

## Finance

The financials of the company are in a difficult position - Revenues are stagnant and margins are decreasing. At the same time, the individual departments are asking for more resources to run their operations which has put pressure on the bottom line. You are responsible for keeping the financials of the company together and will need to make sure that the departments are coming with reasonable analysis at the strategic planning meeting.

You see opportunities in Manufacturing to move more production to an ODM in China that is about 3% price advantageous vs the current manufacturing facility in UK. Also, a more significant move to an ODM could free up the Birmingham capacity and the company could reduce the workforce yielding additional savings.

There have been some quality issues connected to the ODM manufacturer, but after initial 3-6 months phase the failure rates are very close to what they were before moving of the production.

The quality issues have had a negative impact on the Operations team (Customer care and Tech Support) and have driven up the incidents which can eventually lead to hiring more staff to deal with those issues. Clearly, the quality issues need to be somehow addressed.

Sales has been talking to you about potential in the Russian market, but so far has not been successful with a big break in the market. Sales would like to invest big in Russia, but that will also require a marketing campaign that used to be quite expensive in the past.

The new generation of products has some very promising features, but the cost to produce will be \$50-\$100 more. It will be essential for the sales team to be able to transfer the additional cost into the selling price and protect the margin.

In order to meet the expectations of the Board of Directors, the plan will need to deliver an OpInc of at least 6% for next quarter.

Your team is working on the detailed analysis and also with the other departments to get their prelim data. You should have all the details just in time for the strategic planning meeting.