

Exercise 1

- We consider an order fulfillment process at an online toys shop. Which performance measures are affected positively by the following redesign act: *During the month of December, we will hire 10 additional temporary workers who will be tasked with packaging Christmas orders.* There may be multiple correct answers.
 - *Cycle time*
 - *Theoretical Cycle Time*
 - *Cost-per-instance*
 - *Total Cost (including cost-per-instance full labour costs, inventory costs, and investment costs)*
 - *Defect Rate (percentage of defective shipments)*

Exercise 2

- We consider a process for handling and approving loan applications at a financial institution. Which performance measures are affected, either positively or negatively by the following redesign act: *A new computer application is developed that speeds up the calculation of the maximum loan amount that a given client can be offered.*
 - a. Cycle time*
 - b. Theoretical cycle time*
 - c. Cost-per-instance*
 - d. Total cost (including cost-per-instance, full labour costs, and investent costs)*
 - e. Defect rate (percentage of incorrect loan amount calculations)*

Exercise 3

- Consider the University admissions process (see attachment). Propose a set of changes to this process that have the potential to reduce or eliminate the identified sources of waste, and to contribute to the manager's objective of reducing both cycle time and cost.