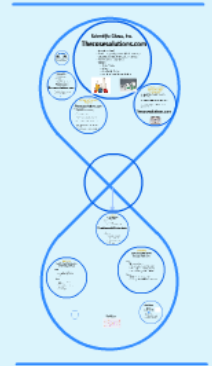


# Thecasesolutions.com



# Note on Accounting for Intangible Assets

**Thecasesolutions.com**



# **Note on Accounting for Intangible Assets**

# Scientific Glass, Inc.

## Thecasesolutions.com

- Founded in 1992
- Small, fast growing privately held company
- Glassware for labs and research facilities
- Annual sales of \$86 million
- Market:
  - United States
  - Europe
  - Asia Pacific Region
  - and other countries worldwide



**"A MORE EFFECTIVE  
WAY TO MANAGE  
INVENTORY"**

A) DECENTRALIZING WITH WINGED FLEET (AS IS)

B) CENTRALIZING WITH WINGED FLEET

*Manager of Inventory*

Twin Goal Emphasis:

SALES GROWTH      HIGH CUSTOMER SATISFACTION

thecasesolutions.com

Strength:

Competing with target on:  
Innovative and creative design  
New products  
Excellent customer service  
Market entry creative product designs  
Short product life cycle - the rate of the products'  
Low product maturity and demise is low

Weaknesses:

thecasesolutions.com

High inventory balances  
High capital needed for operations growth  
High debt to capital ratio = 40%  
Poor inventory management



## Twin Goal Emphasis:



Continued Sales Growth



High Customer Satisfaction

**[Thecasesolutions.com](http://Thecasesolutions.com)**

## Strength:

- Niche marketing with target on:
  - Innovative and creative design
  - Durable products
  - Superior customer service
  - Early market entry creative product designs
  - Lower life cycle - the rate of the products' cycle through maturity and demise is low

## Weaknesses:

# Thecasesolutions.com

- High inventory balances
  - tied up capital needed for operations growth
  - high debt to capital ratio = 40%
- Ineffective inventory management



## **Opportunity:**

- Increase market share
- Provide the highest service level
- Focus on innovative design
- Global expansion

# **Thecasesolutions.com**

## **Threat:**

- Competition copying their products
- Increased low-end
- removing back order
- Focus on innovative design
- Focus on global expansion

## *Manager of Inventory Planning*

# **Thecasesolutions.com**

### **Ava Beane found:**

- Expectations were set too high
- Too many warehouses
- Optimal Service Level Could be 95%
- Excess Ending Inventory because of:
  - Warehouse manager ordering extra
  - Trunk stock
  - Lack of proper inventory management



***“ A MORE EFFECTIVE  
WAY TO MANAGE  
INVENTORY”***

- A) DECENTRALIZING WITH WINGED FLEET (AS IS)
- B) CENTRALIZING WITH WINGED FLEET
- C) GLOBAL LOGISTICS OUTSOURCING (CENTRALIZED)

**Thecasesolutions.com**





## *Option A:*

### **Decentralizing with Winged Fleet**

#### **Pros**

- Time efficient
- Reduce customer response time

**Thecasesolutions.com**

#### **Cons**

- 15% of annual inventory in the regional warehouse
- Unnecessary high service level
- 2 week cycle and 1 week in transit
- 3 day shipping