JGT2 TASK 4

BY: AARON T. CAMACHO

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Survey

Yes Survey

- Con
  - Cost $20,000
  - 40% Chance Negative
  - If Negative 80% Unfavorable
- Positive
  - 60% Chance Positive
  - If positive 70% Favorable

No Survey

- Con
  - No Increased chance of favorable Market.
- Positive
  - Costs Nothing still
  - 50/50

Yes Survey

Yes Survey

- Favorable
  - $ -20,000 to 680,000
  - Most Likely: $210,000
- Unfavorable
  - $ -420,000 to 680,000
  - Most Likely: $20,000

No Survey

- Favorable
  - $ 0 to 700,000
  - Most Likely: $150,000
- Unfavorable
  - $ 0 to 400,000
  - Most Likely: $0

Store Location

- Stand-Alone Store
  - Highest probable potential earnings
- Evaluating Location Alternatives
  - Three Factors to Consider
    - Assumes the proper percentages have been derived
    - Will the market always be favorable?
    - Greatest return potential

Decision Analysis Tool

- Decision Analysis
  - Decision Trees in Excel-OM
    - Easy to use & fast
    - Less chance for error
    - Handles multiple variables
      - Can calculate multiple outcomes simultaneously

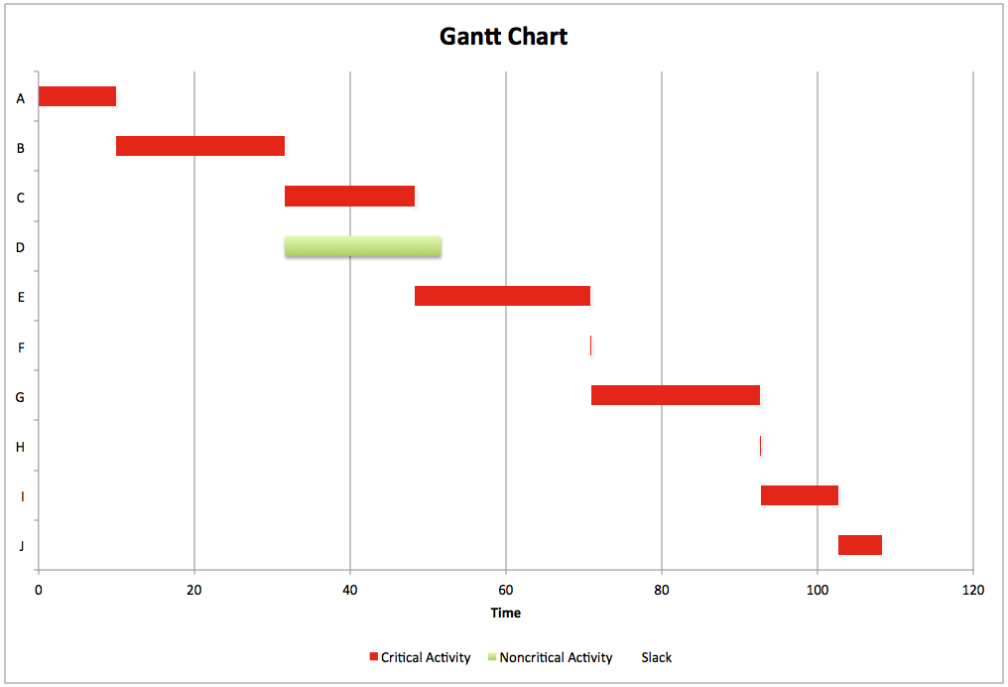
Project Management

- Critical Path
  - A-J, Exclude D
- Expected Project Duration
  - 108.2 Days
- 95% Confidence in on time Completion
  - 122.2 days

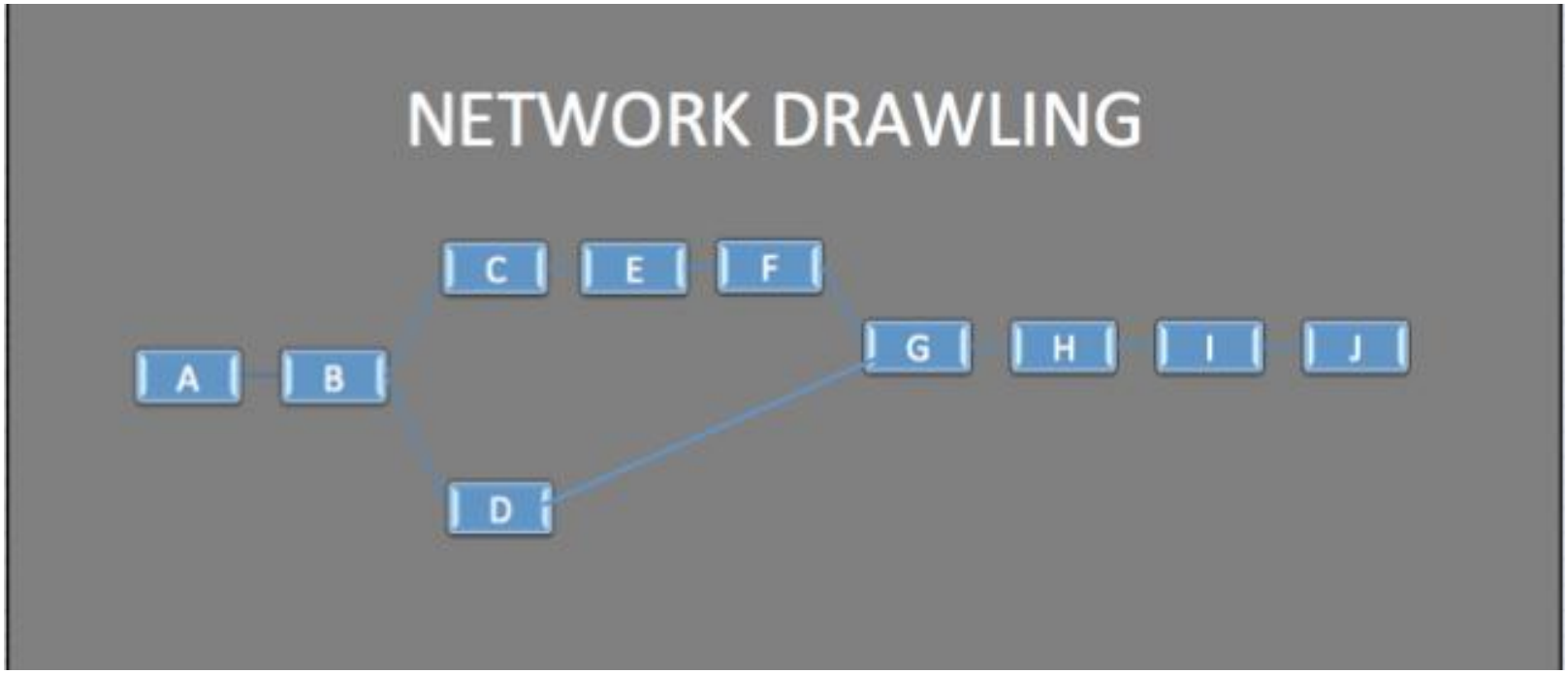
Project Techniques

- Use a Gantt Chart for scheduling.
- Determine the Critical Path/Network Charts
- Crashing a Project
- Calculating project completion times.
  - Z-Score/confidence levels

Gantt Chart


Gantt Chart
A
B
C
D
E
F
G
H
I
J
0
20
40
60
80
100
120
Time
Critical Activity
Noncritical Activity
Slack

Network Drawing



Production Plan

Kidshuz & Sneakers

- Kidshuz
  - 25 Batches
- Sneakers
  - 25 Batches
- Allocating Workers
  - 50/50 Split

Production Plan

Tassels & Penny Loafers

- Tassel Loafers
  - 120 Batches
- Penny Loafers
  - 160 Batches
- Allocating Workers
  - 57% to Penny
  - 43 to Tassel

Decision Analysis Tool Used

- Linear Programing – Excel OM W/ Solver
  - Maximize/Minimize Problem
  - Sequential Equation
  - Fast and Accurate

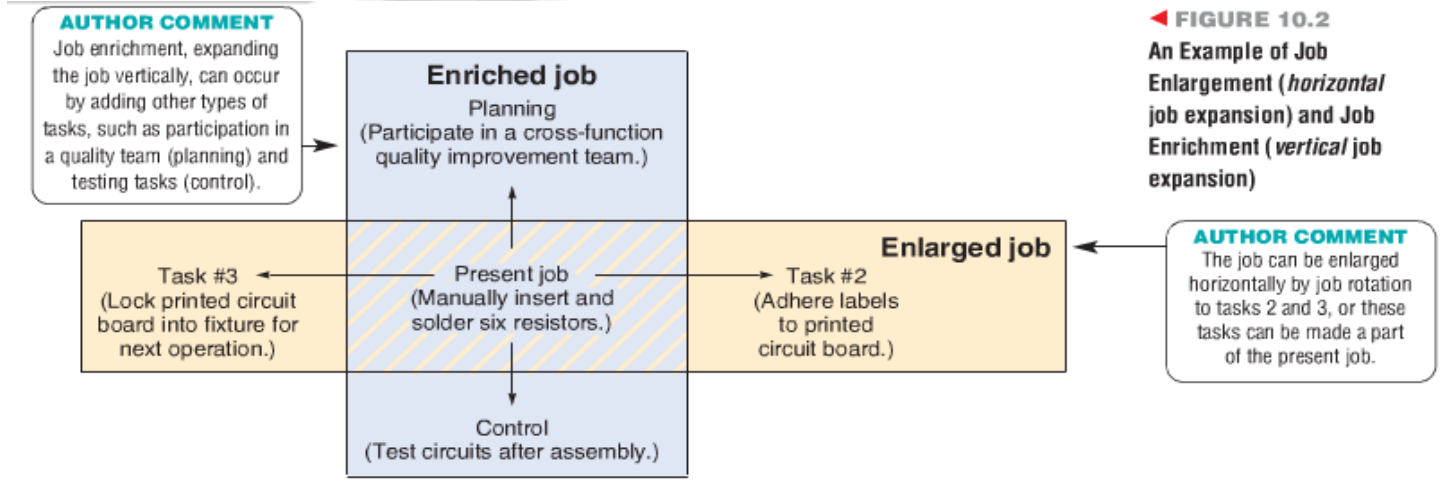
Reordering Practices

- 30 Cases @ less than12 Cases left
  - Lost sales
  - High order costs
- 60 Cases @ 15 cases left
  - No lost sales
  - Cuts order costs in half

Human Resource Strategy

- Utilize Employees
  - Employment Stability: Flex & Fixed Mix
- Reasonable quality of work life
  - Job Classification & Work Rules

Job Expansion



◀ FIGURE 10.2
An Example of Job Enlargement (*horizontal* job expansion) and Job Enrichment (*vertical* job expansion)

Employee empowerment
Enlarging employee jobs so that the added responsibility and authority is moved to the lowest level possible.

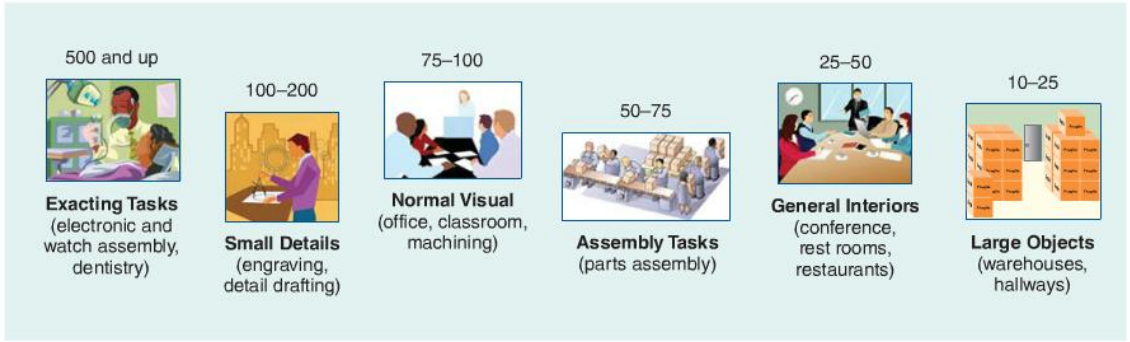
Job enrichment
A method of giving an employee more responsibility that includes some of the planning and control necessary for job accomplishment; vertical expansion.

Job rotation
A system in which an employee is moved from one specialized job to another.

Job enlargement
The grouping of a variety of tasks about the same skill level; horizontal enlargement.

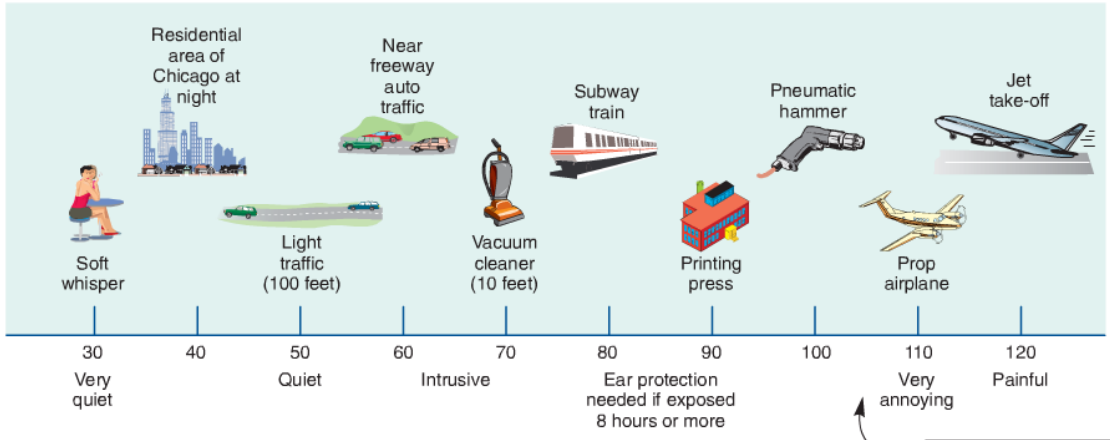
Ergonomics & the Work Environment

▼ FIGURE 10.4a Recommended Levels of Illumination (using foot-candles (ft-c) as the measure of illumination)



Illumination Needs

Noise Levels



▲ FIGURE 10.4b Decibel (dB) Levels for Various Sounds
Adapted from A. P. G. Peterson and E. E. Gross, Jr., *Handbook of Noise Measurement*, 7th ed. (New Concord, MA: General Radio Co.).

AUTHOR COMMENT
Noise in the work environment can increase the risk of a heart attack by 50% or more.

Other Human Resource Concerns

- **Psychological Components of Job Design**
- **Self-Directed Teams**
- **Motivation and Incentive Systems**
- **Methods Analysis**
- **Labor Standards**
- **Ethics and the Work Environment**

Operations Management Philosophies

- Just-in Time
- Lean Operations