Expanding Central Craft Company

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Abstract

Small and medium enterprises are the main employment drivers of modern economies. Kuwait has the goal of developing a prosperous and diversified economy to reduce the country’s dependence on oil export revenues. Central Craft Company designs and manufactures commercial trucks and is considering expanding its business. Expanding a business before making a proper feasibility study may result in failure of the company, especially for small businesses. The main objective for this project is to increase the profit and increase the capacity of the company in order to stop rejecting customers as is currently done. The Central Craft Company may earn additional 21,000 USD per month if they serve all the potential customers they rejected. Steps of a feasibility study are followed including market study, financial analysis, sensitivity analysis and a new facility layout plan is made. Expanding the company to build a new facility with 5 truck work capacity with a layout for the new facility is offered as the most profitable solution and is robust under multiple scenarios.

Keywords

Biographies

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Mustafa Sendil has received his Ph.D. in Industrial Engineering from the Northwestern University. His research interests are in human factors and ergonomics, work and process analysis, supply chain management, sales force incentives, traffic management, and optimization of complex engineering problems. He worked in Bursa Technical University, the American University of Middle East as assistant professor and in DePaul University Chicago as adjunct faculty. He has taught courses on Operations Management, Work Analysis and Design, Ergonomic Work Analysis, Cognitive Ergonomics, Quality Management, Production Planning, Management Information Systems, and Supply Chain Management.