

TABLE F.7: Payoff Matrix for Greer Chemicals, Inc.

DEMAND			
DECISION ALTERNATIVE	LOW (20%)	MEDIUM (50%)	HIGH (30%)
Subcontract additional capacity	\$8 million	\$40 million	\$70 million
Build a new plant	−\$60 million	\$20 million	\$110 million
Do nothing	\$15 million	\$30 million	\$85 million