

A blurred background image of an industrial robotic arm in a factory setting. The arm is white and grey, with various cables and hoses attached. It is positioned over a work area with some components visible. The image is slightly out of focus, emphasizing the text overlay.

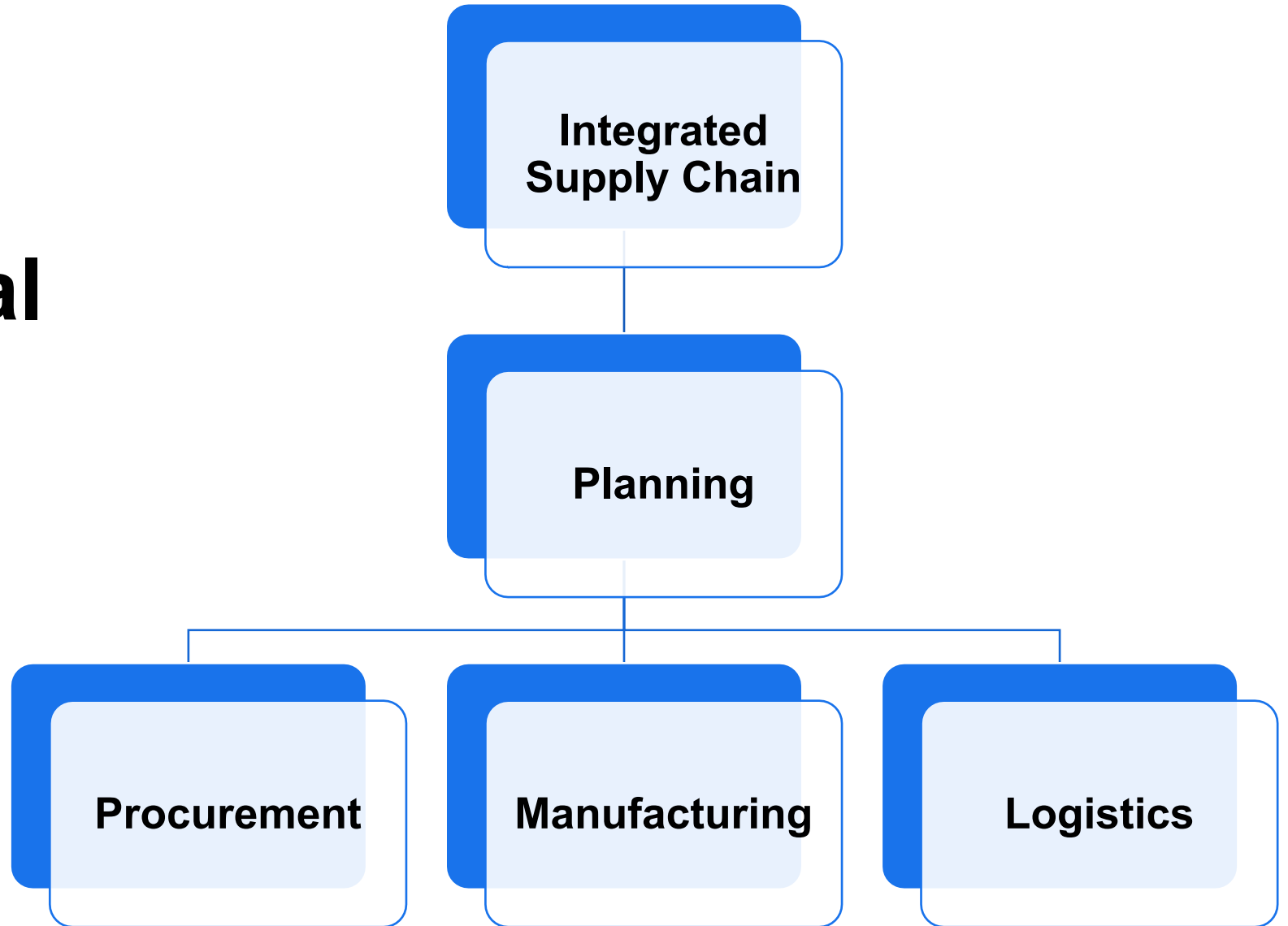
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CASE ANALYSIS 1

# Optimal Organizational Structure

Key Functional Elements:

- Planning
- Operations



# Functional Metrics

Plan	Manufacturing (Make)	Procurement (Source)	Logistics (Deliver)
<ul style="list-style-type: none"><li>• Demand Forecasting Accuracy</li><li>• Research and Development</li></ul>	<ul style="list-style-type: none"><li>• Throughput Rate</li><li>• Asset Utilization</li></ul>	<ul style="list-style-type: none"><li>• Average Lead Time</li><li>• Supplier Quality</li></ul>	<ul style="list-style-type: none"><li>• Cycle Time</li><li>• Inventory Turnover Rate</li></ul>

# Over-Arching SCM KPI's

1. **Demand Forecasting Accuracy** : The company will need to spot trends and changes in customer demands to eliminate error
2. **Return on Assets**: We need to measure the company's profitability relative to the total Assets. It will determine how efficient the company is using assets to generate profit
3. **Cash to Cash Cycle**: This will measure how efficiently the company is turning investments into generating cash flow





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# Performance Initiatives

1. Supplier Collaboration and Improvement
2. Demand Forecasting and Inventory Management
3. Asset Utilization and Efficiency



# Most Likely

				Sales	
			Gross Margin	748,498	(5% Increase)
			289,208	Cost of Goods Sold	
		Net Profit		459,290	(5% Decrease)
	Net Profit Margin	38,241	Total Expenses		
	5.11%	Sales	250,967	Variable Expenses	
Return on Assets		748,498		241,840	(5% Decrease)
11.57%				Fixed Expenses	
				9,127	
		Sales			
	Asset Turnover	748,498	Inventory		
	2.26	Total Assets	108,181		(5% Decrease)
		330,533	Current Assets	Accounts Receivable	
			168,675	53,224	
			Fixed Assets	Other Current Assets	
			161,858	7,270	

# Worst/Base Case

				Sales	
			Gross Margin	712,855	
			229,392	Cost of Goods Sold	
		Net Profit		483,463	
	Net Profit Margin	-34,303	Total Expenses		
	-4.81%	Sales	263,695	Variable Expenses	
Return on Assets		712,855		254,568	
-10.20%				Fixed Expenses	
				9,127	
		Sales			
	Asset Turnover	712,855	Inventory		
	2.12	Total Assets	113,875		
		336,227	Current Assets	Accounts Receivable	
			174,369	53,224	
			Fixed Assets	Other Current Assets	
			161,858	7,270	

# Best Case Financial Review

				Sales	
			Gross Margin	784,141	(10% Increase)
			349,024	Cost of Goods Sold	
		Net Profit		435,117	(10% Reduction)
	Net Profit Margin	110,786	Total Expenses		
	14.13%	Sales	238,238	Variable Expenses	
Return on Assets		784,141		229,111	(10% Reduction)
34.10%				Fixed Expenses	
				9,127	
		Sales			
	Asset Turnover	784,141		Inventory	
	2.41	Total Assets		102,488	(10% Reduction)
		324,840	Current Assets	Accounts Receivable	
			162,982	53,224	
			Fixed Assets	Other Current Assets	
			161,858	7,270	

## 10 % Decreases:

- COGS
- Variable Expenses
- Inventory

## 10 % Increases:

- Sales

## Results:

- ROA increased by 44.3%
- Net Profit Margin Increased by 18.49%