

The background is a dark, atmospheric illustration of a snowy mountain scene. On the left, a skier in a dark suit is silhouetted against the light, moving down a slope. In the center-right, two red ski poles stand vertically, with a pair of ski boots attached. A pair of ski goggles is perched on top of the poles. The background is filled with dark, snow-covered evergreen trees and a misty, blue-toned sky with soft, glowing light spots.

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 profit
	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?