



CHIRP

CASE HOUSE OF IIM RAIPUR

CASE | 6 MINUTES READ | 7 PAGES

Kustom Kars: Optimizing for Product Mix and Capacity Investment

MOHIT GOSWAMI¹

¹ *Operations and Quantitative Methods Area, Indian Institute of Management Raipur, India*

This case is solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality. This publication may not be transmitted, photocopied, digitized, or otherwise reproduced in any form or by any means without the permission of the copyright holder.

Copyright © 2023, Indian Institute of Management Raipur, Version: 2023-September-25

Synopsis

Phil Prutton, the owner of Kustom Kars – a recently started car customization firm in Alberta, Canada – would be in a better financial and operational position if he optimized the car conversion operations at his firm. This demanded two groups of decisions. First, how many custom and deluxe conversions should he carry out in a planning horizon of two weeks? Second, which custom conversion capacity should he invest in to achieve the maximum additional profit – painting, body shop, or inspection? The former entailed crystallizing his thoughts into a product mix problem while the latter presented him in a choice dilemma.

RELATED PRODUCTS

1) *Teaching Note*: Product Number- CHIRP-81971-TN