Ski Jacket Production Case

- Solution

How many ski jackets to produce in this production run ?

14,000	8,000	14,000	8,000
16,000	14,000	11,000	10,500
13,000	5,000	15,500	15,000

Variable production cost per unit (C)	$80
Selling price per unit (S)	$100
Salvage value per unit (V)	$30
Fixed production cost (F)	$100,000

What we did:

- We tested data by Kolmogorov-Smirnov, D'Agostino and Pearson's tests
- Use a spreadsheet model to simulate 1000 possible outcomes for demand in the coming year
- Found the best solution for company about quantity
- Found out what information Egress needs
- Gave some interesting suggestions…

Probability of loss more than $100,000 with 10,000 jackets – 8%

Probability of loss more than $100,000 with 12,000 jackets – 15%

Quantity	Expected profi
	41155.13213
5000	-1308.771171
6000	15833.27161
7000	33876.0118
8000	45253.70695
9000	54865.26552
10000	59132.30085
11000	56158.74343
12000	52520.20542
13000	8854.658004
14000	9881.946061
15000	-39532.62506
16000	-87406.96314

What Egress needs

- Data about the sales in the previous seasons
- Information from rivals and explore market
- Weather forecast for upcoming season
- Statistics about time when people actually buy ski jackets

What we also suggest…

- Sell family ski jackets with discount

What we suggest…

- Explore French market

"There is nothing more frustrating than going out and spending x hundreds of dollars on a new jacket, only to run into someone on the hill with the same jacket."

© Nick Marvik, Founder and CEO of ***NWT3K***

What we suggest…

- Create 100 expensive jackets, every ten of them will have absolutely unique design. It will give us loyalty of our clients.

What we suggest…

- Let people create jackets by themselves

Thanks for your attention!

ANY QUESTIONS?