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5 Key Learnings from Quarter

One of the key lessons that I learned from the quarter is that debt is harmful. As I was making financial decisions, I realized that my plan and budget went hire or exceeded the available finances and the credit line. I totally agree that debt has a negative impact of a company's financial life. The total monthly debt payments that I received after manipulating the first figures was quite huge and stressing. Since I did not want to be trapped by these debts, I decided to reduce my expenses which were to be funded by credits. I also realized that the company should always try as much as possible to avoid debts. I used the available resources to make the right decisions. The second lesson that I learned is that it is important to be intentional with the available finances. This means that we should always have positive intentions of improving the current financial situation. The third lesson that I learned is that we should prepare for expenses that are unexpected since there are several uncertainties in business. The fourth lesson that I learned was that there is a need to respect your financial boundaries to prevent budget deficit. The fifth lesson is that there is need to prepare for emergencies at all costs since the available funds might not be enough to cater to all needs.

Pre-tax NI Walk: Plan to Actual

Based on the plan to actual chart, it is apparent that my decisions were motivated by several factors. To begin with price, my decisions were motivated by the nature of price sensitivity. I understand that every good or service has a certain level of price sensitivity. Based on our products, I decided to adjust the price of the product slightly within + and -20% as advised since these products have a high level of price sensitivity. I came to this conclusion because our products are of higher value and I wanted the company to maintain premium prices which corresponds to better margins. Another key driver that influenced my decision regarding the volume of production was the market demand. Since the market has a higher demand for the reader technology, I decided to increase the units produced in response to the rising demand in the market.

Cash Flow Work for this Quarter

One of the decisions that I made in this quarter that impacted my cash flow was increasing the units being produced. This decision had a positive impact on the cash flow. For instance, an increase in unites being produced implied that the company can now improve the volume of sales to catch up with the current market demand. An increase in units produced also connotes that we can now increase our profit margin since we can collect a lot of cash from sales. Another decision that positively impacted the cash flow was the step to work tirelessly. For instance, we decided to produce 3000 unit and sell them within 30 days. the production of 3000 units means that we only leave 1000 units for the competitors. Therefore, this effort bore fruits since we accumulated a lot of cash from these sales.

3 Toughest Decisions Made and Why

One of the toughest decision was increasing the units sold. this decision implied that the employees were to work overtime to attain this goal. The timeframe for achieving this goal was also shorter since it was only set for 30 days. Fortunately, all employees conformed to this vision and the company also motivated them using a number of variables such as small tokens. One of the reasons for this decision was to change the existing organization culture. This new culture would promote a lasting inadequate productions. Another toughest decision that I made was reducing quality engineering expense. I came to this decision because we already have an efficient and most reliable engineering that can sustain our production. Our competitors have not yet attained this level of engineering hence becoming our source of competitive advantage. Therefore, these finances were distributed in other areas. The third toughest decision that I made was reducing the building lease and utility expense. I decided that we can use the already available buildings that supports our capacity than expanding the expenses through leasing. I also decided to seek alternative power supplies such as using solar panels instead of expensive electricity to manage our daily operations.

Competitor Analysis

The decisions of my competitors (Redex and Matek) affected my results in certain ways. To begin with, my competitors were also looking forward to improve their volume of sales through becoming highly competitive in this market. These competitors focused on capturing a large market share to realize profit in their operations. Based on these plans, I decided to up the game by producing more units and also increasing rate at which our products are distributed in this market hence staying a head of their strategies. These competitors have a strategy that aligns with pricing. These competitors always tries as much as possible to sell their products in the market at a lower and affordable prices. I decided to counter this strategy by ensuring that we produce high quality products to improve our brands. After showing to the word that our brands are the best, we decided to introduce premium prices since our customers trust our products.

Use of Role Play for Information and Negotiation

I feel that the role play calls was very effective in the entire process of planning and budgeting in this quarter. I managed to obtain several information based on these role play calls. One of the information that I gained is based on pricing strategy. After calling Stan Sloan, I was advised not to adjust or increase prices of the products for more than 20 percent. Based on my personal research, I realized that competitors might take advantage of this pricing decision. For instance, they are likely to come up with lower-priced products that can become more competitive. I also think that most of our potential customers would have looked for other alternatives. For instance, they are likely to buy these products from our competitors since they can afford them.

Is your Original Strategy Working as you Planned?

To begin, my initial strategy was to align this organization with proper planning and budgeting since this is one of the factors that determines organizations success. The other proposed strategies were to improve advertising and marketing of the products. There were constraints that prevented me from following my initial strategy. I shifted the initial strategies due to financial constraints experienced in our company. For instance, I reduced the advertising expense and marketing expenses since the company lacked adequate finances. I decided to look for alternative and cheaper techniques that can sustain our advertising and marketing procedures. For instance, since we have a stable and reliable website, we decided to market and advertise our products via this platform. All employees also agreed to promote our products through their social media pages. Therefore, we did not increase this expenses but rather added reinforcers to the already existing strategies.

Are we on track to meet Annual Net Income Commitment? Provide explanation

We are on track to exceed our annual net income commitment. Based on this quarter, it is apparent that we are extremely committed to exceed our annual net income commitment because we are doing more than enough. We are focused to improve our revenues quarterly. One of the strategies that we have put in place to increase our revenue is by producing more products. Increase in production means that we will always sell more products to our customers hence increasing the revenues. We are also committed to exceed the annual incomes projections because we set our prices reasonably. Our premium prices coincided with the quality of the products that we produced. We are glad to report that our customers are happy with the products regardless of the prevailing prices hence depicting the aspect of loyalty.