# Trouble at Fairem

### “We don’t have the capacity!”



**Fairem is a medium-sized company specializing in the production of silicon-based products. With a staff of 850 working at two plants in the south of England, they produce components for the electronics industry.**

About 18 months ago, Fairem took over a small competitor and thereby acquired that company's patents. One of these proved to be very interesting: an integrated, programmable water pump, powered by a solar-driven accumulator, called the SPPP. Fairem decided that the SPPP, although outside its usual range, could be a winner. The pump was further developed and refined, and the decision was made to put it into production.

However, in order to be profitable, the SPPP needs to be produced on a large scale and Fairem's production capacity is limited. To produce the SPPP in the required numbers, while continuing with their current production, will require an increase in the company's capacity of at least 20 - 30%.

1. **What options are open to Fairem in the short, medium and long term?**
2. **What do you propose?**

Trainer Notes

**With ½ a side of text, this activity opens a Pandora’s box of things to talk about and activities to pursue. The activity works for B1 groups (who may want to pick up some vocabulary and discuss) and for more advance participants who feel more comfortable dealing with quite complex issues.**

Here’s what you do

Prior to introducing Fairem, outline the problem of capacity and brainstorm options, these might include:

* Overtime
* Taking on new staff
* An extra shift
* Hiring temporary staff from Manpower
* Speeding up machines
* Cutting production of non-profitable lines (lame dogs)
* Outsourcing current production (inc. off-shoring, low-cost countries etc.)
* Allowing production under license
* Outsourcing production
* Increased automation
* Buying in semi-finished components (reducing depth of production)
* Joint venture with a supplier / customer / competitor
* New factory
* Selling the pump patent (is Fairem specific, so won’t appear here)

**Introduce the Fairem situation**

* (in pairs or mini-groups) the implications of the most promising options
* Split into 2 groups. Each develops a strategy (i.e. a combination of options for the short and longer term) for how the company is to go forward.
* Set up a meeting scenario that will include:
* 2 presentations followed by the chance to ask questions of clarification
* Facilitated discussion aimed at reaching consensus

Opens the door to:

Language of meetings (stating opinions, agreement, disagreement, summarising etc.)

Developing facilitations language and skills. Linking the above to the situation / experience of the participants’ company/ies is usually rewarding.