Rice-cookers

Situation:

- Your company manufactures home rice-cookers, which are very popular and sell very well in Thailand and around South East Asia.

- For the past 15 years, most of the assembly has been done by hand, and you employ 350 workers in your factory.

- The production manager has recently reported that he has located a robotic machine that can automate most of the assembly and take over approximately 85% of the assembly process, which would increase the speed of production and decrease labor costs

- If you buy the machine, you would reduce your number of workers from 350 to only 45, the company would save approximately 36 million baht per year in wages

- The machine itself costs 100 million baht

- What would you do? What are factors affecting your decision? Call for a meeting to discuss them

Agenda:

0: Last meeting (PM)

คุยเรื่องการเพิ่มมูลค่าบริษัท จบด้วยการหาข้อมูลเครื่องจักร

1: Advantages of using the machines for company and workers (PM, ME)

ข้อดีของการใช้เครื่องจักรต่อบริษัท

2: Disadvantages of using the machines for company and workers (CFO, HR)

ผลกระทบของการเปลี่ยนไปใช้เครื่องจักร

3: Making decision (VP)

ตัดสินใจ

Script:

Chairman:

PM:

ME:

CFO:

HR:

Chairman: If we buy this robotic machine and use robotic machine force instead of labor force in manufacturing process. How much it costs and is it worth, Chief Financial Officer?

CFO: From the research about robotic machine that I’ve received form the Production Manager, This robotic machine costs 100 million baht. And if we buy the one machine, it would help us to reduce number of workers from 350 to only 45 that means our company would save wages approximately 36 million baht per year. According to our company profits in last quarter, even though our company gained more revenue than the quarter before, the net profit is decreased because we spend much more money to labor cost due to the government’s minimum wage policy.

Moreover, at the present time, our company have enough reserved fund to buy some amount of robotic machine without affecting company’s financial position.

So, I think that it’s worth to buy robotic machines and use them in manufacturing process.

Chairman: What are the effects to labors if we replace labor with robotic machine in assembly line, Human resources manager?