We have a problem!
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Here's the new formula:
Target net income = sales – variable costs – fixed costs

Assume your profit goal/target net income here is $2,000. Say your application is priced at $40 per unit, your variable costs are $20 per unit, and fixed costs amount to $1,000. You can compute the sales you need to reach target net income:
Target net income = sales – variable costs – fixed costs

The target that should be achieved is $1000 millions of net earnings. To achieve this goal what I did is:

Revenue	**$6000**
Cost of Goods Sold	**$2000**
Gross Profit	**$4000**
Research and development	**$500**
Selling, general & administrative expenses	**$2000**
Intangible amortization	**$100**
Other	**$50**
	$2650
Operating income	**$1350**
Other income (-expense)	**$30**
Earnings before income taxes	**$1320**
Income taxes	**$320**
Net earnings	**$1000**

Now that you have an idea of what the target is, what possible gaps in the company's supply chain do you see that you would consider exploiting. In your answer, please be thorough about all the issues you see with the company's supply chain strategy as it stands right now.

Research and Development Department expenses have fluctuated. If we maintain our overhead cost we can achieve the same net income every year.