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Case Problems

CASE PROBLEM 7.1

Workout Plus

Workout Plus is a health club that offers a full range of services to its clients. Recently, two other fitness clubs have opened up in town, threatening Workout's solvency. While Workout is tops among serious fitness buffs, it has not attracted a wide spectrum of members. Shannon Hiller, owner and manager, has decided it's time for a face lift. She started the process by sponsoring a week-long "ideathon" among club members. Nonmembers who frequented an adjacent grocery store were also canvassed for suggestions. Their comments are provided below, along with the current facility layout.

Current layout:

Free Weights	Circuit Training
Aerobics Room	Cardio Machines

Member comments:

- The cardio machines fill up too fast on rainy days. Then everything else gets backed up.
 - I don't feel like strutting through the gym from one end to the other just to finish my workout.
 - How about a quick 30-minute workout routine for busy folks?
 - I like working out with my friends, but aerobics is not for me. What other group activities are good for cardio?
 - Separate the people who want to gab from the people who want to pump.
 - It's so confusing with all those machines and weights. You need a novice section that's not so intimidating.
 - It's hard to work yourself in when you come from across the gym. I'd like to see the machines I'll be using to gauge my time.
 - Circuit training is for wimps. The next thing you know you'll be stopping and starting the music to tell us when to change machines.
 - We all seem to arrive at the popular machines at once. Can you space us out?
 - I'd like for my kids to get some exercise too while I'm working out. But I don't want them wandering all over the place trying to find me.
 - This place is too crowded and disorganized. It's not fun anymore.
 - You have classes only at busy times. During the day the gym is empty, but you don't provide many services. I think you're missing a great opportunity to connect with the not-so-fit at off-peak times.
1. How can Workout update its facility to attract new customers? What additional equipment or services would you suggest? How could something as simple as revising the layout help?

2. It is your job to design a new layout for Workout Plus. Visit a nearby gym to get ideas. Watch the customer flow, unused space, and bottlenecks. What aspects of a process layout do you see? a product layout? cells? Draw a simple diagram of your proposed layout. (You'll want to be more detailed than the original layout.) How does your layout respond to the comments collected by Shannon?

CASE PROBLEM 7.2

Photo Op—Please Line Up

Tech is modernizing its college ID system. Beginning this term, all faculty, staff, and students will be required to carry a “smart” identification card, called a student passport. What makes it smart is a magnetic strip with information on club memberships, library usage, class schedules (for taking exams), restrictions (such as no alcohol), medical insurance, emergency contacts, and medical conditions. If desired, it can also be set up as a debit card to pay fines or purchase items from the bookstore, vending machines, cash machines, copy machines, and several local retailers.

University administrators are excited about the revenue potential and increased control of the passport, but they are not looking forward to the process of issuing approximately 60,000 new cards. If applicants could be processed at the rate of 60 an hour, the entire university could be issued passports in a month's time (with a little overtime).

The steps in the process and approximate times follow. Steps 1 and 2 must be completed before step 3 can begin. Steps 3 and 4 must precede step 5, and step 5 must be completed before step 6.

Steps in Process	Time
1. Review application for correctness	10 seconds
2. Verify information and check for outstanding debt	60 seconds
3. Process and record payment	30 seconds
4. Take photo	20 seconds
5. Attach photo and laminate	10 seconds
6. Magnetize and issue passport	10 seconds

- a. Is it possible to process one applicant every minute? Explain.
- b. How would you assign tasks to workers in order to process 60 applicants an hour?
- c. How many workers are required? How efficient is your line?

CASE PROBLEM 7.3

The Grab'n Go Café

The GNG Café, a new concept in on-campus dining, features homemade bakery items, upscale sandwiches and wraps, fresh salads, and signature soups. The modern café-style design allows customers the freedom to select their menu choices from individual stations throughout the café. While the restaurant has caught the imagination of the university community with its nifty interiors and quality food (which is a welcome change from “the bun”), space and layout restrictions have ensured that the customer when buying anything at GNG can neither “grab” nor “go.”

It is undeniable that the quality of food offered at GNG is good, but GNG management should not forget that their target customers are students who possess a modest income. It is not unusual for students to reach the checkout and find themselves without sufficient funds to complete their transaction.

The first thing customers do when they enter the restaurant is stand and look for the various items they want to buy. While the food and drinks are displayed quite neatly and colorfully, customers still have a hard time figuring out where to go first and what price they should expect to pay for a particular product. Neither the product options nor their prices are prominently displayed. This is especially true of made-to-order sandwiches. Since customers don't have information about the sandwiches beforehand and the options are