



Record of Decisions

This information may be useful in putting together your company's story for a presentation or portfolio or in making sure that all team members are aware of the decisions that have been made.

Quarterly Decision Log												
	Quarter #	Production # units	Add to Capacity	Total Quality	Price	Advertising	Sales Persons	Product Development	Market Research	Dividends	Loan	ROE
	1											
Year 1	2											
	3											
	4											
	5											
Year 2	6											
	7											
	8											
	9											
Year 3	10											
	11											
	12											



Data Summary Sheet

These are the default values/options for a number of things in the simulation. Bear in mind that some of these may change over time, such as interest rates or inventory carrying costs.

All items are per quarter, unless otherwise stated.

<u>Sales/Marketing Items</u>		
<u>Sales Price (per unit)</u>	\$27-\$41	Your choice will affect total sales and the production cost per unit.
<u>Advertising & Promotion Budget</u>	\$0-\$200,000	Increases product perception and sales. Diminishing returns.
<u>Sales Force</u>	\$15,000 per salesperson each Q. You start with 2. Stays at this number unless you hire or fire (change by up to 4 per Q).	One full Q before they have any positive effect. \$6,000 to fire a salesperson. Diminishing returns.
<u>Production Items</u>		
<u>Production Cost per Unit</u>	The base cost per unit is $\frac{1}{2}$ of the sales price. Other factors can make small modifications to this base cost.	Spending money on Quality Management can reduce this cost, as can some other things.
<u>Cost of Goods Sold</u>	Cost per Unit times number of units sold.	
<u>Plant/Equipment Depreciation</u>	3% of available capacity. Automatically taken away each Q.	Taken after all units are produced during the Q, so will affect what can be produced in the following Q. Can be offset by expansion.
<u>Plant/Equipment Expansion</u>	\$60 per unit capacity added. Only in segments of 1,000 units. Adding 1 segment adds 1,000 units of production capacity and costs \$60,000.	Available for use immediately. (Maximum of 10 additional segments per Q)
<u>Overhead</u>	Based on Production Capacity: Minimum of \$175,000 for up to 35,000 units. Increases by \$25,000 for each block of 10,000 units above this.	Based on capacity, <u>not</u> number of units actually produced. Includes what was just added this Q, if applicable.
<u>Other Items</u>		
<u>Product Development</u>	\$0-\$200,000	Increases product perception and sales. Continued investment may lead to a breakthrough. Diminishing returns.
<u>Quality Management</u>	\$0-\$200,000	Decreases cost per unit. Increases product perception and marketing effectiveness. Diminishing returns.
<u>Inventory Carrying Costs</u>	\$15,000 + \$2 per unit on hand at end of Q	Cost per unit may change at any time. Watch your messages closely.
<u>Interest Rates</u>	Paid on bank loan: 10% per year (2.5% per Q) Higher if emergency loan; rate can change	Received on cash (must begin Q above \$60,000): 6% per year (1.5% per Q)
<u>Taxes</u>	40% of profits	Includes all federal/state/local taxes.