Assignment: Using Performance Reports to Inform Organizational Decisions

Very often, managers are called upon to make decisions “by the numbers.” In this Assignment, you will sort through a budget report from the fictitious Honey Bear Confections (HBC) organization in order to make decisions about productivity levels.

HBC is a small organization dedicated to making bear-shaped sweets with honey as a sugar substitute. You have just been promoted to a position as manager of the production department at HBC when your supervisor shows you the following report. She tells you to “get it fixed.” You suspect she is alluding to a problem with productivity and efficiency.

For this Assignment, review the Static Budget Report provided. Additionally, you may find valuable information in your course text, especially Exercise 6-3.

HINT: for more information about this, see the Weekly Briefing and the Performance Report video.

Honey Bear Confections (HBC)

Manufacturing Overhead Static Budget Report

For the Month Ended June 20XX

Budget Actual Variance (U or F)

Production in bags of candy 10,000 12,000 2,000F

Costs:

Indirect labor $26,000 $31,200 $5,200U

Supplies $25,000 $29,500 $4,500U

Utilities $19,000 $22,500 $3,500U

TOTAL $70,000 $83,200 $13,200U

The Assignment:

Part 1: Prepare a performance report using spreadsheet software, such as Excel. Hint: Read the Weekly Briefing and watch the Performance Report video on this topic.

Part 2: For the next section of this Assignment, please utilize a word processing software (such as Word) to complete the following:

Write a short memo to your supervisor explaining your findings and your recommendations.

In your memo, as part of your recommendations, take a position on the following: Do all the variance in this example need to be examined? Why or why not?