

Instructions for use: Fill out using Acrobat Reader then save to your PC once completed.

Activity 1

As an entrepreneur, you have been monitoring your business and realised that you do not have sufficient orders to sustain your business through the next 3 months. How would you advertise your business to attract more customers?

Activity 2

Stock Level Activity

Crosby Ltd. is a cogwheel manufacturer. The company was set up in 1994 and they sell an average of 200 cogwheels per month. The warehouse is located in Shanghai province and the maximum capacity of the warehouse is 500 cogwheels, as the products are voluminous. After having studied carefully the sales of the past three years, the logistics department came up with the statement that the minimum stock level is 300 cogwheels in order to be able to face any important orders. The lead time is as follows: it needs 10 days to manufacture the cogwheels and it needs 5 days to transport the cogwheels from the factory to the warehouse.

In January 2015, the warehouse was at its maximum stock level, 500 cogwheels. The company sold 200 cogwheels during the month of January and managed to order new cogwheels so that the stock was again at its maximum stock level on the 1st of February. Sales went as usual during the first two weeks of the month. However there was an unexpected sale on the 16th of February: 200 cogwheels were sold to a Russian client. To counterbalance this, Crosby Ltd. ordered 400 cogwheels on the last day of February. In March the sales were terrible and Crosby Ltd. didn't sell any cogwheels.

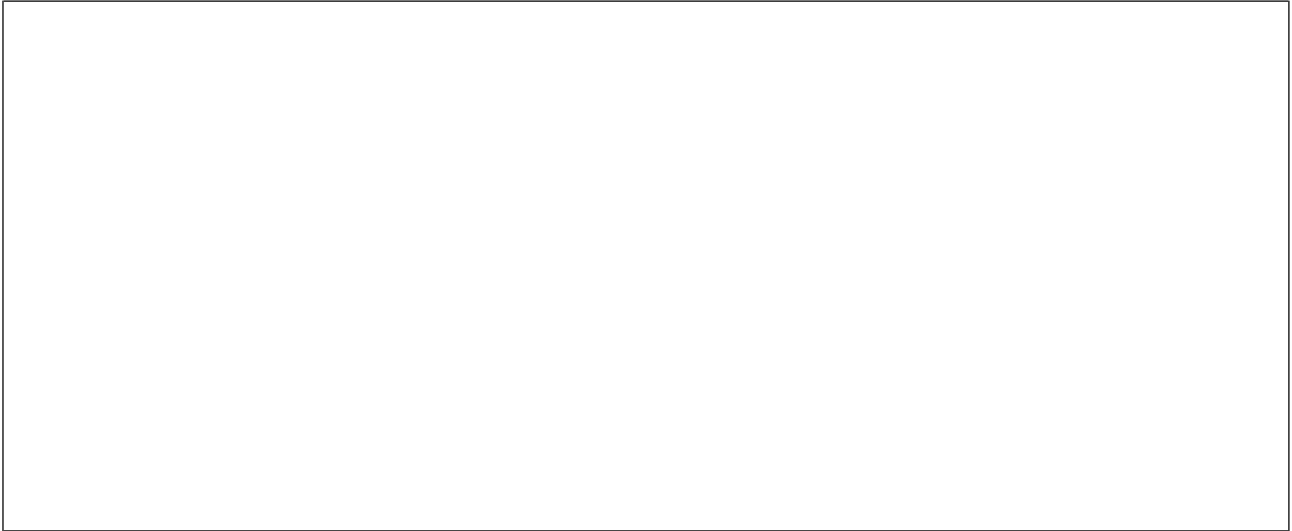
Taken from TES website.

Question 1

Why did Crosby Ltd. set minimum/maximum stock level? How did this help them in February?

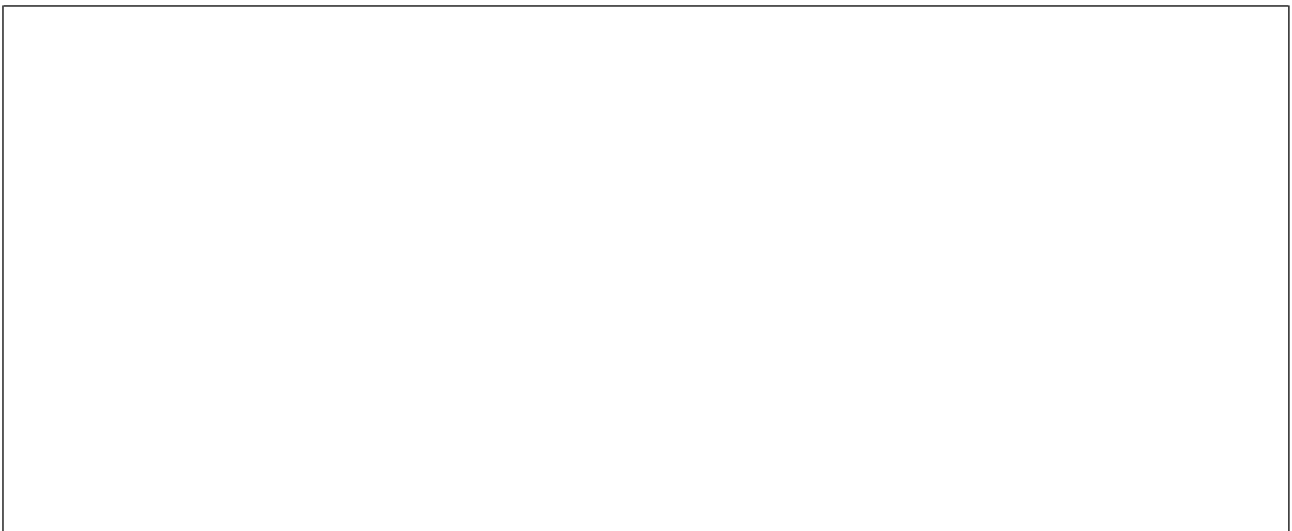
Question 2

How was the stock level at the end of February? What is the disadvantage of such a stock level?



Question 3

How was the stock level in March? What is the disadvantage of such a stock level?



Activity 3

As an entrepreneur, you have been monitoring your business and realised that the staff you have been employing are not staying with your organisation for long. What action would you take to stop this happening? How would you communicate with your staff to retain them?