

SHAREHOLDER'S REPORT

Baldwin Company

Complete Physical Address

Complete Mailing Address (if differs from Physical Address)

Contact Phone

Web Address

Email Address

PREPARED BY		TITLE		DATE	
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1. EXECUTIVE SUMMARY

Baldwin Corporation's financial performance has remained poor compared with other competitors. Baldwin Corporation has generated profit only in round 3. The major reason for low profitability is the lower sales in the industry. Due to lower customer awareness and accessibility the sales of the organization have remained lowered from most of the competitors. Low sales generation has impacted the profitability of the business to a lot of extent. It is evident that the business needs to improve its sales if it wants to become successful in the industry. For gaining a competitive edge and sustaining in the long run improving sales generation has become essential for Baldwin Company. In rounds 1 and 2 the productivity index of workers has remained 100%. In rounds 3, 5, and 6 the productivity index of workers has increased more than 100%. If the organization wants to experience growth then the organization will have to boost its sales. For boosting sales the organization can focus on the accessibility and quality of the products that it offers to its target customers.

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2. INTRODUCTION ABOUT ME AND MY STRATEGY

I am Anyeli Solarte, I was solely responsible to manage the company Baldwin. I have taken all the decisions of my company which were related to R and D, Marketing, Production, Finance, Human resource and Total Quality Management (TQM). I have managed the company Baldwin for 6 rounds or 6 years.

For this simulation, my strategy for the company was very clear from start, that I want to pursue the broad differentiation strategy and was competing in all the segments of the simulation which were Traditional, Low end, High end, Size, Performance. My rationale to opt broad differentiation strategy was to get more market share with more products rather compete with fewer products.

3. ANNUAL FINANCIAL REPORT SUMMARY

Our Company Baldwin was operating in the industry with competitors Andrew, Chester, Digby, Erie, and Ferris. If the financials of the organization are analyzed critically then it can be said that Baldwin Corporation's financial performance has remained poor if compared with other competitors. Baldwin Corporation has generated profit only in round 3. The major reason for low profitability is the lower sales in the industry. In addition, less investment in quality management and marketing activities has also lowered sales generation. If the organization wants to improve its financial performance then the business will have to improve its accessibility.

4. FINANCE

In round one our company Baldwin experienced a financial loss of -\$12,536. In round one the company had a long-term debt of \$41,700 whereas the total liabilities of the company were \$137,604. In round 2 the financial loss of Baldwin further increased up to -\$16,208. The long-term debt of the company experienced a decline in round 2 and reached \$34,750. In round 3 Baldwin Corporation has experienced a net profit of \$6,899. In round 3 the long-term debt of the company was \$40,362. In round 5 the organization again experienced a financial loss of \$13,766. In round 6 financial loss of the organization has remained -\$1376.

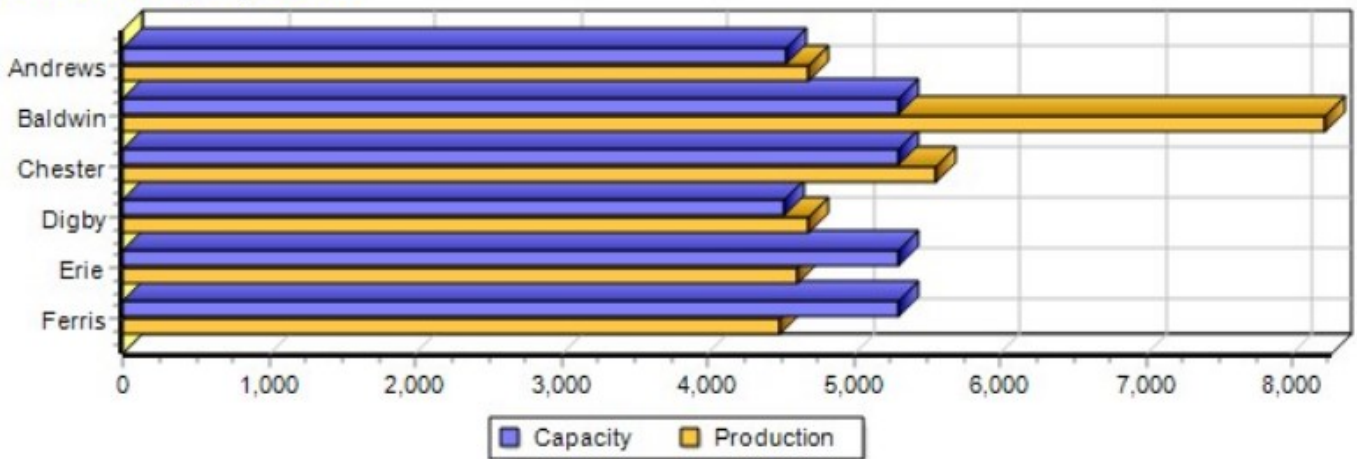


In rounds 1 and 2, the stock price of the organization experienced a significant decline. In rounds 1 and 2 the closing price of Baldwin stock was \$1.00. In round 3 the stock price of Baldwin organization has experienced a slight increase up to \$2.31. In rounds 5 and 6 the stock price of the organization again reached \$1.00. Overall it can be said that Baldwin Corporation has experienced profit only in round 3. In rounds 1, 2, 4, 5, and 6 the business has experienced a significant decline in sales and overall profitability. Due to low financial performance, the stock process has also remained lower.

5. INTERNAL BUSINESS PROCESS

In round one the plant utilization in the traditional segment for Baker and Bead products has remained 143% and 177%. In the high-end segment and performance segment the plant utilization has remained 132% and 165%. The contribution margin in round one for the traditional and high-end segment has remained at 28% and 10%. In round 3 the traditional and high-end segment have plant utilization of 55%. The contribution margin has remained at 35% and 34%. In these rounds, the Baldwin Corporation has not experienced stock-out.

Production vs Capacity C149189

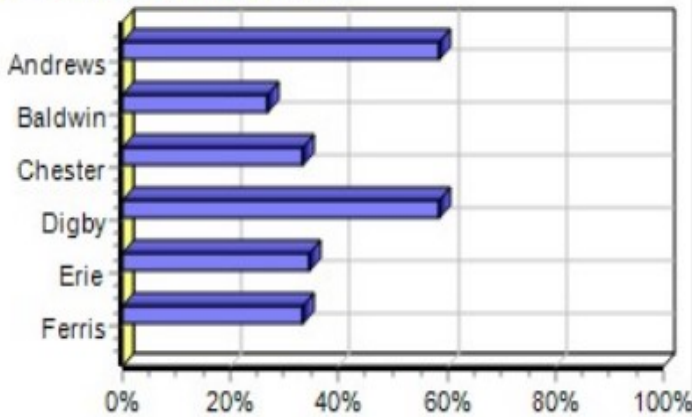


In round 5 the plant utilization of the organization increased. In the traditional and high-end segment, the organization has plant utilization of 151% and 93%. The contribution margin has remained at 28% and 41% respectively. In round 6 the plant utilization has declined along with the contribution margin. In most of the round, Baldwin Corporation has not experienced stock-out. If the product process of the company is analyzed critically then it can be said that the organization has kept its plant utilization higher in most of the rounds and has not experienced stock-outs.

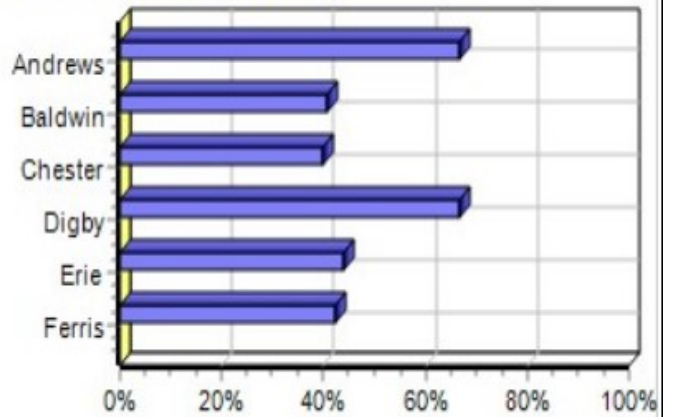
6. CUSTOMERS

If Baldwin Corporation's customer awareness, accessibility, and market penetration are analyzed then it is evident that the customer awareness and accessibility in various segments has remained lowered if compared with other competitors. Due to lower customer awareness and accessibility the sales of the organization have remained lowered from most of the competitors. Low sales generation has impacted the profitability of the business to a lot of extent. It is evident that the business needs to improve its sales if it wants to become successful in the industry. For gaining a competitive edge and sustaining in the long run improving sales generation has become essential for Baldwin Company.

Accessibility C149189 Low End



Accessibility C149189 High End



Marketing activities play an important role in improving the sales generation and profitability of the organization. If the accessibility and customer awareness are going to remain lower then there is a huge chance that the sales generation will also remain low. Therefore it is recommended to Baldwin to enhance customer awareness and accessibility in different product segments. In addition, the organization must also focus on the quality of the product as well. Customers prefer quality products at competitive pricing. the organization should also keep on lowering its turnover rate so that talented employees can be retained in the organization.

7. LEARNING AND GROWTH

In rounds 1 and 2, the market capitalization of Baldwin organization was \$2 million. In round 3 the market capitalization of Baldwin Corporation reached \$6 million. In rounds 5 and 6 the market capitalization of the company again declines to \$2 million. In rounds 1 and 2, the organization has generated sales of \$109,920,853 and \$143,230,934. In rounds 5 and 6, the sales of the organization has remained \$127,784,034 and \$88,160,709. Due to the decline in sales, the organization's profit also declines to a greater extent. In rounds 1 and 2, the employee turnover rate has remained at 10% and 8.9%. In round 3 turnover rate further declined to 7%. In rounds 5 and 6 employee turnover rate has remained 6.8% and 7.4%.



In rounds 1 and 2 854 and 82 new employees were recruited by the organization. In rounds 3 and 5 28 and 766, new employees were recruited by the organization. In rounds 1 and 2 the productivity index of workers has remained 100%. In rounds 3, 5, and 6 the productivity index of workers has increased more than 100%. If the organization wants to experience growth then the organization will have to boost its sales. For boosting sales the organization can focus on the accessibility and quality of the products that it offers to its target customers. The higher the quality the more will be the number of customers.

8. ANALYSIS

To solve these difficulties and work on the presentation of the organization in the later adjustments of the reenactment, several key procedures should be carried out. Organizations must primarily focus on expanding their accessibility to clients. This could include increasing the availability of its items through various circulation channels, working on the actual store floor, and improving the online shopping experience for clients. By making their items more open, an organization can gain a larger client base and increase offers. In addition, the organization must focus on the attention of the client. This could include slowing down showcasing and promoting efforts to clarify issues regarding its items among its objective clients.

The organization may also consider putting resources into memorability units and attracting clients through virtual entertainment and various channels. By expanding the attention of the client, the organization can generate interest in its items and possibly further develop the benefits. Regardless of these methodologies, an organization may also consider various elements that could affect its productivity, such as evaluation procedures, cost management, and item segregation. By carefully analyzing these variables and making appropriate changes, the organization can position itself for progress in later reenactment adjustments. Overall it can be said that the business needs to implement lots of changes in its operations.

9. CONCLUSIONS

I have enjoyed a lot while managing the company Baldwin for 6 years. It has given me great experience, and highlighted me, some of my mistakes. I am now very confident and request my shareholders of the company Baldwin to keep me in this role of management and if, I ever will be given a chance to manage the company again, I will definitely not repeat my mistakes, which has suffered my company this time. I will give more importance to buying criteria which customers want, and try to offer products at very low cost via investing much in automation and human resource. Marketing activities also play a very important role in improving the sales generation and profitability of the organization. If the accessibility and customer awareness are going to remain lower then there is a huge chance that the sales generation will also remain low. Therefore it is recommended to Baldwin to enhance customer awareness and accessibility in different product segments. In addition, the organization must also focus on the quality of the product as well. Customers prefer quality products at competitive pricing. The organization should also keep on lowering its turnover rate so that talented employees can be retained in the organization. If the organization wants to experience growth then the organization will have to boost its sales.