

In order to reduce cost, we should close some of our existing small assembly plants and build a large central plant. Grandview would be an ideal location for this new plant. First of the locations that we have considered, Grandview has the largest adult population, so that we will be able to staff our plant quickly and easily. Second, since the average wage earned by workers in Grandview is less than that in the other locations, we should be able to keep the production costs low. Last, as an inducement for us to build there, Grandview's town council has offered to allow us to operate for the first three years without paying city taxes.

In this memo the president of Viva-Tech which is a high-tech bio-instruments company, recommends opening a grand central plant and closing the small ones would be a way to reduce Viva-Tech company's costs. So he suggested that Grandview would be a great location to build this central plant. to support this recommendation, the memo relies on the number of adult population in Grandview, the low salary's average of its employers along with the fact that town council offers a three-year non-tax reward as an incentive. close scrutiny of this evidence reveals that it lends little credible support for the president's assertion.

First of all, the memo indicates that substituting small plants to a central one would be a reasonable way to lower costs. yet the author provides no evidence to support this assumption. it is possible that the costs of a central plant are much bigger that than those the total costs in all the existing small plants. lacking clearer and substantial evidence about the comparison of costs in a central and small plants, the president cannot convince me that it would be a best way to reduce costs.

Similarly, the fact that Grandview has the largest adult population lends no support to the argument. Perhaps the mean age of adult population is high and the major part/segment of the population consists of retirements pensioners or the elderly, or perhaps adults have already decent jobs and they do not seek a new career. Therefore, there are-is a little amount-of demands for jobs. without considering and ruling out these and other possible explanations for labor demand situation, the author cannot justifiably conclude that there would be a correlation between a larger adult population and greater labor market.

moreover, the argument unfairly implies that the average wage of Grandview is less than that in other locations and-its which results in cutting the production costs. However, the author provides no evidence that this is the case. it is entirely possible other factors which influence on-the production costs such as the raw material price and electricity costs are higher than those in other locations as a result the total costs of a product which has been produced in Grandview become higher than the cost of a product produced in other locations. without accounting for this possibility, the author cannot confidently recommend that workers' salary is the only influential factor in production costs reduction.

Finally, the mere fact that the town's council gives this company a tax-free offer for three years is a scant evidence that it leads to reducing the production costs during years. This bonus may decrease costs to some extents during three years but it would not ensure the costs reduction after this period.

In conclusion, the recommendation relies on certain doubtful assumptions that render it unconvincing as it stands. To bolster the recommendation, the president should provide stronger

evidence about the average age of the adult population, the amount of labor demand in that area, all the factors involved in ~~a~~-product costs and last but not least a ~~prove-proof~~ that indicates a three-year tax-free offer may have a direct influence on total cost reduction.