster and then recommend a suitable option for the business.(15 marks)

Q.1.6 Provide suggestions financial managers should consider for improving a firm's profitability, with application to the scenario. (10 marks )