

Liber Deuteronomii 14,15 "..., struthionem.."

A company involved in breeding, selling and distribution of meat, acquires a new enterprise specialized in the field of breeding and selling ostrich meat.

The acquired company has a pre-existing situation of facilities and infrastructures in which manages its activity based on current service agreements.

It is expected that the team will consider this activity based on data related to the production and breeding process following the data written in the tables included, and plan the production and logistics related to this specialised company. The team should then evaluate different management solutions related to new services activation (i.e. website, treatment...) and consider different opportunities of investment not forgetting possible market trends, risks and opportunities, referring to hypothesis considered in the following tables. The team should answer to the following questions, integrating lacking and/or incomplete data if necessary, based on hypothesis that should be correctly justified and reported

Considerate a possible enlargement of the structures based on the following data

| | <i>Enlargement to...</i> | <i>Initial Cost</i> | <i>Management Cost</i> | <i>Realization</i> |
|-------------------------------------|--------------------------|---------------------|------------------------|--------------------|
| | | <i>Euro</i> | <i>Euro/Year</i> | <i>months</i> |
| <i>Albenga from 500 to 750</i> | 750 | 232,406 | 30,987 | 6 |
| <i>Alessandria from 250 to 500</i> | 750 | 206,583 | 25,823 | 4 |
| <i>Alessandria from 500 to 750</i> | 750 | 180,760 | 25,823 | 4 |
| <i>Alessandria from 750 to 1000</i> | 1000 | 165,266 | 25,823 | 4 |
| <i>Pisa up to 750</i> | 750 | 216,912 | 28,405 | 6 |
| <i>Pisa from 750 to 1000</i> | 1000 | 185,924 | 25,823 | 6 |
| <i>Pisa from 750 to 1000</i> | 1000 | 185,924 | 25,823 | 6 |

Amortization 10 years - interest rate 6%

Maximum amount of the investment: 500,000 Euro (Special European Community Funds)

Case 1: Expected Increasing of meat request (average) 10% year, selling price remaining the same

Case 2: Return of BSE Virus Panic

40% *Panic increase will lead to:* 40% increase of ostrich meat request and
Then: 30% increase of selling prices in the second year of management

Occurance Probability: 50% Situation being the same on the 3rd year constant increase of 10% request, selling prices remaining the same

Occurance Probability: 50% Panic will stop on the 3rd year Request will suddenly decrease of 40%, but then will increase constantly of 10% prices will be reduced of 20% in the 3rd year

35% *Panic level remaining the same* punctual increase of 20% for meat request in the 2nd year of the project management prices increase of 10% in the 2nd year of management and then will remain constant

25% *Panic decrease* request will decrease of 20% in the 2nd year of management, then it will remain the same prices decrease of 10% in the 2nd year of management and then will remain constant

Case 3: risk on EC Funds

There is a 20% occurrence risk that the funds given by the European Community could be stopped in that case interest rate would be 10%

The report with the results of each Team need to be presented in hardcopy (printed or handwritten) to the Prof. Bruzzone Office tomorrow at 3:00 PM.