**Woodworks Bookshelf Co.**

In this lesson, we will use tables and charts in Excel to model cost projections numerically and visually for managers. Read the problem below carefully. If you’d like, take notes and start setting up a spreadsheet model of your own. Then, watch the next video in the course to see a solution.

**Scenario**

The Woodworks Company produces a variety of custom-designed wood furniture, made from either cherry or oak. The company knows that wood prices and labor costs are likely to increase in the future. The table below shows the number of board-feet and labor hours required for a bookshelf, the current costs per board-foot and labor hour, and the anticipated annual increases in these costs.

| **Resource** | **Cherry** | **Oak** | **Labor** |
| --- | --- | --- | --- |
| Required per Bookshelf | 30 | 30 | 16 |
| Current Unit Cost | $5.50 | $4.30 | $18.50 |
| Anticipated Annual Cost Increase | 2.40% | 1.70% | 1.50% |
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Build a spreadsheet model that enables the company to experiment with the growth rates in wood and labor costs so that a manager can see, both numerically and graphically, how the costs of bookshelves vary in the next few years.