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JOB DESCRIPTION,  
RESPONSIBILITIES AND DUTIES

Production manager:

- is responsible for supervision of sales, marketing and administration
- draws up the budget
- co-ordinates the production and sales
- negotiates with customers of the terms of sales
- carries on Price negotiations and decides on the prices and discounts

Machining plant manager:

- maintains the production in machinery in such level that all accepted orders can be delivered
- is responsible for the material etc. orders, so that abovementioned pace can be kept
- is responsible for the finishing timetable of the products

\_ is responsible for the quality of products

Assembly plant manager:

- maintains the production in joinery in such level that all accepted orders can be delivered
- is responsible for the material orders...
- is responsible for the finishing timetable...
- is responsible for the warehouse of finished products

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Maintenance manager:

- is responsible for the machine- and equipment maintenance so that the production keeps pace with accepted orders
- is responsible for the orders of maintenance dept...

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Marketing secretary:

- takes care of customer contacts
- draws up production catalogue and keeps it up to date
- makes sales letters, offers, order confirmations etc..
- takes general office duties related to marketing and sales
- books the orders

Bookkeeper:

- accounting
- payroll calculation
- invoicing, payment control

Office assistant:

- preparing officework, such as checking timecards and recording them to the lot/batch in question
- calculates material costs
- stock accounting

Stock keeper for the finished products:

- keeps the stock up to date (bookkeeping)
  - is responsible for storing
  - checks outgoing goods and compares it with dispatchlist
- (If ANC cannot find suitable personnel in time, factory can employ outsiders to-abovementioned jobs.)

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#### SUGGESTION FOR STARTING SALES AND MARKETING

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The basis for proposal is that the factory will become financially independent and profitmaking production unit with financial interests.

#### PRICING

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Prices of comparable products on the market must be charted before the final sales prices can be fixed.' So can' the problems caused by under- and overpricing be avoided. I

When this price comparison is carried out, we must also keep in mind the comparison between price and quality. Price & if the factory are of high quality and it can/will raise prices.

All relevant production costs have been taken in the calculations when products are priced, because the target is: that after two years the factory will be responsible to pay all material and electricity costs either to ANC or other suppliers. The factory cannot expect the support last forever.

Preliminary cost calculations have been made for some products. The calculations are based on facts as follows:

##### 1. Direct and indirect labour costs

- average wage for fundi is 10 sh/h

- " " " helper is 6 sh/h

- n H " workers in joinery is 8 Sh/h

- Personal costs are 30 % of the total salary

and they consist of

5.7 2 for annual holiday pay'

10 Z for sick days pay

'8.3 Z for saturday afternoons salary

6 Z for insurance COSTS

Indirect costs are 25 Z of the total salary  
and it includes the salaries for foremen and  
maintenance

2. Material costs have been calculated for all  
materials that is needed to manufacture one item.

3. Electricity costs are 5000 sh/day and 51 sh/fund hour  
(it's the result, when 500 is divided by the amount of  
fund in machinery and after that by working hours per  
day)

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4. Indirect costs for machines etc. are . Z of  
total costs

(see encl. 1)

When the cost items per one product is compared with  
each other, it can be clearly noticed, that the material  
and electricity are the biggest costs of the total.

It must be remembered that it's much more expensive to  
make short series than long series. This must be taken  
into consideration in production plans and aim at  
longer series.

Because the factory has financial interests, it must get  
incomes also from products which are manufactured for  
ANC. These products could be sold at cost price.

#### OPERATIONS INCLUDED IN SALES AND MARKETING

It is extremely important to begin preparatory work for the selling and marketing immediately. Selling can be started when we get the trade licence, but in the beginning of 1988 should everything be ready for "the real start". (See timetable on page \_\_\_\_)

The marketing and sale must be concentrated to few, named persons, who are tightly co-operating with each other. Only so the marketing can be organized properly. The production and selling must be co-ordinated so, that all accepted orders can be delivered.

#### Customer contacts

It is better to start customer contacts first by letter, because labour resources are limited. Stages of customer contact by letter are:

1 Introduction letter

2 product catalogue

3 factory visit

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Orders All orders must be in written. Orders and order confirmations must include information of

- quality of product
- quantity of products
- price
- terms of payment
- time of delivery, terms of delivery
- possible special terms

Potential customer (in addition to ANC) of the factory are supposed to be

- schools, offices
- retailers
- private persons
- builders of new houses etc.

Later on will be decided on which customers the factory concentrates most .

Invoicing

The invoicing of orders will be carried out as agreed with the customer, either cash payment or by bank transfer or comparable method.

The invoicing of ANC-orders must begin at the same time as the actual selling ( ;5Q;\$\$3tzii&hauyyrfrtvftaeuuagipg %Mk4dur3aut3#&%hewyaawwwflnb6;ggEE%Hn5P for the book: keeping reasons.

Accounting

The factory must have proper accounting of its own in order to follow incomes and expenditures and to balance the accounts at the end of the year.

The factory must also have account opened with a bank as soon as possible.

Payroll calculation

The payroll calculation can be moved from site office to the factory, where bookkeeper takes care of it. Wage system will be as before.

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Storing and transportation  
In the near future the factory needs more storing room, so  
that it can produce longer series and store finished  
products for future orders.  
Transportations will be b&hled as agreed with customer,  
but because of the lack of hauling equipment, it would  
be better if at the beginning customers arrange the  
transportation themselves (term of delivery: ex works/  
warehouse). If the transportation is arranged by the  
factory, it should be neticed in pricing.  
THE RESULT  
wH lift  
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The factory manager is responsible for the results of the  
year to ANC. He draws up budget for year 1988. The budget  
has to be accepted by ANC. Balancing the accounts will  
be madea on Jan 1989 and ANC decides what to do with the  
result (2 profit). some of the  
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profit mould be given to factory, so that it can collet  
some capital in order to buy rawmaterial, spareparts etc.  
in the future. Also the continual costs (such as salaries)  
must be taken care of monthly.

ORGANIZATION

PRODUCTION MANAGER

MAINTANANCE MARKETING AND H

MANAGER ADMINISTRATION

- marketing secretary

MACHI%ING PLANT

MANAGER

- bookkeeper

- office assistant

- ' ASSEMBLY PLANT

MANAGER

4 PRODUCTIONI

WAREHOUSING for

finished products

- 'TRANSPORT

- stockkeeper



TIMETABLE FOR OPERATIONS CONCERNING THE MARKETING  
AND ALL THAT IS INVOLVED IN IT  
personnel must be named by ANC 30.11.1987  
(production manager, marketing secretary,  
bookkeeper)  
proper office premises for production 30.11.87  
manager and administration must be arranged  
%  
starting to sell the products as soon as the  
trade licence is  
ready  
account must be opened , 30.11.1987  
product catalogue ready 31.12.1987  
pricing finished "  
bookkeeping arranged ready for start" "  
ngl ,5 payroll calculation " " " ' "  
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u VF marketing plan ready for the coming year "  
budget ready for the coming year "  
a'store room for the finished products 30.11.1987  
starting the whole new system 1.1.1988  
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