

CHAPTER OVERVIEW

4: Production



Learning Objectives

- What are common capacity strategies?
- Calculate efficiency and utilization measures.
- Describe factors that determine effective capacity.
- Understand the steps in the capacity planning process.
- Determine the capacity in a sequential process with a bottleneck.
- Use break even analysis to evaluate capacity alternatives.

This module examines how important strategic capacity planning is for products and services. The overall objective of strategic capacity planning is to reach an optimal level where production capabilities meet demand.

- [4.1: Introduction to Strategic Capacity Planning](#)
- [4.2: Capacity Planning for Products and Services](#)
- [4.3: Defining and Measuring Capacity](#)
- [4.4: Determinants of Effective Capacity](#)
- [4.5: Types of Inventory](#)
- [4.6: Inventory Management Models](#)
- [4.7: Relevant Costs](#)

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