

Handout 11e: Factory Shutdown Flowchart

You are a CEO and are considering the options for your production firm. In order to increase profits, you need to reduce costs. You may do this in flowchart format if desired.

- 1.) Considering all the factors, from creating your object or service to having it reach consumers, list the likely types of costs associated with production. Consider: labour, machinery, energy, environmental regulations, wage laws, etc.
- 2.) Now list the areas where you could reduce costs without relocating.
- 3.) Now your government has signed a free trade deal with Mexico. You can relocate there to take advantage of certain conditions, if you wish. List the reasons you might want to relocate to that area. How could you save money? (Revisit #1)
- 4.) Now consider effects on communities. How might a shutdown affect:

Local jobs

Workers families including children

Local communities (homes, schools, neighbourhoods)

Local businesses

Local or national economy (consumer spending, personal or corporate taxes)

Social services, crime, health

Other

- 4.) List the effects of moving your factory to Mexico on Mexican communities. Consider the legal differences in each country.

Local jobs

Worker families including children

Local communities (homes, schools, neighbourhoods)

Local businesses

Social services, crime, health

Local or national economy

Local environment

Other