Government of Bhutan believes that college education is vital to get the skilled workforce for the country development. It wants to revamp its college education system. The government decides on injecting highly caliber people who are already working in multinational companies and have a research-oriented focus as teachers.

Based on the primary school data, the government projects that it requires 6000 teachers for year 1; 7000 teachers for year 2; 5000 teachers for year 3; 6500 teachers for year 4. The number of teachers currently employed are 5,000. As the teachers are to be bought in from their previous roles it takes $40,000 to hire them and a compensation of $20,000 must paid if they are fired. The teachers that are hired in the beginning of each year can be used to fill the current year requirement and are paid in full. The teachers are paid $ 100,000 per year.

Though the government is fully focused on revamping is education system, it wants to minimize its cost associated to hiring, firing and the salaries of the teachers. It believes that the money saved from this would be useful to fund other projects. Thus, the government has asked a private consulting company to help in this process. Determine the model company should come up with to help the government minimize the cost.