

INSTITUTO TECNOLÓGICO Y DE ESTUDIOS SUPERIORES DE OCCIDENTE

Reconocimiento de validez oficial de estudios de nivel superior según acuerdo secretarial
15018, publicado en el Diario Oficial de la Federación el 29 de noviembre de 1976.

Departamento de Economía, Administración y Mercadología

MAESTRÍA EN ADMINISTRACIÓN



RESULTADOS DEL SIMULADOR CAPSTONE TEAM 2 COMPUTING

Trabajo recepcional que para obtener el grado de

MAESTRO EN ADMINISTRACIÓN

Presenta:

Jesús Ramírez Maldonado

Asesora: Emilie Berard

Tlaquepaque, Jalisco. 26 de mayo de 2016.

Abstracto

Este documento presenta un resumen de las decisiones tomadas en el simulador CAPSTONE, en el cual se generó una empresa ficticia llamada “Team 2: Computing”, un startup enfocado en el diseño y fabricación de computadoras. El simulador tiene como objetivo que los alumnos se enfrenten a las dificultades que con lleva crear una empresa desde cero, como lo son la creación de la imagen, misión y visión de una empresa, la creación de un producto y cómo hacerlo destacar en un mercado, problemas debido a la falta o exceso de producción, recursos humanos, puntos de venta, sustentabilidad, medio ambiente, mercadotecnia, etc. A partir de ciertos objetivos por cuarto, el simulador califica a los equipos y los posiciona en el mercado según su desempeño en la lectura e interpretación del mismo. En el siguiente documento se puede apreciar la realización y cumplimiento de los objetivos requeridos por cuarto en el simulador.

Corporate

Company Name

Team 2 Computing

Executive Responsibilities

Officer name	Primary responsibility	Secondary responsibility
Hudson, Bernie	President-Overall Leadership	VP-Marketing
Philpott, Brodie	VP-Accounting and Finance	VP-Marketing Research
Evenstad, Peter	VP-Manufacturing	VP-Marketing Research
Ramirez, Jesus	VP-Sales Management	VP-Human Resources

Goals and Strategy

Target markets: 1 - Workhorse, 2 - Mercedes

Mission statement: We will design and create innovative computing solutions that exceed the expectations of our customers. We will accomplish this by: 1.) Earning our customer's trust 2.) Acting with the utmost integrity 3.) Creating sustainable shareholder value 4.) Giving back to the community 5.) Being a good corporate citizen.

Strategic directions:

Corporate culture

- earn customer trust and business every day
- act with integrity in everything we do
- give back to the community
- create shareholder value
- be a good corporate citizen
- deliver value to all stakeholders

Market orientation

- focus on value-driven markets

Corporate objectives

- cash (ending cash position, cash flow from operations...)
- shareholder value (earnings per share, net equity, net equity per share...)
- stewardship (environment, carbon footprint, energy consumption, green)

Corporate strategic thrusts:

Short-term vs. Long-term

- Long-term perspective - defer profits in order to build a strong competitive position

Willingness to Take Risk

- Cautious - favor safe decisions to avoid risk to firm

Market Leadership

- Pioneer - first to market to get ahead

Firm's Top Competitive Forces (pick 4 to 6)

- Aggressive pricing
- Superior customer value

- High-volume, low-cost manufacturing
- Strong asset management (productive use of resources)
- Technology leadership
- Embrace conscious capitalism

Marketing

Modify Brand

	Clydesdale 1000 [new]	Stallion 1000 [new]
	Essentials	
Base components	x	x
	Case	
Standard (Desktop)	x	x
	Hard drive	
Standard	x	
Ultra capacity		x
	Office software	
Office	x	x
	Other software	
Bus. graphics		x
Presentation	x	x
Database		x
Bookkeeping	x	
Engineering		x
Manufacturing		x
Games		x
	Monitor	
17" standard (Desktop)	x	
21" high res. (Desktop)		x
	Computing power	
Budget	x	
High speed		x
	Keyboard & mouse	
Standard	x	
Expanded		x
	Special features	
Auto backup system		x
	Networking	
Standard	x	x
	Packaging	
Standard	x	x

Sales Channel

Open Sales Office

World Market

Opening: Chicago-NORAM
 Total sales offices costs: 220,000

Manufacturing

Fixed Capacity

Fixed capacity available per day in current quarter: 0
 Planned increase in fixed capacity: 25
 Fixed capacity available per day in next quarter: 25

Finance

Stock

Stock Type	Name of Owner	Shares	Price Per Share	Total Amount	Quarter
Common Stock	Executive Team	20,000	100	2,000,000	1

Certificate of Deposit

3-month certificate of deposit account for current quarter	500,000
Quarterly interest rate	1.50
Interest to earn	7,500

Corporate

Company Name

Team 2 Computing

Executive Responsibilities

Officer name	Primary responsibility	Secondary responsibility
Hudson, Bernie	President-Overall Leadership	VP-Marketing
Philpott, Brodie	VP-Accounting and Finance	VP-Marketing Research
Evenstad, Peter	VP-Manufacturing	VP-Marketing Research
Ramirez, Jesus	VP-Sales Management	VP-Human Resources

Goals and Strategy

Target markets: 1 - Workhorse, 2 - Mercedes

Mission statement: We will design and create innovative computing solutions that exceed the expectations of our customers. We will accomplish this by: 1.) Earning our customer's trust 2.) Acting with the utmost integrity 3.) Creating sustainable shareholder value 4.) Giving back to the community 5.) Being a good corporate citizen.

Strategic directions:

Corporate culture

- earn customer trust and business every day
- act with integrity in everything we do
- give back to the community
- create shareholder value
- be a good corporate citizen
- deliver value to all stakeholders

Market orientation

- focus on value-driven markets

Corporate objectives

- cash (ending cash position, cash flow from operations...)
- shareholder value (earnings per share, net equity, net equity per share...)
- stewardship (environment, carbon footprint, energy consumption, green)

Corporate strategic thrusts:

Short-term vs. Long-term

- Long-term perspective - defer profits in order to build a strong competitive position

Willingness to Take Risk

- Cautious - favor safe decisions to avoid risk to firm

Market Leadership

- Pioneer - first to market to get ahead

Firm's Top Competitive Forces (pick 4 to 6)

- Aggressive pricing
- Superior customer value

- High-volume, low-cost manufacturing
- Strong asset management (productive use of resources)
- Technology leadership
- Embrace conscious capitalism

Marketing

Modify Brand

No new or modified brands this quarter.

Modify Ad

	Workhorse [Clydesdale 1000] [new]	Mercedes [Stallion 1000] [new]
Mention brand name	1	1
Rebate - special price deal	2	2
High speed/execution time		3
Many bundled applications	3	4
Feature office applications	4	
Business graphics applications		7
Bookkeeping applications	7	
Presentation applications	8	
Engineering applications		6
Easy to use, simple design	5	
Smart backup system		8
Easy on eyes with larger screen		9
Link PCs with network/internet	9	
Picture of engineers/scientists		5
Picture business professionals	6	

Regional Media

World Market

Media	Cost	Workhorse	Mercedes
Business Newspapers	23,000	0	1
General Business Magazine	16,000	1	0
General News Magazines	8,000	0	1
Leading Trade Journals	7,500	1	0
Sports Magazines	24,500	1	0
Science & Technology	15,000	0	1
Advertising Expenses		48,000	46,000
Total Advertising Expenses:	94,000		

Price and Priority

World Market

Brand	Available for Sale	Retail Price	Price Rebate	Sales Priority
Clydesdale 1000	<input checked="" type="checkbox"/>	1,999	100	1
Stallion 1000	<input checked="" type="checkbox"/>	3,200	200	2

Buy Market Research

Buying for: World Market

Total Expenses: 15,000

Human Resources**Sales Force Compensation**

	Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
World Market	40,000	Full coverage	3 weeks	7	55,070

Factory Supervisor Compensation**Shanghai-APAC, World Market**

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
26,000	Full coverage	2 weeks	7	34,984

Factory Worker Compensation**Shanghai-APAC, World Market**

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
13,000	Minimum package	1 week	0	14,637





Sales Channel**Open Sales Office****World Market**

Operational: Chicago-NORAM

Opening: Shanghai-APAC

Total sales offices costs: 300,000

Hire Sales People**World Market**

City	Annual Salary	Total Sales People	 Support	 Workhorse	 Mercedes	 Traveler
	Quarterly Training Costs		3,000	2,000	4,000	3,000
Chicago-NORAM	55,070	5	1	2	2	0
Total number of sales people in the prior quarter				0		
Total number of sales people in the current quarter				5		
Net change in number of sales people in region				5		
Cost to employ sales people for the quarter			83,837			

Manufacturing

Fixed Capacity

Fixed capacity available per day in current quarter: 25
 Planned increase in fixed capacity: 25
 Fixed capacity available per day in next quarter: 50

Operating Capacity

	Units/Day	Units/Quarter	
Fixed capacity	25	1,625	
Operating capacity	8	520	
Effective operating capacity	6	390	
Demand projection	3.85	250	
Projected factory productivity	70		
New direct labor cost/unit of operating capacity			391
New overhead cost/unit of operating capacity			353
Expense to change operating capacity (to be added to overhead)			80,167

Inventory Control

Brand	Produce	Maximum Inventory at the End of Quarter
Clydesdale 1000	<input checked="" type="checkbox"/>	35
Stallion 1000	<input checked="" type="checkbox"/>	30

System Improvement**Employee Survey**

Cost Buy
 5,000

Inspect

Quality Inspection: Hard drive, Computing power

Estimated Inspection and Defect Repair Cost: 32,737

Finance**Stock**

Stock Type	Name of Owner	Shares	Price Per Share	Total Amount	Quarter
Common Stock	Executive Team	20,000	100	2,000,000	1
Common Stock	Executive Team	10,000	100	1,000,000	2

Certificate of Deposit

3-month certificate of deposit account for current quarter 400,000
 Quarterly interest rate 1.50
 Interest to earn 6,000

Corporate

Company Name

Team 2 Computing

Executive Responsibilities

Officer name	Primary responsibility	Secondary responsibility
Hudson, Bernie	President-Overall Leadership	VP-Marketing
Philpott, Brodie	VP-Accounting and Finance	VP-Marketing Research
Evenstad, Peter	VP-Manufacturing	VP-Marketing Research
Ramirez, Jesus	VP-Sales Management	VP-Human Resources

Goals and Strategy

Target markets: 1 - Mercedes, 2 - Workhorse

Mission statement: We will design and create innovative computing solutions that exceed the expectations of our customers. We will accomplish this by: 1.) Earning our customer's trust 2.) Acting with the utmost integrity 3.) Creating sustainable shareholder value 4.) Giving back to the community 5.) Being a good corporate citizen.

Strategic directions:

Corporate culture

- earn customer trust and business every day
- act with integrity in everything we do
- give back to the community
- create shareholder value
- be a good corporate citizen
- deliver value to all stakeholders

Market orientation

- focus on value-driven markets

Corporate objectives

- cash (ending cash position, cash flow from operations...)
- shareholder value (earnings per share, net equity, net equity per share...)
- stewardship (environment, carbon footprint, energy consumption, green)

Corporate strategic thrusts:

Short-term vs. Long-term

- Long-term perspective - defer profits in order to build a strong competitive position

Willingness to Take Risk

- Cautious - favor safe decisions to avoid risk to firm

Market Leadership

- Pioneer - first to market to get ahead

Firm's Top Competitive Forces (pick 4 to 6)

- Aggressive pricing
- Superior customer value

- High-volume, low-cost manufacturing
- Strong asset management (productive use of resources)
- Technology leadership
- Embrace conscious capitalism

Marketing

Modify Brand

Clydesdale 1001

[modified]

Essentials

Base components x

Case

Standard (Desktop) x

Hard drive

Standard x

Office software

Office x

Other software

Bus. graphics x

Presentation x

Bookkeeping x

Monitor

17" standard (Desktop) x

Computing power

Budget x

Keyboard & mouse

Standard x

Networking

Standard x

Packaging

Standard x

Modify Ad

	Workhorse [Clydesdale 1001] [modified]	Mercedes [Stallion 1000] [modified]
--	--	---

Mention brand name	1	1
Rebate - special price deal	2	
High speed/execution time	4	3
Many bundled applications	3	4
Feature office applications	5	
Business graphics applications		7
Bookkeeping applications	7	
Presentation applications	8	
Engineering applications		6
Easy to use, simple design	6	
Smart backup system		8

Easy on eyes with larger screen		9
Highest rated brand, Mercedes		2
Link PCs with network/internet	9	
Picture of engineers/scientists		5

Regional Media

World Market

Media	Cost	Workhorse	Mercedes
Business Newspapers	23,000	0	1
General Business Magazine	16,000	1	0
General News Magazines	8,000	0	1
Leading Trade Journals	7,500	1	0
Sports Magazines	24,500	1	0
Science & Technology	15,000	0	1
Advertising Expenses		48,000	46,000
Total Advertising Expenses: 94,000			

Price and Priority

World Market

Brand	Available for Sale	Retail Price	Price Rebate	Sales Priority
Clydesdale 1001	<input checked="" type="checkbox"/>	2,300	100	1
Stallion 1000	<input checked="" type="checkbox"/>	3,500	200	2

Buy Market Research

Buying for: World Market
Total Expenses: 15,000

Human Resources

Sales Force Compensation

	Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
World Market	40,000	Full coverage	▼ 3 weeks ▼	7	55,070

Factory Supervisor Compensation

Shanghai-APAC, World Market

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
26,200	Full coverage	▼ 2 weeks ▼	9	35,777

Factory Worker Compensation

Shanghai-APAC, World Market

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
13.100	Full coverage	▼ 1 week ▼	10	17,631

Sales Channel

Open Sales Office

World Market





Operational: Chicago-NORAM, Shanghai-APAC

Opening: Paris-EMEA

Total sales offices costs: 450,000

Hire Sales People

World Market

City	Annual Salary	Total Sales People	 Support	 Workhorse	 Mercedes	 Traveler
	Quarterly Training Costs		3,000	2,000	4,000	3,000
Chicago-NORAM	55,070	6	1	2	3	0
Shanghai-APAC	55,070	7	1	2	4	0
Total number of sales people in the prior quarter				5		
Total number of sales people in the current quarter				13		
Net change in number of sales people in region				8		
Cost to employ sales people for the quarter			220,977			

Manufacturing

Fixed Capacity

Fixed capacity available per day in current quarter: 50

Planned increase in fixed capacity: 0

Fixed capacity available per day in next quarter: 50

Operating Capacity

	Units/Day	Units/Quarter
Fixed capacity	50	3,250
Operating capacity	19	1,235
Effective operating capacity	15	975
Demand projection	15.00	975
Projected factory productivity	80	
New direct labor cost/unit of operating capacity		276
New overhead cost/unit of operating capacity		153
Expense to change operating capacity (to be added to overhead)		80,234

Inventory Control

Brand	Produce	Maximum Inventory at the End of Quarter
Clydesdale 1001	<input checked="" type="checkbox"/>	35
Stallion 1000	<input checked="" type="checkbox"/>	30

System Improvement

Employee Survey

Cost **Buy**

5,000

Inspect

Quality Inspection: Case, Hard drive, Monitor, Computing power, Keyboard & mouse

Estimated Inspection and Defect Repair Cost: 28,713

Finance

Stock

Stock Type	Name of Owner	Shares	Price Per Share	Total Amount	Quarter
Common Stock	Executive Team	20,000	100	2,000,000	1
Common Stock	Executive Team	10,000	100	1,000,000	2
Common Stock	Executive Team	10,000	100	1,000,000	3

Certificate of Deposit

3-month certificate of deposit account for current quarter	200,000
Quarterly interest rate	1.50
Interest to earn	3,000

Corporate

Company Name

Team 2 Computing

Executive Responsibilities

Officer name	Primary responsibility	Secondary responsibility
Hudson, Bernie	President-Overall Leadership	VP-Marketing
Philpott, Brodie	VP-Accounting and Finance	VP-Marketing Research
Evenstad, Peter	VP-Manufacturing	VP-Marketing Research
Ramirez, Jesus	VP-Sales Management	VP-Human Resources

Goals and Strategy

Target markets: 1 - Mercedes, 2 - Workhorse

Mission statement: We will design and create innovative computing solutions that exceed the expectations of our customers. We will accomplish this by: 1.) Earning our customer's trust 2.) Acting with the utmost integrity 3.) Creating sustainable shareholder value 4.) Giving back to the community 5.) Being a good corporate citizen.

Strategic directions:

Corporate culture

- earn customer trust and business every day
- act with integrity in everything we do
- give back to the community
- create shareholder value
- be a good corporate citizen
- deliver value to all stakeholders

Market orientation

- focus on value-driven markets

Corporate objectives

- cash (ending cash position, cash flow from operations...)
- shareholder value (earnings per share, net equity, net equity per share...)
- stewardship (environment, carbon footprint, energy consumption, green)

Corporate strategic thrusts:

Short-term vs. Long-term

- Long-term perspective - defer profits in order to build a strong competitive position

Willingness to Take Risk

- Cautious - favor safe decisions to avoid risk to firm

Market Leadership

- Pioneer - first to market to get ahead

Firm's Top Competitive Forces (pick 4 to 6)

- Aggressive pricing
- Superior customer value

- High-volume, low-cost manufacturing
- Strong asset management (productive use of resources)
- Technology leadership
- Embrace conscious capitalism

Marketing

Modify Brand

	Clydesdale 2000 [modified]	Stallion 2000 [modified]
Essentials		
Base components	x	x
Case		
Standard (Desktop)	x	x
Hard drive		
High capacity	x	
Ultra capacity		x
Office software		
Office	x	x
Other software		
Bus. graphics	x	x
Presentation	x	x
Database	x	x
Bookkeeping	x	x
Engineering		x
Manufacturing		x
Games		x
Monitor		
17" standard (Desktop)	x	
21" high res. (Desktop)		x
Computing power		
Budget	x	
High speed		x
Keyboard & mouse		
Expanded	x	x
Special features		
Auto backup system	x	x
Networking		
Standard	x	x
Packaging		
Standard	x	x

Feature R&D

R&D Feature	Already invested	Cost this quarter and every quarter until finished	Quarter available for design into new	R&D cost if designed in 1 quarter	R&D cost if designed in 3 quarters	Material Cost

brands

Hard drive: Fail-proof ultra cap.	0	717,092	6	1,705,542	1,295,931	240
Monitor: 32" wide screen (desktop)	0	836,607	6	1,989,798	1,511,919	325
Packaging: Sustainable	0	298,788	6	710,642	539,970	10
Total Expenses: 1,852,487						

Confirm R&D**Technologies to Sell**

No new selling contracts this quarter.

Technologies to Purchase

No new purchasing contracts this quarter.

Modify Ad

	Workhorse [Clydesdale 2000] [modified]	Mercedes [Stallion 2000] [modified]
Mention brand name	3	6
Rebate - special price deal	1	1
High speed/execution time		4
Most powerful PC on market		3
Feature office applications	6	
Engineering applications		5
Easy to use, simple design	2	
More reliable than average PC	4	
Picture of engineers/scientists		2
Picture business professionals	5	

Regional Media**World Market**

Media	Cost	Workhorse	Mercedes
Business Newspapers	23,000	1	1
General Business Magazine	16,000	1	1
Computer Magazines	5,000	0	1
General News Magazines	8,000	1	1
Leading Trade Journals	7,500	1	1
New Venture Magazines	9,000	1	1
Sports Magazines	24,500	1	1
Science & Technology	15,000	0	1
Advertising Expenses		88,000	108,000
Total Advertising Expenses: 196,000			

Price and Priority**World Market**

Brand	Available for Sale	Retail Price	Price Rebate	Sales Priority
Clydesdale 2000	<input checked="" type="checkbox"/>	2,300	100	1
Stallion 2000	<input checked="" type="checkbox"/>	3,500	200	2

Buy Market Research

Buying for: World Market

Total Expenses: 15,000

Human Resources

Sales Force Compensation

	Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
World Market	40,000	Full coverage	3 weeks	10	56,270

Factory Supervisor Compensation

Shanghai-APAC, World Market

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
26,800	Full coverage	2 weeks	10	36,864

Factory Worker Compensation

Shanghai-APAC, World Market

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
14,000	Full coverage	2 weeks	10	19,257

Sales Channel

Open Sales Office





World Market

Operational: Chicago-NORAM, Paris-EMEA, Shanghai-APAC

Total sales offices costs: 350,000

Hire Sales People

World Market

City	Annual Salary	Total Sales People	 Support	 Workhorse	 Mercedes	 Traveler
Quarterly Training Costs			3,000	2,000	4,000	3,000
Chicago-NORAM	56,270	7	1	2	4	0
Paris-EMEA	56,270	5	1	2	2	0
Shanghai-APAC	56,270	7	1	2	4	0
Total number of sales people in the prior quarter				13		
Total number of sales people in the current quarter				19		
Net change in number of sales people in region				6		
Cost to employ sales people for the quarter			328,281			

Manufacturing

Fixed Capacity

Fixed capacity available per day in current quarter: 50
 Planned increase in fixed capacity: 100
 Fixed capacity available per day in next quarter: 150

Operating Capacity






	Units/Day	Units/Quarter	
Fixed capacity	50	3,250	
Operating capacity	48	3,120	
Effective operating capacity	36	2,340	
Demand projection	47.65	3,097	
Projected factory productivity	75		
New direct labor cost/unit of operating capacity			279
New overhead cost/unit of operating capacity			76
Expense to change operating capacity (to be added to overhead)			80,679

Inventory Control

Brand	Produce	Maximum Inventory at the End of Quarter
Clydesdale 2000	<input checked="" type="checkbox"/>	50
Stallion 2000	<input checked="" type="checkbox"/>	75

System Improvement

Follow-up Studies

	Areas for Potential Improvement	Study Cost	Initiate Study
	Environmental Concerns	20,000	<input checked="" type="checkbox"/>
	Quality Control	20,000	<input checked="" type="checkbox"/>
	Employee Involvement	20,000	<input checked="" type="checkbox"/>
	Factory Efficiency	20,000	<input checked="" type="checkbox"/>
	Good Neighbor	20,000	<input checked="" type="checkbox"/>

Inspect

Quality Inspection: Case, Hard drive, Monitor, Computing power, Keyboard & mouse

Estimated Inspection and Defect Repair Cost: 202,068

Improvement Actions

You have not bought any of the follow-up studies.

Finance

Stock

Stock

Stock Type	Name of Owner	Shares	Price Per Share	Total Amount	Quarter
Common Stock	Executive Team	20,000	100	2,000,000	1
Common Stock	Executive Team	10,000	100	1,000,000	2
Common Stock	Executive Team	10,000	100	1,000,000	3
Common Stock	Venture Capitalists	50,000	100	5,000,000	4

Certificate of Deposit

3-month certificate of deposit account for current quarter	1,200,000
Quarterly interest rate	1.50
Interest to earn	18,000

Short Term Loan

No outstanding conventional loans this quarter.

Corporate

Company Name

Thoroughbred Technologies

Executive Responsibilities

Officer name	Primary responsibility	Secondary responsibility
Hudson, Bernie	President-Overall Leadership	VP-Marketing
Philpott, Brodie	VP-Accounting and Finance	VP-Marketing Research
Evenstad, Peter	VP-Manufacturing	VP-Marketing Research
Ramirez, Jesus	VP-Sales Management	VP-Human Resources

Goals and Strategy

Target markets: 1 - Mercedes, 2 - Workhorse, 3 - Traveler

Mission statement: We will design and create innovative computing solutions that exceed the expectations of our customers. We will accomplish this by: 1.) Earning our customer's trust 2.) Acting with the utmost integrity 3.) Creating sustainable shareholder value 4.) Giving back to the community 5.) Being a good corporate citizen.

Strategic directions:

Corporate culture

- earn customer trust and business every day
- act with integrity in everything we do
- give back to the community
- create shareholder value
- be a good corporate citizen
- deliver value to all stakeholders

Market orientation

- focus on value-driven markets

Corporate objectives

- cash (ending cash position, cash flow from operations...)
- shareholder value (earnings per share, net equity, net equity per share...)
- stewardship (environment, carbon footprint, energy consumption, green)

Corporate strategic thrusts:

Short-term vs. Long-term

- Long-term perspective - defer profits in order to build a strong competitive position

Willingness to Take Risk

- Cautious - favor safe decisions to avoid risk to firm

Market Leadership

- Smart follower - imitate good ideas

Firm's Top Competitive Forces (pick 4 to 6)

- Aggressive pricing
- Superior customer value

- High-volume, low-cost manufacturing
- Strong asset management (productive use of resources)
- Technology leadership
- Embrace conscious capitalism

Marketing

Modify Brand

	Stallion 3000 [modified]	Pegasus 2000 [new]	Pegasus 1000 [new]	Clydesdale 3000 [new]	Stallion 3500 [new]
Essentials					
Base components	x	x	x	x	x
Case					
Standard (Desktop)	x			x	x
Standard (Laptop)		x	x		
Hard drive					
High capacity			x	x	
Ultra capacity	x	x			x
Office software					
Office	x	x	x	x	x
Other software					
Bus. graphics	x	x	x	x	x
Presentation	x	x	x	x	x
Database	x	x	x	x	x
Bookkeeping	x	x	x	x	x
Engineering		x			x
Manufacturing		x			x
Games	x	x		x	x
Monitor					
19" standard (Desktop)	x			x	
21" high res. (Desktop)					x
14" standard (Laptop)		x	x		
Computing power					
Mid-range			x	x	
High speed	x	x			x
Keyboard & mouse					
Standard			x		
Expanded	x	x		x	x
Special features					
Auto backup system	x	x	x	x	x
Networking					
Standard	x	x	x	x	x
Battery					
Standard (Laptop)		x	x		
Packaging					

Standard	x	x	x	x	x
----------	---	---	---	---	---

Feature R&D

R&D Feature	Already invested	Cost this quarter and every quarter until finished	Quarter available for design into new brands	R&D cost if designed in 1 quarter	R&D cost if designed in 3 quarters	Material Cost
Case: Stylish - no lead (desktop)	0	625,365	6	625,365	475,176	32
Case: Slim - no lead (laptop)	0	810,132	6	810,132	615,567	44
Hard drive: Fail-proof ultra cap.	717,092	713,510	6	713,510	542,151	240
Monitor: 32" wide screen (desktop)	836,607	832,429	6	832,429	632,508	325
Battery: Long-life lithium (laptop)	0	1,421,285	6	1,421,285	1,079,943	28
Packaging: Sustainable	298,788	297,297	6	297,297	225,897	10
Total Expenses: 4,700,018						

Confirm R&D

Technologies to Sell

No new selling contracts this quarter.

Technologies to Purchase

Computing power: Ultra fast

Licensor: **Team Awesome Technologies**

Price: **300,000**

Starting quarter: **6**

Contract accepted.

Networking: High speed

Licensor: **Millennium Digital**

Price: **1,100,000**

Starting quarter: **6**

Contract accepted.

Modify Ad

	Workhorse [Clydesdale 3000] [modified]	Mercedes [Stallion 3500] [modified]	Traveler [new]
Mention brand name	4	7	
Rebate - special price deal	1	1	1
High speed/execution time		5	
Many bundled applications			2
Most powerful PC on market		4	
New and improved brand	2	2	
Feature office applications	6		5
Engineering applications		6	
Easy to use, simple design	3		
Portable design			3
Picture of engineers/scientists		3	
Picture business professionals	5		

Picture of business travelers

4

Regional Media**World Market**

Media	Cost	Workhorse	Mercedes	Traveler
Business Newspapers	23,000	2	2	2
General Business Magazine	16,000	2	2	2
Computer Magazines	5,000	0	2	0
General News Magazines	8,000	2	2	2
Leading Trade Journals	7,500	2	2	2
New Venture Magazines	9,000	2	2	2
Sports Magazines	24,500	2	2	2
Science & Technology	15,000	0	2	2
Advertising Expenses		164,215	201,536	192,206
Total Advertising Expenses: 557,957				

Price and Priority**World Market**

Brand	Available for Sale	Retail Price	Price Rebate	Sales Priority
Clydesdale 2000	<input checked="" type="checkbox"/>	2,300	100	1
Stallion 3000	<input checked="" type="checkbox"/>	3,500	200	2
Pegasus 2000	<input checked="" type="checkbox"/>	3,000	100	6
Pegasus 1000	<input checked="" type="checkbox"/>	2,100	100	5
Clydesdale 3000	<input checked="" type="checkbox"/>	2,500	100	4
Stallion 3500	<input checked="" type="checkbox"/>	3,700	200	3

Buy Market Research

Buying for: World Market

Total Expenses: 15,000

Human Resources**Sales Force Compensation**

	Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
World Market	42,000	Comprehensive coverage ▼	3 weeks ▼	10	63,703

Factory Supervisor Compensation**Shanghai-APAC, World Market**

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
28,000	Comprehensive coverage ▼	3 weeks ▼	10	42,469

Factory Worker Compensation

Shanghai-APAC, World Market

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
15,000	Comprehensive coverage ▼	2 weeks ▼	10	22,283

Special Programs

Sales Force Professional Training Program

Typical cost per salesperson	1,000
Expenditure per salesperson	500
Total expenditure for this program	15,500

Sales Force Contest Program/Special Vacation Trip for Top Third of Sales Force

Typical cost per salesperson	2,000
Monetary value of vacation	1,000
Total expenditure for this program	10,000

Sales Force Demonstration Kit Program

Typical cost per demonstration kit	200
Expenditure per demonstration kit	100
Demonstration kit expires in quarter	8
Total expenditure for this program	3,100

Total Planned Sales Program Expenditures: 28,600

Promotions

World Market

Brand	Cash Bonus for Top Third of Sales People Typical: 500	Free Gift (SPIFF) for Top Third of Sales People Typical: 100
Clydesdale 2000	500	100
Stallion 3000	500	100
Pegasus 2000	500	100
Pegasus 1000	500	100
Clydesdale 3000	500	100
Stallion 3500	500	100
Total Sales People in Region	31	
Total Expenses	36,000	

Sales Channel

Open Sales Office

World Market





Operational: Chicago-NORAM, Paris-EMEA, Shanghai-APAC

Opening: Sao Paulo-LATAM

Total sales offices costs: 520,000

Hire Sales People

World Market

City	Annual Salary	Total Sales People	 Support	 Workhorse	 Mercedes	 Traveler
Quarterly Training Costs			3,000	2,000	4,000	3,000
Chicago-NORAM	63,703	12	2	4	4	2
Paris-EMEA	63,703	9	2	2	3	2
Shanghai-APAC	63,703	10	2	2	4	2
Total number of sales people in the prior quarter				19		
Total number of sales people in the current quarter				31		
Net change in number of sales people in region				12		
Cost to employ sales people for the quarter				589,702		

Manufacturing

Fixed Capacity

Fixed capacity available per day in current quarter: 150
 Planned increase in fixed capacity: 150
 Fixed capacity available per day in next quarter: 300

Operating Capacity

	Units/Day	Units/Quarter
Fixed capacity	150	9,750
Operating capacity	140	9,100
Effective operating capacity	101	6,565
Demand projection	100.63	6,541
Projected factory productivity	72	
New direct labor cost/unit of operating capacity		280
New overhead cost/unit of operating capacity		40
Expense to change operating capacity (to be added to overhead)	83,037	

Inventory Control

Brand	Produce	Maximum Inventory at the End of Quarter
Clydesdale 2000	<input checked="" type="checkbox"/>	500
Stallion 3000	<input checked="" type="checkbox"/>	500
Pegasus 2000	<input checked="" type="checkbox"/>	500
Pegasus 1000	<input checked="" type="checkbox"/>	500
Clydesdale 3000	<input checked="" type="checkbox"/>	500
Stallion 3500	<input checked="" type="checkbox"/>	500

System Improvement

Inspect

Quality Inspection: Case, Hard drive, Monitor, Computing power, Keyboard & mouse

Estimated Inspection and Defect Repair Cost: 390,249

Improvement Actions**Improvement Actions**

Action to Improve System	Potential Impact on Morale	Potential Impact on Reliability	Cost to Operate	Operate
 Environmental Concerns				
Retrofit factory with system to collect, store, and dispose of all chemicals.	92	64	0	<input type="checkbox"/>
Separate employees from chemicals with protective clothing and gloves.	84	60	0	<input type="checkbox"/>
Control the temperature, humidity, and cleanliness of the work area.	95	90	600,000	<input checked="" type="checkbox"/>
 Worker Training				
Cross-train employees to work on multiple tasks within their department.	94	88	410,000	<input checked="" type="checkbox"/>
Train employees to help with departmental planning, including issues related to workflow, equipment, materials, job assignments, vacation scheduling, etc.	90	86	0	<input type="checkbox"/>
Schedule time for department planning with coworkers and supervisors.	88	82	0	<input type="checkbox"/>
Develop teamwork skills, including interpersonal, communication, and negotiation skills.	87	78	0	<input type="checkbox"/>
 Quality Control				
Set up a statistical process control program to monitor all materials, parts and manufactured components.	84	96	0	<input type="checkbox"/>
Train operators to detect errors and adjust machines so they produce within tolerance.	87	93	0	<input type="checkbox"/>
 Supplier Relationships				
Measure and reward purchasing agents on both the cost and quality of incoming materials, parts, and services.	83	91	0	<input type="checkbox"/>
Work with suppliers to launch and maintain their own quality improvement programs.	85	96	340,000	<input checked="" type="checkbox"/>
 Health				
Provide fitness center for employees.	84		0	<input type="checkbox"/>
Provide daycare services for employees.	82		0	<input type="checkbox"/>
Setup and run a health clinic that includes general practitioners plus a few specialists for employees only.	91		81,000	<input checked="" type="checkbox"/>
Setup and run a health clinic that includes general practitioners plus a few specialists for the immediate families of employees.	83		81,000	<input checked="" type="checkbox"/>
 Good Neighbor				
Set up a grant program to supplement the learning experiences at local schools.	87		165,500	<input checked="" type="checkbox"/>
Provide seed money to create a technical training school				<input type="checkbox"/>

and recruit its students as employees.	85	0	
Help to create bike trails that connect the residential areas, community center and the industrial section where the factory is located.	83	0	<input type="checkbox"/>
Help to create a series of parks throughout the community, but first near the factory.	81	0	<input type="checkbox"/>
Work with local officials to expand and repave the stretch of road from the apartment complexes to the factory.	85	0	<input type="checkbox"/>
Total		1,677,500	

Finance

Stock

Stock Type	Name of Owner	Shares	Price Per Share	Total Amount	Quarter
Common Stock	Executive Team	20,000	100	2,000,000	1
Common Stock	Executive Team	10,000	100	1,000,000	2
Common Stock	Executive Team	10,000	100	1,000,000	3
Common Stock	Venture Capitalists	50,000	100	5,000,000	4

Certificate of Deposit

3-month certificate of deposit account for current quarter	1,200,000
Quarterly interest rate	1.50
Interest to earn	18,000

Short Term Loan

Total conventional loans	2,500,000
Annual interest rate	8.59
Quarterly interest rate	2.15
Quarterly interest charge	53,715

Corporate

Company Name

Thoroughbred Technologies

Executive Responsibilities

Officer name	Primary responsibility	Secondary responsibility
Hudson, Bernie	President-Overall Leadership	VP-Marketing
Philpott, Brodie	VP-Accounting and Finance	VP-Marketing Research
Evenstad, Peter	VP-Manufacturing	VP-Marketing Research
Ramirez, Jesus	VP-Sales Management	VP-Human Resources

Goals and Strategy

Target markets: 1 - Mercedes, 2 - Workhorse, 3 - Traveler

Mission statement: We will design and create innovative computing solutions that exceed the expectations of our customers. We will accomplish this by: 1.) Earning our customer's trust 2.) Acting with the utmost integrity 3.) Creating sustainable shareholder value 4.) Giving back to the community 5.) Being a good corporate citizen.

Strategic directions:

Corporate culture

- earn customer trust and business every day
- act with integrity in everything we do
- give back to the community
- create shareholder value
- be a good corporate citizen
- deliver value to all stakeholders

Market orientation

- focus on value-driven markets

Corporate objectives

- cash (ending cash position, cash flow from operations...)
- shareholder value (earnings per share, net equity, net equity per share...)
- stewardship (environment, carbon footprint, energy consumption, green)

Corporate strategic thrusts:

Short-term vs. Long-term

- Long-term perspective - defer profits in order to build a strong competitive position

Willingness to Take Risk

- Cautious - favor safe decisions to avoid risk to firm

Market Leadership

- Smart follower - imitate good ideas

Firm's Top Competitive Forces (pick 4 to 6)

- Aggressive pricing
- Superior customer value

- High-volume, low-cost manufacturing
- Strong asset management (productive use of resources)
- Technology leadership
- Embrace conscious capitalism

Marketing

Modify Brand

	Stallion 4000 [new]	Pegasus 3000 [new]	Clydesdale 4000 [new]	Stallion 3501 [new]
Essentials				
Base components	x	x	x	x
Case				
Stylish - no lead (Desktop)	x		x	x
Slim - no lead (Laptop)		x		
Hard drive				
Ultra capacity			x	x
Fail-proof ultra cap.	x	x		
Office software				
Office	x	x	x	x
Other software				
Bus. graphics	x	x	x	x
Presentation	x	x	x	x
Database	x	x	x	x
Bookkeeping	x	x	x	x
Engineering	x			x
Manufacturing	x			x
Games	x		x	x
Monitor				
19" standard (Desktop)			x	
21" high res. (Desktop)				x
32" wide screen (Desktop)	x			
14" standard (Laptop)		x		
Computing power				
Mid-range			x	
High speed		x		x
Ultra fast	x			
Keyboard & mouse				
Expanded	x	x	x	x
Special features				
Auto backup system	x	x	x	x
Networking				
Standard				x
High speed	x	x	x	
Battery				
Long-life lithium (Laptop)		x		
Packaging				
Sustainable	x	x	x	x

Feature R&D

No R&D Investments.

Modify Ad

	Workhorse [Clydesdale 4000] [modified]	Mercedes [Stallion 4000] [modified]	Traveler [Pegasus 3000] [modified]
Mention brand name	4	7	3
Rebate - special price deal	1	1	1
High speed/execution time	2	5	5
Most powerful PC on market		4	
New and improved brand	3	2	6
Global sales/service, all 4mks	5	8	4
Feature office applications	6		
Presentation applications			7
Engineering applications		6	
Easy to use, simple design	7		
Portable design			8
High speed network/internet	9		
Picture of engineers/scientists		3	
Picture business professionals	8		
Picture of business travelers			2

Regional Media**World Market**

Media	Cost	Workhorse	Mercedes	Traveler
Business Newspapers	23,000	2	2	2
General Business Magazine	16,000	2	2	2
Computer Magazines	5,000	2	2	2
General News Magazines	8,000	2	2	2
Leading Trade Journals	7,500	2	2	2
New Venture Magazines	9,000	2	2	2
Sports Magazines	24,500	2	2	2
Executive Business Mags	29,000	2	2	2
Science & Technology	15,000	2	2	2
Advertising Expenses		255,652	255,652	255,652
Total Advertising Expenses: 766,956				

Price and Priority**World Market**

Brand	Available for Sale	Retail Price	Price Rebate	Sales Priority
Clydesdale 2000	<input type="checkbox"/>	0	0	0
Stallion 3000	<input type="checkbox"/>	0	0	0
Pegasus 2000	<input type="checkbox"/>	0	0	0
Pegasus 1000	<input type="checkbox"/>	0	0	0
Clydesdale 3000	<input type="checkbox"/>	0	0	0

Stallion 3500	<input type="checkbox"/>	0	0	0
Stallion 4000	<input checked="" type="checkbox"/>	4,100	100	1
Pegasus 3000	<input checked="" type="checkbox"/>	3,100	100	3
Clydesdale 4000	<input checked="" type="checkbox"/>	2,500	100	4
Stallion 3501	<input checked="" type="checkbox"/>	3,900	100	2

Buy Market Research

Buying for: World Market

Total Expenses: 15,000

Human Resources

Sales Force Compensation

	Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
World Market	44,500	Comprehensive coverage ▼	3 weeks ▼	10	67,495

Factory Supervisor Compensation

Shanghai-APAC, World Market

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
30,000	Comprehensive coverage ▼	3 weeks ▼	10	45,502

Factory Worker Compensation

Shanghai-APAC, World Market

Annual Salary	Health Benefits Package	Weeks of Vacation	Pension [% of salary]	Compensation per year
16,000	Comprehensive coverage ▼	2 weeks ▼	10	23,769

Special Programs

Sales Force Professional Training Program

Typical cost per salesperson	1,000
Expenditure per salesperson	750
Total expenditure for this program	39,750

Sales Force Contest Program/Special Vacation Trip for Top Third of Sales Force

Typical cost per salesperson	2,000
Monetary value of vacation	1,500
Total expenditure for this program	27,000

Sales Force Demonstration Kit Program

Typical cost per demonstration kit	200
Expenditure per demonstration kit	100
Demonstration kit expires in quarter	8
Total expenditure for this program	2,200

Total Planned Sales Program Expenditures: 68,950

Promotions

World Market

Brand	Cash Bonus for Top Third of Sales People Typical: 500	Free Gift (SPIFF) for Top Third of Sales People Typical: 100	
Stallion 4000		250	0
Pegasus 3000		0	0
Clydesdale 4000		0	0
Stallion 3501		0	0
Total Sales People in Region	53		
Total Expenses	4,250		

Sales Channel

Open Sales Office





World Market

Operational: Chicago-NORAM, Sao Paulo-LATAM, Paris-EMEA, Shanghai-APAC

Total sales offices costs: 440,000

Hire Sales People

World Market

City	Annual Salary	Total Sales People	 Support	 Workhorse	 Mercedes	 Traveler
Quarterly Training Costs			3,000	2,000	4,000	3,000
Chicago-NORAM	67,495	14	2	5	5	2
Sao Paulo-LATAM	67,495	13	2	4	5	2
Paris-EMEA	67,495	13	2	4	5	2
Shanghai-APAC	67,495	13	2	4	5	2
Total number of sales people in the prior quarter				31		
Total number of sales people in the current quarter				53		
Net change in number of sales people in region				22		
Cost to employ sales people for the quarter				1,056,314		

Manufacturing

Sell Unwanted Inventory

Brand	Inventory Units	Salvage Price	Number of Units to Sell	Price
Clydesdale 2000	256	563	256	144,128
Stallion 3000	256	779	256	199,424
Pegasus 2000	256	918	256	235,008
Pegasus 1000	256	604	256	154,624

Clydesdale 3000	256	687	256 175,872
Stallion 3500	256	995	256 254,720
Total price: 1,163,776			

Fixed Capacity

Fixed capacity available per day in current quarter: 300
 Planned increase in fixed capacity: 0
 Fixed capacity available per day in next quarter: 300

Operating Capacity

	Units/Day	Units/Quarter	
Fixed capacity	300	19,500	
Operating capacity	265	17,225	
Effective operating capacity	207	13,455	
Demand projection	203.85	13,250	
Projected factory productivity	78		
New direct labor cost/unit of operating capacity			260
New overhead cost/unit of operating capacity			30
Expense to change operating capacity (to be added to overhead)			84,939

Inventory Control

Brand	Produce	Maximum Inventory at the End of Quarter
Clydesdale 2000	<input type="checkbox"/>	0
Stallion 3000	<input type="checkbox"/>	0
Pegasus 2000	<input type="checkbox"/>	0
Pegasus 1000	<input type="checkbox"/>	0
Clydesdale 3000	<input type="checkbox"/>	0
Stallion 3500	<input type="checkbox"/>	0
Stallion 4000	<input checked="" type="checkbox"/>	500
Pegasus 3000	<input checked="" type="checkbox"/>	500
Clydesdale 4000	<input checked="" type="checkbox"/>	500
Stallion 3501	<input checked="" type="checkbox"/>	500

System Improvement

Inspect

Quality Inspection: Case, Hard drive, Monitor, Computing power, Keyboard & mouse

Estimated Inspection and Defect Repair Cost: 321,159

Improvement Actions

Improvement Actions

Action to Improve System	Potential Impact	Potential Impact on	Cost to Operate
--------------------------	------------------	---------------------	-----------------

on
Morale **Reliability** **Operate**



Environmental Concerns

Retrofit factory with system to collect, store, and dispose of all chemicals.	92	64	800,000	<input checked="" type="checkbox"/>
Separate employees from chemicals with protective clothing and gloves.	84	60	107,950	<input checked="" type="checkbox"/>
Control the temperature, humidity, and cleanliness of the work area.	95	90	30,000	<input checked="" type="checkbox"/>



Worker Training

Cross-train employees to work on multiple tasks within their department.	94	88	128,200	<input checked="" type="checkbox"/>
Train employees to help with departmental planning, including issues related to workflow, equipment, materials, job assignments, vacation scheduling, etc.	90	86	0	<input type="checkbox"/>
Schedule time for department planning with coworkers and supervisors.	88	82	130,600	<input checked="" type="checkbox"/>
Develop teamwork skills, including interpersonal, communication, and negotiation skills.	87	78	271,200	<input checked="" type="checkbox"/>



Quality Control

Set up a statistical process control program to monitor all materials, parts and manufactured components.	84	96	1,129,500	<input checked="" type="checkbox"/>
Train operators to detect errors and adjust machines so they produce within tolerance.	87	93	282,375	<input checked="" type="checkbox"/>



Supplier Relationships

Measure and reward purchasing agents on both the cost and quality of incoming materials, parts, and services.	83	91	0	<input type="checkbox"/>
Work with suppliers to launch and maintain their own quality improvement programs.	85	96	265,000	<input checked="" type="checkbox"/>



Health

Provide fitness center for employees.	84		105,300	<input checked="" type="checkbox"/>
Provide daycare services for employees.	82		52,650	<input checked="" type="checkbox"/>
Setup and run a health clinic that includes general practitioners plus a few specialists for employees only.	91		55,300	<input checked="" type="checkbox"/>
Setup and run a health clinic that includes general practitioners plus a few specialists for the immediate families of employees.	83		55,300	<input checked="" type="checkbox"/>



Good Neighbor

Set up a grant program to supplement the learning experiences at local schools.	87		15,500	<input checked="" type="checkbox"/>
Provide seed money to create a technical training school and recruit its students as employees.	85		555,300	<input checked="" type="checkbox"/>
Help to create bike trails that connect the residential areas, community center and the industrial section where the factory is located.	83		170,000	<input checked="" type="checkbox"/>
Help to create a series of parks throughout the community, but first near the factory.	81		250,000	<input checked="" type="checkbox"/>
Work with local officials to expand and repave the stretch of road from the apartment complexes to the factory.	85		0	<input type="checkbox"/>

Total

4,404,175

Finance

Stock

Stock Type	Name of Owner	Shares	Price Per Share	Total Amount	Quarter
Common Stock	Executive Team	20,000	100	2,000,000	1
Common Stock	Executive Team	10,000	100	1,000,000	2
Common Stock	Executive Team	10,000	100	1,000,000	3
Common Stock	Venture Capitalists	50,000	100	5,000,000	4

Certificate of Deposit

No cash being tied in 3-Month Certificate of Deposit account this quarter.

Short Term Loan

Total conventional loans	2,500,000
Annual interest rate	9.15
Quarterly interest rate	2.29
Quarterly interest charge	57,162