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11/13/2020

Baldwin Corporation 5th Report

Strategic Goals for Baldwin

*Look at the **bold fonts** for changes compared to round 4

Our goal for Baldwin is to stand out strong in the competitive 8 rounds **with a stock price above \$150. We'd also like to capture at least 25%** of the market share for all segments combined while operating under a healthy contribution margin which is ideally above 40 percent by taking advantage of Total Quality Management. We are working to ensure increased awareness and accessibility for our customers as we offer a wide variety of products in all respective segments, which include traditional, low-end, high-end, performance-oriented, and size-oriented. As for round 6, we're continuing to ramp up investments into accessibility as we are still lagging behind in accessibility compared to our competitors. **We recognize that Digby and Ferris are introducing their 7th product, therefore retaining market share will be even tougher.**

We aim to maintain an offering of 6 products from all segments. Based on the environment of the competition and rapid R&D demand for high-end products, we decided to introduce other products for the high-end category with R&D optimization in mind in accordance with the industry and capstone courier report. With R&D optimization for high-end products, customers can get the exact specifications they need. We intend to be in the business in providing reliable products in all categories with one highlighted focus in which is the high-end products.

With the optimization and highlighted focus on high-end products for later rounds, we intend to dominate this high-end category while projecting moderate competition in all other categories. We intend to thrive throughout the "weeding" process in which few companies are expected to survive. We will survive by operating lean and mean by tightening our belts and be willing to be decisive to gain many advantages and outmaneuver our competitors.

We also seek to maintain the highest stock price per share out of all competitors.

Assessment of Round 5 Decisions

Research & Development (R&D) - Meets our expectations as usual, positioned in accordance with the Industry Conditions report. We are reaping the benefit of utilizing Total Quality Management Internally (TQM) to speed up R&D for all of our products. We have invested a total of \$7.5 million in Concurrent Engineering and Quality Function Deployment Effort (\$3.25 million dollars each) in rounds 4 and 5. We felt that investing in speeding up R&D was a great decision since it helped us to preserve our market share in the low-end. It helped us by increasing the “leap” in performance and size within a round. Fewer revisions in Bead make it appear older. We aim to keep Bead close to the age of 7 years as much we can.

Ideal Spot determined (Round 5) 4.2 15.9

	Traditional		Low-End		High-End		Performance		Size	
	Pfmn	Size	Pfmn	Size	Pfmn	Size	Pfmn	Size	Pfmn	Size
Round 5 Center	10.6	9.4	6.5	13.5	14.7	5.3	16.0	11.4	8.6	4.0
Offset	0.0	0.0	-0.8	+0.8	+1.4	-1.4	+1.4	-1.0	+1.0	-1.4
Ideal	10.6	9.4	5.7	14.3	16.1	3.9	17.4	10.4	9.6	2.6
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	Baker		Bead		Bid		Bold		Buddy	
Actual	8.5	11.5	4.2	15.9	13.4	6.6	14.4	12.5	7.5	5.6
					Biddin					
					13.7	6.3				

10.6	9.4	6.5	13.5	14.7	5.3	16.0	11.4	86	4.0
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We are generally satisfied within the positioning of each product. For Baker, Bid, Bold, and Buddy, they were positioned in accordance to the ideal spot. However, for Bead and Biddin, the approach is different. We are doing the best we can to keep the age perception near to 7 years old for Bead while safeguarding its Ideal Position criteria. For Bid and Biddin, they are a bit

different in the exact positioning, however the only real difference between Bid and Biddin is the perceived age. Biddin will see stronger demand due to its younger perceived age.

Marketing - Although we're seeing slight improvement to our accessibility, we are still concerned with our accessibility level in all segments. Out of necessity, we're boosting the Sales Budget at an unprecedented level in hopes to boost accessibility level and make more sales. Each round, we routinely boost the Sales Budget after finding out that it leads to more accessibility and better sales. On the other hand, we are happy with how our Awareness level is trending towards 100% for all of our products.

Product	Baker	Bead	Bid	Bold	Buddy	Biddin
Round 4 Accessibility	62%	64%	61%	38%	44%	61%
Round 5 Accessibility	66%	68%	75%	51%	54%	75%
Accessibility gain	4%	4%	14%	13%	10%	14%
Sales Budget	\$2250	\$2250	\$2150 *4300* combined	\$2400	\$2400	\$2150 *4300* combined

We have gained a sizable amount of accessibility, but it's not significant as awareness in traditional and low-end segments. We are happy with the sizable increase of awareness level in the high-end, performance, and size segments. The boost of awareness in the high-end, performance, and size is due to having 2 products in the high-end segment and largely increasing Sales Budget for the performance and size segment. With 2 products in the segment, the B2B customers can associate our products with our brand within that segment, which naturally boosts awareness.

Product	Baker	Bead	Bid	Bold	Buddy	Biddin
Round 3 Awareness	100%	100%	100%	92%	91%	61%
Round 4 Awareness	100%	100%	100%	100%	100%	86%

Awareness gain	0%	0%	0%	8%	9%	25%
Promo Budget	\$1400	\$1400	\$1400	\$1900	\$1900	\$2000

Baker - Forecasted properly with 19 units left in the inventory, which lowers our carrying costs than our competitors. Despite having 11 products competing in the traditional segment, we managed to sell the most units out of all products, capturing 15% of the market share at 1,666 units sold. We tied with Chester having the highest Customer Survey Score at 51 points. Baker was near the ideal position in Pfmn, Size, and MTBF in which propelled us to have a higher customer satisfaction rating. We should have stocked out by picking up sales due to under-forecasting from Andrews, but somehow Erie has picked up the sales.

	Andrews	Baldwin	Chester	Digby	Erie	Ferris
Est. Potential Market Share	36%	15%	16%	8%	25%	0%
Est. Actual Market Share	34%	15%	14%	10%	28%	0%
Est. Sale Loss/Gain	- 229 units	+15 units	-229 units	+229 units	+344 units	0
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Baker	Forecasted	Actual	Difference			
	1627	1666	2.34%			

No explanation can be offered on why Erie picked up the market share at a much better capacity despite lower Customer survey score of 33 for Echo and 0 for Eat.

Bead - Under-forecasted. We stocked out and have 0 units left in the inventory. Our Customer Survey Score for Round 4 is 24. The Customer Survey Score for Bead at the end of the year is 35. It's a 11 point increase which significantly impacts our potential market share. We did not anticipate a sharp increase in Customer Survey Score, which is also the reason why we lost out many potential sales.

	Andrews	Baldwin	Chester	Digby	Erie	Ferris
Est. Potential Market Share	31%	22%	12%	7%	20%	7%

Est. Actual Market Share	29%	18%	13%	8%	23%	8%
Est. Sale Loss/Gain	- 311 units	-622 units	+156 units	+156 units	+468 units	+156 units
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Bead	Forecasted	Actual	Difference			
	2806	2956	5.07%			

The lesson here is that Customer Survey Score does influence potential market share. Therefore it's another variable we'll consider in our future forecasts. It's also a good reminder to have plenty in the inventory despite its carrying cost.

Bid - Under-forecasted. However, we have ordered more productions than usual to safeguard against an expected potential surge in demand due to the expected sudden hop in accessibility level and market share due to the full introduction of Biddin. Nevertheless, we are happy with our decision to expand productions and to avoid the worst of stock out. We only lost 2% of the market share, which is tolerable given the difficulty to forecast this big shift in the high-end segment.

	Andrews	Baldwin	Chester	Digby	Erie	Ferris
Est. Potential Market Share	0%	44%	10%	12%	0%	35%
Est. Actual Market Share	0%	42%	9%	13%	0%	37%
Est. Sale Loss/Gain	0	-108 units	-54 units	+54 units	0	+108 units
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Bid	Forecasted	Actual	Difference			
	1028	1116	7.86%			

Bold - Under-forecasted. Increasing MTBF to 27,000 helped us lead to more sales. But we did not anticipate that boosting the Sales Budget to \$2,400 would actually lead to 13% rise in accessibility. We did not stock out for this round but we still lost 2% of the potential market share. We believe that our low accessibility level (despite a good boost) actually leads us to lose market share.

	Andrews	Baldwin	Chester	Digby	Erie	Ferris
Est. Potential Market Share	0%	23%	23%	29%	0%	25%
Est. Actual Market Share	0%	21%	24%	30%	0%	25%
Est. Sale Loss/Gain	0	-94 units	+47 units	+47 units	0	+0 units
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Bold	Forecasted	Actual	Difference			
	924	1007	8.24%			

Buddy - Severely under-forecasted. We were the only product with 100% awareness which propelled us to have a higher potential market share in which we lost out. Our Customer Survey score of 65 also helped a lot along with TQM Initiatives that actually boosted demand for our product in the Size segment. This is an unfortunate circumstance that our approach of keeping inventory low to reduce carrying costs has backfired.

	Andrews	Baldwin	Chester	Digby	Erie	Ferris
Est. Potential Market Share	0%	35%	29%	18%	0%	17%
Est. Actual Market Share	0%	30%	26%	23%	0%	20%
Est. Sale Loss/Gain	0	-230 units	-139 units	+230 units	0	+139 units
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Buddy	Forecasted	Actual	Difference			
	1260	1356	7.07%			

Biddin - Near Perfectly Forecasted. Biddin's 86% customer awareness has a sizable impact in sales. We expect Biddin to sell better when the customer awareness is 100% along with expected better accessibility.

	Andrews	Baldwin	Chester	Digby	Erie	Ferris
Est. Potential Market Share	0%	44%	10%	12%	0%	35%

Est. Actual Market Share	0%	42%	9%	13%	0%	37%
Est. Sale Loss/Gain	0	-108 units	-54 units	+54 units	0	+108 units
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Biddin	Forecasted	Actual	Difference			
	1136	1143	0.6%			

Production - As a general precaution, we often have set aside some additional productions above our forecast level to ensure that products are available if we under-forecast. It turns out that it's not sufficient enough. For Round 5, we generally did not meet our expectations because we stocked out on half of our products which included Bead, Bid, and Buddy.

Baker - We did not stock out and sold 1,666 units and currently have 19 units in inventory.

Bead - We stocked out and sold 2,956 units.

Bid - We stocked out and sold 1,116 units.

Bold - We did not stock out and sold 1007 units and currently have 20 units in inventory.

Buddy - We stocked out and sold 1,356 units.

Biddin - We did not stock out and sold 1,143 units and currently have 73 units in inventory.

Finance - We managed to meet our expectations financially. Our goals were to not have any emergency loans and to make sure that we had some cash left over based on having a positive net profit. There were no emergency loans taken out and we were left with about \$25,896,000 in cash. We did not take out any long-term loans nor that we plan to raise money by issuing stocks. We intend to use retained earnings to cover Plants, R&D, and TQM expenses as we believe it's in the best interest for both management and investors. We acknowledge that we're going underleveraged. But we believe that's our best path forward to reduce debt expenses and increase our total profit.

Forecasted Cash Positions		
December 21, 2022	\$25,896	
December 31, 2023	\$20,146	Difference in total sum
Actual Cash Positions		\$11,665
December 21, 2022	\$25,896	Difference in %
December 31, 2023	\$31,811	36.67

Round 6 Decisions

Research & Development

Name	Pfmn	Size	MTBF	Revision Date	Age at Revision	R & D Cost
Baker	9.2	10.8	17,500	June 10, 2026	1.0	\$450
Bead	4.2	15.9	14,000			\$0
Bid	14.3	5.7	24,500	June 9, 2026	0.9	\$445
Bold	15.4	11.8	27,000	June 9, 2026	1.0	\$446
Buddy	8.2	4.6	19,000	June 9, 2025	1.0	\$446
Biddin	14.6	5.4	24,500	June 5, 2026	0.7	\$434

* yellow highlight indicates what changed from prior round

Ideal Spot determined (Round 6)

	Traditional		Low-End		High-End		Performance		Size	
	Pfmn	Size	Pfmn	Size	Pfmn	Size	Pfmn	Size	Pfmn	Size
Round 6 Center	9.2	10.8	5.5	14.5	12.9	7.1	14.0	12.8	7.2	6.0
Offset	0.0	0.0	-0.8	+0.8	+1.4	-1.4	+1.4	-1.0	+1.0	-1.4
Ideal	9.2	10.8	4.7	15.3	14.3	5.7	15.4	11.8	8.2	4.6
This space is intentionally left blank										
	Baker		Bead		Bid		Bold		Buddy	
Actual	9.2	10.8	4.2	15.9	14.3	5.7	15.4	11.8	8.2	4.6
					Biddin					
					14.6	5.4				

Baker - According to industry conditions report, the ideal performance and size and end of round 6 will be 9.2 Pfmn and 10.8 Size. By doing our best to keep Baker’s ideal age close to 2.0 throughout the year, we believe that we’ll continue to possess a high customer satisfaction rating. We aim to maintain our score for Baker above 50.

Bead - We have strategically determined that no R&D is needed to be conducted for Bead since Bead already had a huge leap in R&D to ensure that its Performance and Size remain viable to meet customer criteria. However, we are seeing big changes in the low-end segment that influences our R&D decision. We feel that Bead can go another round without R&D since age perception is more important than performance, size, and MTBF positioning. Let us explain:

Explanation Starts →

In Round 5, only 2 companies (Digby and Erie) have not made any adjustment to low-end products, thus raising the perceived age to 9.6 at the end of the year. Feat was in a similar position, and eventually shifted its segment to Performance by changing its pfmn and size to 13.8 and 12.9. Sooner or later, Ebb, Dell, and Cedar will have to undergo R&D to retain the viability of Ideal Position criteria, which is 16% Importance of the criteria. Theoretically, 16% of the criteria (Ideal Position) can be sacrificed in order to maintain age perception, thus retaining most of the market share. In the table below:

Ebb		Dell		Cedar		
Pfmn	Size	Pfmn	Size	Pfmn	Size	
3.0	17.0	3.0	17.0	3.0	17.0	
Age:	9.6	Age:	9.6	Age:	3.81	

Looking at the Ideal Position for Round 8 and information about Eat and Fast:

	Traditional		Low-End		This space is intentionally left blank	Round 4 Info			
	Pfmn	Size	Pfmn	Size		Eat		Fast	
	Pfmn	Size	Pfmn	Size		Pfmn	Size	Pfmn	Size
Round 8 Center	10.6	9.4	6.5	13.5					
Offset	0.0	0.0	-0.8	+0.8		5.5	14.5	5.5	14.5
Ideal	10.6	9.4	5.7	14.3		Age:	4.09	Age:	4.08

Using the table, we can clearly see that Eat and Fast is well positioned for round 8. Erie and Ferris absolutely do not need to do any R&D for Eat and Fast, thus allowing its age to increase overtime in each round. It's our expectation that Erie and Ferris will capture greater low-end market share in Round 6, 7, and 8. Using the information from the explanation, we are doing our best to put our existing market share on a defensive mode. We're going it by optimizing its position even though it's not favorable for all rounds.

Bid - We are pushing R&D as much as we can for Bid. Thanks to TQM Initiatives such as Concurrent Engineering and Quality Function Deployment Effort, we were able to speed up R&D for Bid to comfortably position its revision date at the middle of the year. The ideal position for Bid at the end of round 6 will be 14.3 Pfmn and 5.7 Size, We are close to where we want to be with Pfmn and Size. The Ideal Performance and Size position is so critical to the success of sales that we have decided to introduce another high-end product.

Bold - We are happy that we increased the MTBF to the maximum end of the criteria range will lead us to more sales as we have noticed that products with higher MTBF have been performing better in sales. Other than that, we are placing Bold exactly at the ideal position in accordance with the Industry Conditions Report.

Buddy - Buddy was perfectly positioned with regards to Pfmn and Size from the last round. It'll be perfectly positioned this round and we're expecting to capture a modest gain of market share due to TQM Initiatives that boost demand. Digby and Fume have made little use of TQM Initiatives, therefore we believe that it'll be to our advantage as we make another round of investments to boost demands. It's also helpful that we have the highest customer survey score last round that we're actively spending to boost awareness.

Biddin - It was our solution to lagging high-end Bid products in terms of size and performance. With a lower automation rating, we can ensure quicker R&D for future rounds. The introduction of Biddin also allows us to capture wider accessibility in the high-end segment for both Bid and Biddin. With its age close to 0 which is 29% of importance, we expect Biddin to be the number 1 product of the high-end segment due to the fact that no other products are perceived to be younger than Biddin.

Marketing

Name	Price	Promo Budget	Sales Budget	Benchmark Prediction	Your Forecast	Gross Revenue	Variable Costs	Contrib Margin	Less Promo/ Sales
Baker	\$27.00	\$1,400	\$2,600	3,373	1,819	\$49,113	\$27,011	\$22,102	\$18,102
Bead	\$19.05	\$1,400	\$2,600	5,047	3,450	\$65,723	\$31,427	\$34,296	\$30,296
Bid	\$36.95	\$1,400	\$2,250	2,187	1,340	\$49,513	\$31,879	\$17,634	\$13,984
Bold	\$32.75	\$1,400	\$2,600	2,152	1,256	\$41,134	\$28,587	\$12,547	\$8,547
Buddy	\$32.75	\$1,400	\$2,600	2,058	1,701	\$55,708	\$35,535	\$20,172	\$16,172
Biddin	\$37.00	\$2,000	\$2,250	1,484	1,328	\$49,136	\$33,273	\$15,863	\$11,613
Total	---	\$9,000	\$14,900	16,302	10,894	\$310,326	\$187,712	\$122,614	\$98,714
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A/R Lag (days):	45		A/P Lag (days):	15					

* yellow highlight indicates what changed from prior round

We continued to scale back prices of products for most of the segments in order to meet the customer's buying criteria. We also have decided to do this because we noticed our competitors are decreasing their prices as well. We set the Promo Budget at \$1400 for Baker, Bead, Bid, Bold, and Buddy since they already have reached 100% awareness. \$1400 is what it takes to replace the loss of Customer Awareness. Ferris continues to be a tough competitor for high-end and we need to have better awareness and accessibility. We continued our method of projecting sales as for the most part and it has worked very well for us. We also made adjustments for the markets that we stocked out in or over projected in the earlier rounds which left us with lots of unsold products.

To illustrate price comparison:

Traditional Segment Top 5 Product Prices (Round 5) - Criteria: \$17.50 - \$27.50				
Baker	Egg	Cake	Echo	Adam
\$27.65	\$25.50	\$27.50	\$25.50	\$28.00

Size Segment Top 5 Product Prices (Round 5) - Criteria: \$22.50 - \$32.50				
Buddy	Cure	Dune	Fume	Agape
\$32.75	\$32.50	\$33.50	\$32.50	\$27.95

In addition, we have decided to increase Account Receivable (AR) from 40 days to 45 days. We also decreased Account Payable (AP) from 20 days to 15 days in order to boost sales.

Increasing AR means more demand for our products as customers would appreciate our “flexibility” and lowering Account Payable would also lead to more sales and it reduces sales holdups for our products.

Production

Production								
Schedule	Baker	Bead	Bid	Bold	Buddy	Biddin		Total
Unit Sales Forecast	1,819	3,450	1,340	1,256	1,701	1,328		10,894
Inventory On Hand	19	0	0	20	0	73		112
Production Schedule	1,890	3,700	1,480	1,350	1,835	1,390		11,675
Production After Adju.	1,888	3,695	1,478	1,348	1,833	1,388		11,661
Physical Plant								Total
1st Shift Capacity	1,600	1,850	1,050	800	950	950		7,200
Buy/Sell Capacity	-150	50	50	75	120	0		415
Automation Rating	6.2	8.1	3.5	4.3	4.3	2.9		---
New Autom. Rating	7.1	8.8	4.5	5.2	5.2	4.0		---
Investment (\$000)	\$2,217	\$7,240	\$4,200	\$4,890	\$6,636	\$4,180		\$29,363
Workforce	Last Year	Needed	This Year %	This Year	1st Shift	2nd Shift	Max Invest	\$108,258

Complement	1,197	1,325	100%	1,325	825	500	A/P Lag	15
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* yellow highlight indicates what changed from prior round

We are increasing automation as our finance allows for all products since it's the key to get a better contribution margin. This means there will be less labor and material expenses with higher automation. We intend to utilize 160-180% of the plant capacity to boost sales/employee and profits/employee.

We are getting rid of capacity for Baker because we calculated that we do not need this much capacity.

Citing the projected Scorecard:

Internal Business Process	
Plant Utilization	5 / 5

We're happy with the prospect that we're keeping the utilization at an ideal level, which is between 100% to 180%.

Human Resources

Staffing		
	Last Year	This Year
Needed Complement	1,197	1,325
Complement %	100%	100%
Complement	1,197	1,325
1st Shift Complement	908	825
2nd Shift Complement	289	500

Overtime %	0.0%	0.0%
Turnover Rate	7.4%	6.9%
New Employees	334	219
Separated Employees	0	0
Recruiting Spend	\$1250	\$5000
Training Hours	67	80
Productivity Index	103.3%	109.1%
Recruiting Cost	\$752	\$1312
Separation Cost	\$0	\$0
Training Cost	\$1,604	\$2120
Total HR Admin Costs	\$2,356	\$3433

* yellow highlight indicates what changed

For Human Resources, we decided to increase our recruiting spend from \$1,250 to \$5,000 and the training hours from 67 to 80. The reasons for these changes are for a couple of reasons. We see that the complement % is great at 100% but we are able to decrease the turnover rate from 7.4% to 6.9%. The changes in recruiting spend and training hours allow for a lower turnover rate which means that fewer people are leaving the company and are content working. Our continued goal is to keep the productivity index over 100% and we managed to get 109.1%, which is actually a 5.8% increase from the last round. From the previous rounds we have seen our competition achieve a productivity index of over 100% and due to that, they were able to achieve more success in this area so we wish to do the same for this round and the rounds going forward.

Finance

Finances	
Plant Improvements	
Total Investments (\$000)	\$32,366

Sales of Plant & Equipment	(\$3,003)
Common Stock	
Shares Outstanding (000)	2,530
Price Per Share	\$87.51
Earnings Per Share	\$15.07
Max Stock Issue (\$000)	\$44,280
Issue Stock (\$000)	\$0
Max Stock Retire (\$000)	\$11,070
Retire Stock (\$000)	\$0
Dividend Per Share	\$0.00
Current Debt	
Interest Rate	10.0%
Due This Year	\$0
Borrow (\$000)	\$0
Cash Positions	
December 21, 2022	\$31,811
December 31, 2023	\$20,834
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Long Term Debt	
Retire Long Term Debt (\$000)	\$11,000
Issue Long Term Debt (\$000)	\$0
Long Term Interest Rate	11.4%
Maximum Issue This Year	\$64,589
(days) A/R Lag	45
(days) A/P Lag	15

* yellow highlight indicates what changed from prior round

For this round, we have decided not to make much use of finance options. There are only two changes that we'll see in round 5. The first change is that we're shifting A/R and A/P Lag in hopes that it'll lead to more sales as B2B customers tend to favor a longer flexibility period in paying for our products. Also, we are paying our vendors earlier than usual in order to minimize sales disruptions. The second change is that we are retiring 12 million dollars of long-term debt in order to reduce the interest rate. We feel that going under-leveraged would benefit us more in the long term as it'll allow us to accumulate more profits for the recap score. We're in the business to maximize profit in the last 5 rounds until round 8. Any considerations after round 8 do not matter much to us.

TQM Initiatives

Process Management Initiatives		
	Budget (\$000)	
CPI Systems	\$1,500	
Vendor/JIT	\$1,500	
Quality Initiative Training	\$1,500	
Channel Support Systems	\$1,500	
Concurrent Engineering	\$0	
UNEP Green Programs	\$1,500	
Benchmarking	\$1,500	
Quality Function Deployment Effort	\$0	
CCE/6 Sigma Training	\$1,500	
GEMI TQEM Sustainability Initiatives	\$1,500	
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Projected Impact		
Total Current Expenditures (\$000) : \$ 14,500		
Projected Cumulative Impacts	Worst Case	Best Case

Material Cost Reduction	10.0%	12.9%
Labor Cost Reduction	12.6%	16.1%
Reduction R&D Cycle Time	40.0%	40.0%
Reduction in Admin Costs	56.5%	64.8%
Demand increase	14.0%	15.6%

For TQM Initiatives, this will provide us a big advantage for Baldwin, especially since we reduced the budget slightly on some of the segments. It will offer us benefits such as lower cost for materials, lower cost for labor, less SG&A expenses, and increased demand for our products. To avoid diminishing returns, we had to continue to make sure we did not go over \$1,500 for each of the process management initiatives. As a result of that, we are expecting very little to no diminishing returns for next year.

We have decided that there's no further need to invest in concurrent engineering and Quality Function Deployment Effort due to its diminishing returns. It's not worth investing more to speed up R&D since it's at the speed where we want it to be.

Expected Balanced Scorecard

Financials	
Stock Price	8.0 / 8
Profits	9 / 9
Leverage	0.0 / 8
Sub Total	17.0 / 25

Internal Business Process	
Contribution Margin	5 / 5
Plant Utilization	5 / 5
Days of Working Capital	5 / 5
Stock-out Costs	5 / 5

Inventory Carrying Costs	5 / 5
Sub Total	21.8 / 25

Customer	
Customer Buying Criteria	5 / 5
Customer Awareness	5 / 5
Customer Accessibility	2.8 / 5
Product Count	3.6 / 5
SG&A Expense	5 / 5
Sub Total	21.4 / 25

Learning and Growth	
Employee Turnover Rate	4.1 / 6
Employee Productivity	4.6 / 7
TQM Material Reduction	3 / 3
TQM R&D Reduction	3 / 3
TQM Admin Cost Reduction	3 / 3
TQM Demand Increase	3 / 3
Sub Total	20.5 / 25

For the Balanced Scorecard, we are expecting to do well financially and with the internal business process as it was scored 21.8/25. For the customer section, we will need to continue to improve our customer accessibility by having two or more products in a segment's fine cut. The reasoning is because the sales budgets for both sensors contribute together under the segment's accessibility percentage.

In addition, we will need to improve on our product count by giving a better forecast prediction and calculating the production schedule. For learning and growth, Baldwin has improved slightly from the last round. However, we will need to continue to improve employee productivity by

investing in our Human Resources department. We currently have 109.1% on the productivity index which we are very happy with and want to continue to improve on this. The previous round we saw our competitors have 100% plus on the productivity index and now that we have that we have seen improvements in the human resources area. Our employee turnover rate has been slowly getting better and on the balance score sheet, it is rated 4/6. If we are able to increase that we will be in a great spot for the future. Lastly, we will want to work on employee productivity so that we can raise our lowest score and this will make a huge impact in the future.