***Chapter 7 Examination preparation solutions***

1. Sunnydayzz Ltd is in the secondary/manufacturing industry sector. It produces solar panels, classified as a finished good, produced by combining factors of production in a production process. Sunsavers Pty Ltd is in the tertiary/services industry sector. They install solar panels on the roofs of their customers. In doing so, they are selling their labour and expertise in the installation process.
2. A solar panel is a good and therefore tangible – it can be seen and touched. Whereas the installation of the solar panel is a service, and is therefore intangible. The end customer has no interaction with Sunnydayzz, the producer of the solar panel. Whereas the end customer has a high degree of interaction with Sunsavers, the installation company. Sunsavers will consult with the customer about their needs and then install the panels at the customer’s house, likely while the customer is supervising. Solar panels are standardised, mass produced and can be stored as inventory in a warehouse. However, the installation of the solar panel is customised to the needs of the customer, and therefore cannot be mass produced or stored. Different customers will require a different quantity of panels and a different set-up depending on their roof size and aspect.
3. The operations systems:

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|  | Sunnydayzz | Sunsavers |
| Inputs | * Labour * Time * Raw materials * Component parts * Manufacturing facilities * Manufacturing equipment and tech * Utilities – water, electricity * Warehouse – for inventory | * Solar panels * Installers * Installation equipment |
| Processes | * Human labour takes time and uses equipment and technology to combine materials into solar panels. * Solar panels are stored in the warehouse as inventory to be sold to installation companies like Sunsavers. | * Buy panels from Sunnydayzz * Sell installation service to customer * Transport panels to customer * Greet customer * Discuss installation needs * Lift panels and equipment onto roof * Secure panels onto the roof * Instruct customer in how to use / maintain the system |
| Outputs | * Solar panels | * Installation of solar panels |