

Tactical Summary







Nexus Inc. Quarter 6

Sell Unwanted Inventory

No unwanted inventory being sold this quarter.

Demand Projection

	Last Quarter (Actual)			This Quarter (Projected)		
	Number of Sales People	Demand per Sales Person	Total Demand	Number of Sales People	Demand per Sales Person	Total Demand
Sales Offices	10	55.10	551	12	<input type="text" value="60"/>	720
Web Sales Center	0	0.00	0	4	<input type="text" value="15"/>	60
Total	10		551	16		780

Brand	Last Quarter (Actual)		This Quarter (Projected)		Inventory Units	Capacity Required
	Demand	Percent	Demand	Percent		
 Innovator Max	161	29.2%	<input type="text" value="215"/>	27.6%	29	186
 Innovator Core	73	13.2%	<input type="text" value="108"/>	13.8%	30	78
 Workhorse Pro	n/a	n/a	<input type="text" value="0"/>	0.0%	25	0
 Innovator Max 2	159	28.9%	<input type="text" value="215"/>	27.6%	65	150
 Mercedes XLE	75	13.6%	<input type="text" value="108"/>	13.8%	73	35
 Mercedes LT	83	15.1%	<input type="text" value="134"/>	17.2%	54	80
Total	551	100.0%	780	100.0%	276	529

	Units / Quarter	Units / Day
Operating capacity required to satisfy projected demand	529	9

Fixed Capacity

Fixed capacity available in current quarter: 100
Planned increase in fixed capacity: 0
Fixed capacity available in next quarter: 100







Operating Capacity

Current Quarter		
	Units per Day	Units per Quarter
Fixed capacity	100	6,500
Operating capacity	<input type="text" value="60"/>	3,900
Effective operating capacity after adjustment for worker productivity	45	2,925
Effective operating capacity needed for demand projection	9	529

Projected worker productivity [%]

New direct labor cost/unit of operating capacity	289
New overhead cost/unit of operating capacity	64
Expense to change operating capacity (to be added to overhead)	80,446

Target and Replenish Point

Brand	Produce	Replenishment Point	Target Point	Production Priority
 Innovator Max	<input checked="" type="checkbox"/>	<input type="text" value="10"/>	<input type="text" value="75"/>	<input type="text" value="4"/>
 Innovator Core	<input checked="" type="checkbox"/>	<input type="text" value="10"/>	<input type="text" value="75"/>	<input type="text" value="5"/>
 Workhorse Pro	<input type="checkbox"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
 Innovator Max 2	<input checked="" type="checkbox"/>	<input type="text" value="10"/>	<input type="text" value="75"/>	<input type="text" value="3"/>
 Mercedes XLE	<input checked="" type="checkbox"/>	<input type="text" value="10"/>	<input type="text" value="80"/>	<input type="text" value="1"/>
 Mercedes LT	<input checked="" type="checkbox"/>	<input type="text" value="10"/>	<input type="text" value="80"/>	<input type="text" value="2"/>

Production Rules

6. If more than one brand is less than the replenish point, then produce brand with lowest inventory relative to current demand (last 5 days).
8. If inventory of current brand is greater than the target inventory and inventory of one or more brands is less than the target point, then produce brand with stop production.

Improve Changeover

R&D Expenditure to Improve Changeover: 150,000

Production Control System

Control System: Retooled Workstations With Manual Control System

Setup Cost: 200,000

Quarterly Operating Expense: 45,000

Minimum Number of Hours Between Changeovers: 4 hours

Quarterly expense: 45,000

Quality Inspection

Quality Inspection: Case, Storage device, Display, Computing power, Keyboard, mouse, touchscreen

Estimated inspection, defect repair, and warranty cost based on projected production: 82,367

Variance Study

Variance Study: Keyboard, mouse, touchscreen

Total Variance Study Costs: 9,000

Source Study

Error Sources and Actions to Improve Performance: Case, Storage device, Display

Total Source Study Costs: 38,000

Invest in Actions

Computing power

Action to Reduce Problem	Minimum Expenditure	Planned Investment
Purchase equipment to automatically inspect parts	23,000	<input type="text" value="50,000"/>
Control temperature,humidity,cleanliness,vibrations	10,000	<input type="text" value="20,000"/>

Total Actions Costs: 70,000