

Andrews Analysis Round 1

Overview: There are six teams in the competition: Andrews, Baldwin, Chester, Digby, Erie and Ferris. Erie and Ferris are computer simulations. If all teams are equal, each segment would consist of a 16.7% market share for each team product. (100% divided by 6 = 16.7% for all five segments).

Andrews transposed their work complement. They needed 964 workers but applied 946.

Andrews overproduced in the Traditional segment. However their Traditional Product ABLE is an excellent competitive product for Round Two. They only have to upgrade the performance coordinate to 6.4 and keep the size coordinate at 13.5. Their price may be lowered slightly. Andrews should use this example in the Traditional segment to make all their products competitive in all segments. Andrews has to be careful with the amount of money they lost by carrying excess inventory. Andrews was forced to take an emergency BIG AL loan. Big Al expects a 7.5% interest payment. Andrews needs to use the excess inventory they have in the segments, specifically in the Traditional and Low End segments. They made errors in production calculations because there are six teams in the competition not four. Andrews had a net loss of \$2.584 million. Andrews can be in the black with careful preparation at the end of Round Two. Check the Industry Conditions Report page 1 for segment centers on the perpetual map for each round. Check the Capstone Courier to see comparisons against the other teams.

In this round the Human Resources module is opened. Only if you have some extra cash, the safe amount for recruiting spending is \$2000 and Training hours is 80. This helps increase worker productivity.