

Cost to producer will affect amount of goods sold

Analyzing customer demand for a product helps business owners identify how customers feel about the product and whether there are substitutes.

Along with this type of analysis, decision makers must also consider the supply side. Customers may want some product, but if suppliers are unable or unwilling to provide it, then there is no market.

Supplier costs influence the quantity of products they are willing to offer during any period. As demand curves are used by sellers to identify the quantity demanded by customers at different prices, supply curves

identify the quantity of product to be supplied at various possible prices.

Ultimately, only one quantity of goods will be offered by suppliers and bought accordingly. Along with a demand curve, the supply curve summarizes the attitudes and predicted behavior of sellers and buyers for a product in a given market.

AS DEMAND curves are typically downward-sloping, supply curves tend to slope upward. Suppliers are willing to offer greater quantities of product at higher prices. The logic here suggests that if a product's market price is high, suppliers will be anxious to produce more of the product even if it involves overtime or hiring additional workers.

Going one step further, suppliers of other products may switch their company resources (labor, farms and factories) to the product in

focus: small business

Mary DiPaolo



greatest demand at the higher price. On the other hand, if a low price is being offered for the same product, suppliers will reduce its supply and focus attention on other items.

MARKET equilibrium occurs at

the intersection between supply and demand when the curves are plotted on the same graph. This intersection, or equilibrium point, determines the size of the market and the market price.

Products with an inelastic demand will evidence an increase in total revenue as prices increase. But the best price is at the equilibrium point, the point where the quantity and price suppliers are willing to offer is equal to the quantity and price sellers are willing to accept. So demand is not the only determining factor of price level; cost must also be considered in terms of the supply

curve. The elasticity of demand and supply curves, and their interaction, help predict the nature of product competition a business owner is likely to experience. Along with the ability to identify a product market's size and price, analyzing supply and demand serve as excellent decision-making tools.

Mary DiPaolo is the owner of *MarketTrends*, a Farmington Hills-based business consulting firm. She is also producer and host of the cable television series, "Chamber Perspectives."

datebook

• SELLING FOR PROFESSIONAL WOMEN

Saturday, Oct. 8 — "Precision Selling Techniques for Professional Business Women" offered 8:30 a.m. to 6:30 p.m. in Troy. Fee: \$25. Information: Beverly Red, 651-8192. Sponsor: Heritage Corporate Estate Planning Services.

• FINANCES FOR NON-FINANCIAL MANAGERS

Saturday, Oct. 8 — "Fundamentals of Accounting and Finance for the Non-Financial Manager" offered 9 a.m. to noon in Southfield. Information: John Lipson, 1 (517) 482-3455. Sponsors: Women in Management, Detroit Free Press, Arthur Young, Walsh College, Northwest Airlines.

• COMMUNICATION STRATEGY

Monday, Oct. 10 — "How to Develop Winning Communication Strategy" offered 3:30 a.m. to noon in Troy. Non-member fee: \$15. Information: Janet Roberts, 382-8100. Sponsor: International Association of Business Communicators.

• BUSINESSES AT HOME

Mondays, Oct. 10-17 — "Starting and Running a Business from your Home" offered 7:30-9:30 p.m. in Bloomfield Hills. Fee: \$25. Information: 645-3635. Sponsor: Cranbrook Schools.

• BUSINESS DESIGNERS

Tuesday, Oct. 11 — "Product Specification: Responsibility and Liability" offered 7:50-8:45 a.m. in Troy. Information: Michigan Design Center, 1700 Stutz Drive No. 25, 46081.

• FINANCIAL PLANNING

Tuesday, Oct. 11 — "Investment Alternatives at Any Age" offered 7:30-9:30 p.m. in Farmington. Fee: \$18. Information: 477-8404. Sponsor: Shearson Lehman Hutton Inc.

• MARKETING ASSOCIATION

Tuesday, Oct. 11 — Industrial Marketing Group luncheon in Southfield. Information: Helen Lieberman, 354-9948.

• VALUE ENGINEERS

Tuesday, Oct. 11 — Society of American Value Engineers meets in Troy. Information: Jonathan Glasscock, 524-9476.

• SELF-TALK WORKSHOP

Tuesday, Oct. 11 through Nov. 15 — "Self-Talk for Personal Effectiveness" offered 7-9:30 p.m. in Bloomfield Township. Fee: \$240. Information: Don Fairchild, 358-1550.

• TRAINING SOCIETY

Wednesday, Oct. 12 — American Society for Training and Development meets in Troy. Information: 258-8833.

• REAL ESTATE WOMEN

Wednesday, Oct. 12 — Commercial Real Estate Women meet in Southfield. Information: Cheryl Lipfert, 449-7301.

• BUSINESS COMMUNICATORS

Wednesday, Oct. 12 — International Association of Business Communicators meets in Troy. Information: Kim Welch, 588-7680.

• PROBLEM EMPLOYEES

Friday, Oct. 14 — "Managing Problem Employees" offered 8:45

a.m. to 4 p.m. in Detroit. Fee: \$99. Information: 1 (800) 255-4141. Sponsor: Padgett-Thompson.

• APARTMENT MANAGERS

Fridays, Oct. 14 through Nov. 11 — Registered apartment manager seminars offered from 8-11 a.m. in Southfield. Non-member fee: \$245. Information: 737-4477. Sponsor: Builders Association of Southeastern Michigan.

• MAC DESKTOP PUBLISHING

Saturdays, Oct. 15 and 22 — Desktop publishing class on Macintosh computers offered 8:30 a.m. to 12:30 p.m. in Rochester. Fee: \$150. Information: 370-3120. Sponsor: Oakland University.

• INCREASE PERSONAL EFFECTIVENESS

Monday, Oct. 17 — "Roots of Excellence in Human Thinking" offered 10 a.m. to noon in Southfield. Fee:

\$30. Information: Paula Schwallie, 459-1020. Sponsors: Michigan Institute for Educational Management, Human Synergistics Inc.

• UNEMPLOYMENT INSURANCE COSTS

Tuesday, Oct. 18 — Unemployment Compensation Compensation Council conference 8:30 a.m. to 4 p.m. in Troy. Non-member fee: \$90. Information: Catherine O'Brien McCubh, 981-8870.

• DATA PROCESSING MANAGEMENT

Wednesday, Oct. 19 — Data Processing Management Association meets in Southfield. Information: 535-4400.

• REAL ESTATE CONTINUING EDUCATION

Wednesday, Oct. 19 — Six hours of real estate continuing education offered 8:30 a.m. to 4:30 p.m. in Farmington Hills. Fee: \$37. Information:

Debbi Claxton-Merritt, 855-4400. Sponsor: Institute of Real Estate Management.

• SUPERVISOR SEMINAR

Thursday, Oct. 20, 27 — Supervisor's seminar offered 8:30 a.m. to 4:15 p.m. in Troy. Fee: \$395. Information: 370-3120. Sponsor: Oakland University.

658-1327. Sponsor: Link Services.

• LOTUS 1-2-3

Saturdays, Oct. 22 through Nov. 12 — "Lotus 1-2-3" seminar offered 9 a.m. to 12:30 p.m. in Rochester. Fee: \$150. Information: 370-3120. Sponsor: Oakland University.



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