

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

Feasibility study, Facility Layout, Small Medium Enterprises, Market Study, Capacity Planning, Sensitivity Analysis.

Biographies

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