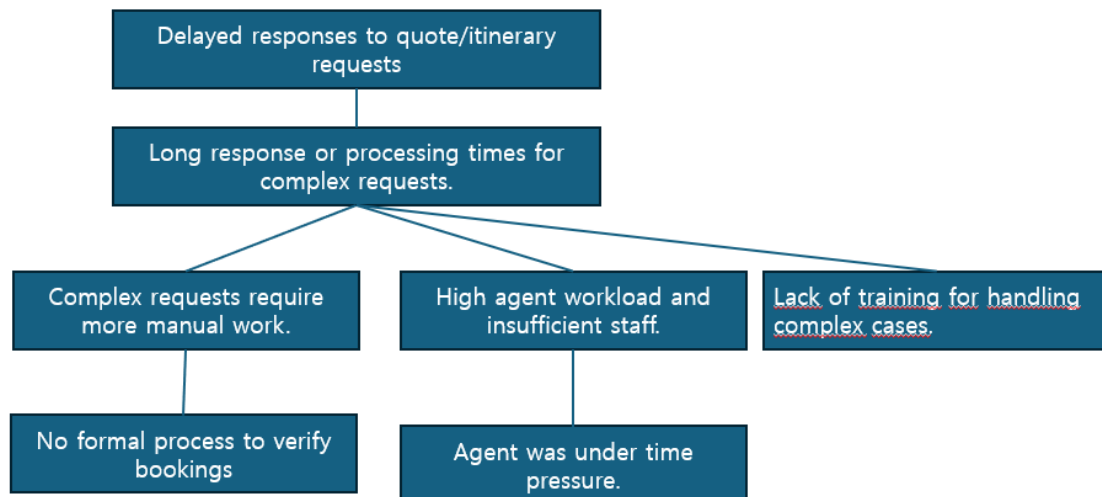
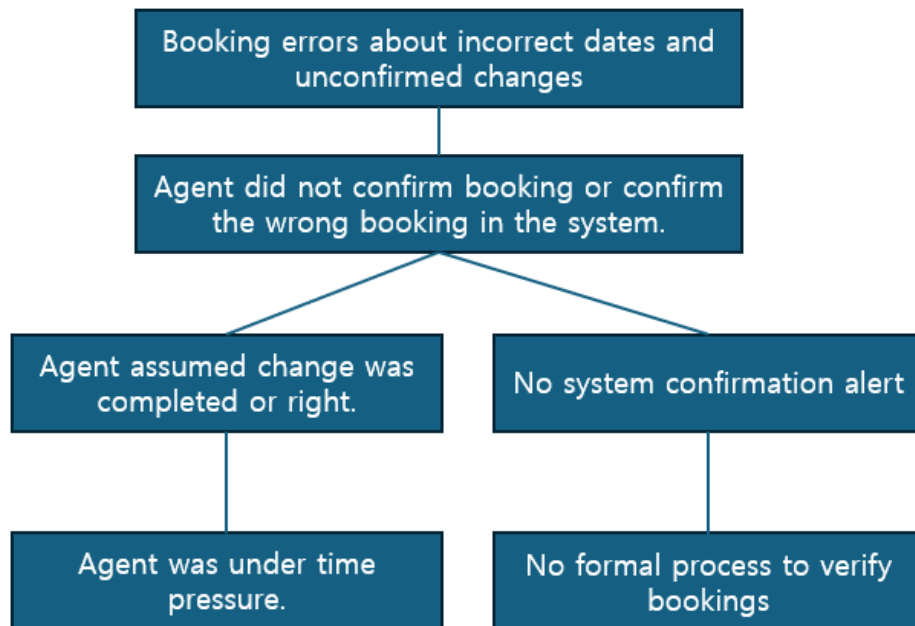
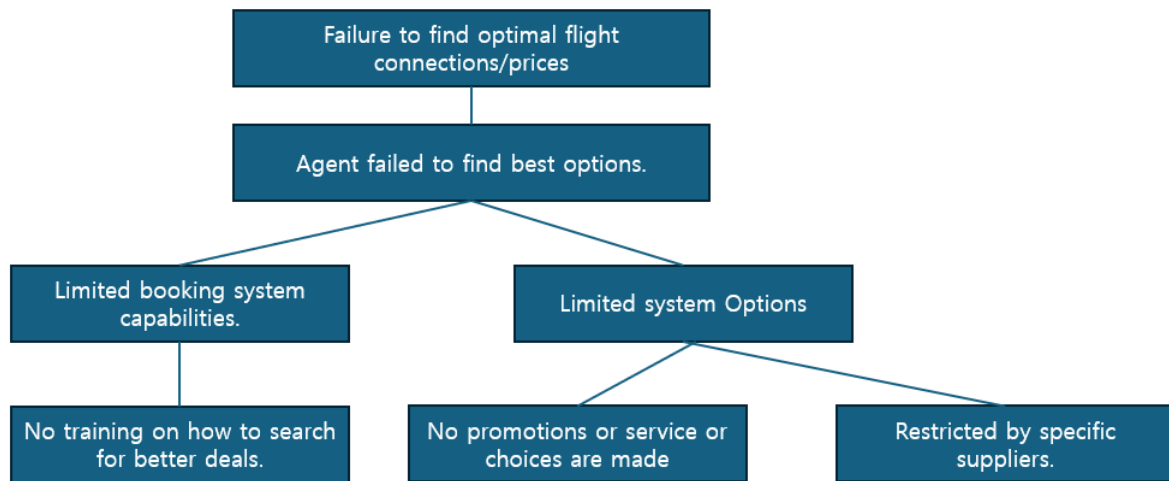


1. A)

Name	Explanation	Data/Hypotheses	Qualitative Impact	Quantitative Impact
Booking errors about incorrect dates and unconfirmed changes	Travel agents fail to confirm bookings in the system, resulting in incorrect dates or unconfirmed modifications.	50 bookings per day, About 2% of bookings have errors. Gross profit per booking = \$100.	Severe customer dissatisfaction, risk of losing large corporate clients, and significant customer inconvenience.	$0.02 \times 50 \times \$100 = \100 per day = \$36,500
Delayed responses to quote/itinerary requests	Delays occur, particularly for complex requests, with some taking up to 2 days to respond	100 itinerary requests per day. About 10% of requests take up to 2 days. Gross profit per booking = \$100.	Reduced customer satisfaction, especially for high-value corporate clients, and potential loss to competitors offering faster service.	$0.1 \times 100 \times \$100 = \$1,000$ per day = \$365,000
Failure to find optimal flight connections/prices	Travel agents fail to provide the best flight options, leading customers to find better deals online.	50 bookings per day. About 5% of bookings are not competitive. Gross profit per booking = \$100.	Loss of customer trust, reduced value of travel agency services, and increased likelihood of customers booking independently.	$0.05 \times 50 \times \$100 = \250 per day = \$91,250

B)





2.

Handwritten calculations:

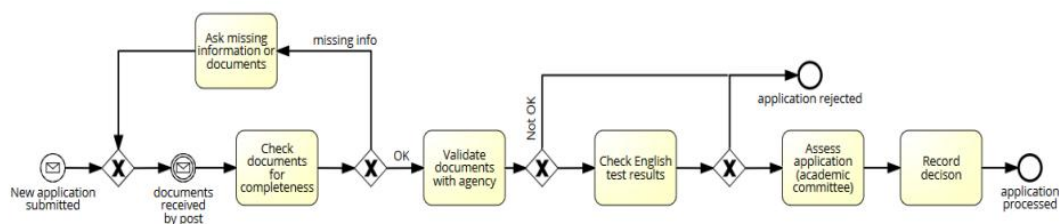
A. $2 + 0.9 (3 + 2 + 1) = 7.4$

B. $7.4 \text{ hour} \rightarrow \text{cycle time}$

$2 \text{ business days} = 16 \text{ hours}$

$CTE = \frac{7.4}{16} = 0.4625$

3.



2week 10min 80% 10min 90% 10min 90% 2weeks 2days

2weeks + 10min + (2weeks+10min)/0.8 + 10min + 0.9(10min + 0.9(2weeks + 2days))

10min = 1/6 hour

2weeks = 336

$$336 + (1 \div 6) + ((1 \div 6) + 336) \div 0.8 + (1 \div 6) + 0.9 \times ((1 \div 6) + 0.9 \times (336 + 48))$$

345.7666666666666666666666666667 hour