

Name:

Date:

Grade:

Highlight or color with GREEN the positive impacts and with RED the negative impacts of each quadrant in the matrix. Each quadrant needs to be correct to be awarded a point. (25 points).

Areas of decision	Employees	Customers	Shareholders	Suppliers	Creditors
Expand production	More jobs available. Possibility of promotion and higher pay.	New products available. Increased production may reduce prices.	Investment needed may cut short-term profits. Share price and longterm profits could increase.	Possibility of larger or more regular orders. Expectation of reduced prices.	Borrowing increases, making repayment more difficult. Increased profitability
Cut costs	Pressure to reduce wages. Longer working hours and less favorable conditions. Jobs may become less secure. More jobs may result if successful.	Lower prices possible. Quality of goods or services may be reduced	May increase profits, dividends and share price. Customers may dislike job losses and reduced quality, reducing sales, revenue and profits.	Expectation of reduced prices. May seek alternative low-cost supplier.	Reduced need for borrowing from creditors. Need to borrow short-term to finance cost-cutting program.
Raise prices	Possibility of increased wages or improved working conditions. Sales decline, resulting in job losses	Less value received. Products no longer affordable. Competitors raise prices too.	Profits, dividends and share prices may increase. Sales may decline. Adverse publicity if this is an essential product, reducing share price.	Possibility of receiving higher prices. Orders may fall if price rises reduce demand significantly.	Increased profits may support prompt repayment of debts. Falling sales may threaten repayments.
Launch new products	More jobs may result. Higher pay and better working conditions, if launch successful	Greater choice of products. Improved products bringing greater benefits. Prices may increase to cover development costs.	Initial cost of launch may reduce profits. Risk of unsuccessful product may damage profits and share prices. Increased sales, prices and profits could boost medium term profits and dividends.	Increased orders if product successful. New products may require different supplies, resulting in loss of contract.	Increased need to borrow funds to finance launch. Rising long-term profits enhances ability to repay loans. May lead to further product launches, creating further need for borrowing.
Use more technology in production	Jobs lost as technology plays larger role. New higher-paid jobs created to manage technology.	Lower prices as technology more efficient. Services available for longer hours. Standardized products may be less likely to meet individual needs.	Initial investment may reduce profits and dividends. May lead to higher long-term profits and rising share prices. Business's image may suffer due to job losses, damaging share price.	Orders received for new supplies or for the technology. Increased sales may result in larger orders. Lower production costs may reduce pressure to find cheaper supplies.	Increased need for borrowing to finance purchase of technology. If successful, enhanced ability to repay borrowing.