

Butcher Shop

The Setup

A fast food chain recently bought a bovine meat-processing outlet to supply it with fresh hamburgers and other meats. The shop process is: cows enter from one end of the shop, meat gets processed in the middle, and then the meat gets packaged and delivered at the other end.

Question

- The manager of the butcher shop however could not decide whether to have the cows walk or run into the meat processing room. Can you help him?

Make Assumptions

- Assume the amount of hamburgers from one cow. How many are there?
- How many hours per day is the shop open for?
- 10 walking cows per hour can be processed for sure
- 25 running cows per hour can be processed for sure
- Assume that fast food chain of 10 outlets total is supplied by that meat factory
- There are three competitors with 25% market share each therefore having 75,000 potential customers. How many of those are served by the fast food chain our client supplies? How many of those served buy a burger? (Name a figure of burgers per week)

Costs

	Walk	Run
Overhead	\$5000	\$10,000
Labour	\$1000	\$2,500
COGS	\$0,60	\$0,50