


Agenda

- Background information, why?
- Case Issues
- Alternative 1
- Alternative 2
- Alternative 3
- Recommendation
- Implementation
- Questions and Answers




Additional Issues


- Trailer Capacity (currently 25 goats)
- Trailer Size



Item	Price	Quantity	Total
Goat	1200	25	30000
Trailer	1500	1	1500
Truck	20000	1	20000
Total			33500

Alternative 3

- Buy a bigger truck and trailer
- Keep current truck and trailer
- Allow for multiple goats at one time
- Use additional Shepherd




Implementation

- Incrementally purchase new set of equipment
- Plan shepherd with the same ratio
- Provide increased capacity and reduced prices
- Explore more expansion opportunities



Case Background

- Local Arroyo & dairy farm
- Goats used to clear land
- Needed for nearby forest
- Advantages:
 - Access hard to reach areas
 - Cost effective
 - Environmentally beneficial
 - Wild cat habitat



Case Issues & Assumptions

- Breeding: \$5 per goat per day
- Costs:
 - Feed: Shepherd and dog: 1900 per day, Setup: 1000
 - Penning: negotiable
 - Variable: transportation
- Assumptions:
 - Unlimited goats
 - Unlimited demand
 - Can hire additional Shepherd

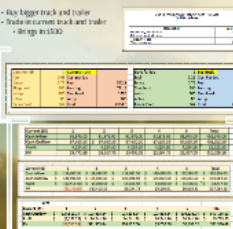
Alternative 1

- Manufacturing operations
- Same truck & trailer



Alternative 2

- Buy bigger truck & trailer
- Trailer on current truck and trailer
- Buy goats in 500




Recommendation

- Alternative 3: Buy bigger truck & trailer, maintain current truck and trailer
- Use additional shepherd
- New cost structure



Questions & Answers



Goats: The Green Alternative B

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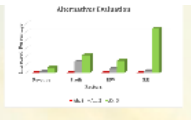


- Assumptions
- Unlimited goats
- Unlimited demand
- Can hire additional Shepard

FIXED AND VARIABLE COSTS FOR RESORT JOB (in U.S. dollars)	
Trucks and trailer operator and maintenance costs per mile	\$0.53
Job operator cost	
Hourly wage for operator plus 15% per day	\$ 80
Overhead and gas costs per day	\$ 40.00
Goat's cost per hour job	\$ 60.00
Fixed job cost per hour job	\$ 170
Variable job cost per hour job	\$ 60

Current Job	1	2	3	4	5	Total
Cash Inflow	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$9,375.00
Cash Outflow	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$9,375.00
Profit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Days For Job	1	2	3	4	5	Total
Job	100	100	100	100	100	500
Operator	100	100	100	100	100	500
Goat	100	100	100	100	100	500
Profit	0	0	0	0	0	0



Weighted average cost per day	\$ 180.00
Operator cost per hour	\$ 80.00
Overhead and gas cost per day	\$ 40.00
Goat's cost per hour job	\$ 60.00
Fixed job cost per hour job	\$ 170.00
Variable job cost per hour job	\$ 60.00
Profit per hour job	\$ 0.00
Profit per day	\$ 0.00
Profit per job	\$ 0.00

Current Job	1	2	3	4	5	Total
Cash Inflow	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$9,375.00
Cash Outflow	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$1,875.00	\$9,375.00
Profit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Goats: The Green Alternative B

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Agenda

- Background Information..Kelly
- Case Issues.....Sarah
- Alternative 1.....David
- Alternative 2.....Will
- Alternative 3.....Michael
- Recommendation
& Justification.....Michael
- Questions and Answers....Team



Case Background

- Jaden McCoy & dairy farm
- Goats used to clear land
 - Rented to nearby resort
- Advantages
 - Access hard-to-reach areas
 - Cost effective
 - Environmentally beneficial
 - Will eat kudzu

