

# University of Southern Indiana

## High School Business Case

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You are the chief financial officer for Fly Safe, Inc., a publicly traded software company, located in Evansville, Indiana that provides safety training software and solutions to the aviation industry.

Fly Safe has been expanding and is rapidly outgrowing its current headquarters. In addition to running out of space, the Company is also experiencing problems finding qualified individuals to fill its open positions due to the low unemployment rate. There is a projected staffing need for 100 additional positions within the next two years, which breaks down to approximately 50% sales, 40% customer service and 10% administrative employees.

The chief executive officer feels it is time to expand the company's geographical footprint and has asked for your recommendations.

The options of either expanding the current Evansville headquarters by leasing a nearby building or opening a second headquarter location have been explored.

You have narrowed the choices to Denver, Colorado; Louisville, Kentucky; or a second Evansville, Indiana location, and your research has been focused on cost, employee retention and attraction, and proximity to Fly Safe's current and future customer base.

### Additional Facts and Circumstances

- 20% of your customer base is in the Denver, CO area; 30% are located in the Midwest, and the remainder are distributed throughout the country.
- The CEO would like to grow the company 20% in the next two years, and has indicated half of the Company's sales prospects are located in the western half of the country.
- There will be a certain amount of travel between your current headquarter location and the new headquarter location.
- It is estimated that you will need approximately 7,400 square feet of office space to accommodate the additional associates.
- When pursuing a new account, Sales Associates typically visit a customer in person at least 5 times. After a new account has been closed, most of the ongoing support shifts to the Customer Service Department; however, Sales Associates generally visit their active customers at least once a year to maintain and build relationships.

### **Option 1: Denver, CO**

- Population of approximately 3,000,000 (metro)
- Building available at Cherry Creek location with limited room to expand
- Easy access to highways, shopping, dining and outdoors
- Rent per square foot/per month: \$1.92
- Greater talent pool with computer information systems background for sales and customer service positions

### **Option 2: Louisville, KY**

- Population of approximately 770,000 (metro)
- Building available on the eastside with room to expand
- Easy access to highways, shopping and dining
- Rent per square foot/per month: \$1.21
- Greater talent pool with a computer information systems background for sales and customer service positions

### **Option 3: Evansville, IN**

- Population of approximately 120,000 (metro)
- Build to suit
- Easy access to current headquarter location
- Rent per square foot/per month: \$1.00
- Limited talent pool with a computer information systems background for sales and customer service positions

### **Questions:**

1. What factors should be considered when making this decision?
2. What are the pros and cons of each of the three options?
3. What is your recommendation and why?

**Please come prepared on Friday, November 8, 2019 to make a 10 minute Microsoft Office PowerPoint presentation responding to the questions. ALL team members are to participate in the presentation.**