

# Work Flow Design

Making decisions that involve organizational design and structure and work flow process is becoming a more frequent concurrence for management in the dynamic changing environment that exists today. Such dynamic conditions not only require a manager to have the ability and skills for planning and implementing the work, but he must also be able to diagnose any problem created by a given work arrangement. The structure and workflow must provide enough stability so that members' behaviors are predictable and reliable in terms of achieving the final goal of the organization.

## Instructions

A group comprising of 5 members will form a mini-organization. The success of your company will depend on

- organizing the work flow process
- team work
- efficient use of personnel and resources

The primary function of your company is making paper boxes as per the specifications with an objective to maximize the net profit.

Your group should design as efficient an organization as you can. Initially you will be given 30 minutes to design your work flow. The first production run will be of 15 minutes. After your first production run you will have 30 minutes to rethink your strategy and reorganize your work flow if the need be, and then start the second production run of 15 minutes. The basic processes to make the box are shown in the **Paper-Box Blueprint Section**. Keep an accurate description of your initial and subsequent work process charts.

## Construction Information

Selling price of the box - Rs. 25.00

Labour charge - Rs 3.00 per person per minute

Material cost

No of sheet purchased	Cost per sheet ( Rs)
1	5.00
2	4.80
3	4.60
4	4.40
5 or more	4.20

**Note:**

1. Material to be purchased at the beginning of each production run
2. Unused material from first run cannot be used in the second run
3. Material cannot be returned for credit
4. Cost of all material purchased will be charged against the total cost of raw material for that period
5. Every member of your team must be employed at the standard cost for the entire period.

Your group will be required to fill the **Profit Margin Analysis Form** for the production runs at the end of respective production runs.

## ***Profit Margin Analysis Form***

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### **First Production Run**

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Units accepted =.....

Units purchased X Cost per unit = Raw material cost

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Total Material Cost .....

No. of team members X Direct labor cost = Total labor cost

Unit cost =  $\frac{\text{Total material cost} + \text{Total labor cost}}{\text{Units accepted}}$  = .....

Profit margin = Rs. 25.00 – Unit cost = .....

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### **Second Production Run**

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Units accepted =.....

Units purchased X Cost per unit = Raw material cost

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Total Material Cost .....

No. of team members X Direct labor cost = Total labor cost

Unit cost =  $\frac{\text{Total material cost} + \text{Total labor cost}}{\text{Units accepted}}$  = .....

Profit margin = Rs. 25.00 – Unit cost = .....

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## **Steps for paper box construction**

1. Begin with a sheet of paper 8 ½ " X 11" and make creases for vertical and horizontal centerlines.
2. Fold the narrow lines up to the centerline. Then unfold.
3. Now fold the wide sides to the vertical centerline and unfold again.
4. Fold each corner in as shown up to the first crease line.
5. The excess left along the centerline may be folded back over the folded corners.
6. To open the container, place thumbs under position A and B and pull in the direction of the arrows.
7. Finished container.