

Capacity management and international operations management commerce essay

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Capacity direction lies at the nucleus of every successful operational scheme whether service or fabrication. It is portion of a larger corporate scheme which is a long term program to accomplish a certain mark (Jones and Kutsch, 2007) . It is imperative for every organisation to cognize how good its capacity is being utilized as its long term success is based on it (Krajewski and Ritzman, 2002) . Capacity measuring helps find the overall operational costs and forms the footing of of import determinations like enlargement (Yu Lee, 2002) . This paper will endeavor to decide the capacity direction issues of a wellness installation called Fitness Plus in Greensboro, North Carolina. Fitness Plus began its operations in a big suburban park in Greensboro, North Carolina in 1991. Under wellness and athleticss it provides fittingness, relaxation and recreational installations runing 7 yearss a hebdomad (For inside informations see Appendix 1) . Customers use the installations holding subscribed to annually ranks. Recently the country of Greensboro has expanded in population and concerns. Growth in population increased wellness consciousness in occupants and has increased demand for fittingness installations. Other wellness Centres have besides opened viz. YMCA, Oasis and Golds Gym. YMCA offers full scope of installations, Golds Gym has merely cardiovascular and weight preparation and Oasis is restricted to merely adults over 16 old ages of age. Available informations indicates that by May 2002 members sing Fitness Plus every hr during peak clip (4 – 7pm) had doubled to 80 from 1997. The mean visits per hr increased from 15 to 25 in a typical twenty-four hours resultantly the installation got overcrowded and ailments arose about non-availability of equipment.

Most figure of ailments originate in the specific countries of aerobic exercises, nautilus and cardiovascular. The capacity of Fitness Plus needs to be measured and planned decently in order to organize an effectual operational scheme both in the long and short footings. There are two options available i. e. 1st is to efficaciously pull off the bing installation which will take few months and 2nd is to construct a new installation in the business district country which might take upto a twelvemonth to go operational. Due to fiscal and clip restraints a short term solution is needed for now and a long term subsequently.

In the undermentioned study the capacity issues of Fitness Plus will be discussed in three subdivisions A, B and C. In subdivision “ A ” the capacity of Fitness Plus will be measured and analysed to see whether there is sufficient capacity to cover with the immediate issues of overcrowding and non-availability of equipment. Section “ B ” will determine which capacity scheme would be appropriate for Fitness Plus with the necessary justifications. In subdivision “ C ” the adopted scheme would be described in item and linked with other types of operating determinations i. e. finance, HR, selling and supply concatenation.

Last in the decision the Southern Cross of chief issues and solutions would be summed up. Section “ A ” / Question 1: Capacity measuring with inside informations There is no tantrum for all expression for capacity measuring as concerns vary in their nature and inside informations. A theatre steps capacity in footings of seats and a occupation store can mensurate capacity in figure of machine hours (Krajewski, Ritzman and Malhotra, 2010) .

Jones and Kutsch (2007) are of the sentiment that infinite and equipment hold primary place in capacity measuring therefore the measuring would be centered around them. Main ailments are from two issues i. e. inaccessibility of equipment (Cardiovascular, Nautilus and aerobic exercises) and exercise activities being overcrowded. Thus the focal point of capacity direction in aerobic exercises should be on infinite and equipment for the exercise activities in extremum hours.

Harmonizing to the survey it is noted that peak times are between 4-7pm and entire figure of members sing between that clip is 240 (80 per hr) . For analysis purpose the figures from the conducted study (Appendix 1) have been used as followers: Nautilus: It consists of 24 pieces of equipment and it is assumed that on an mean each member takes 45 proceedingss to finish the whole class. In one hr the entire figure of members able to utilize the equipment would be ($60 \text{ proceedingss} / 45 \text{ proceedingss} \times 24 \text{ equipments} = 31 \text{ members}$) . The current use during peak clip is 25 % of capacity bing 20 members per hr.

Cardiovascular: It has 29 pieces of equipment and it is assumed that each member takes 45 proceedingss to finish the exercising. Therefore in one hr the entire figure of members able to utilize the equipment would be ($60 \text{ proceedingss} / 45 \text{ proceedingss} \times 29 \text{ equipments} = 38 \text{ members}$) . The current use during peak hr is 40 % of capacity bing 32 members per hr.

Aerobicss: The installation can accomodate 35 members in one session and usually each session lasts for one hr.

Thus the current use during peak hr is 30 % of capacity being 24 members per hr. Free weights: The instance survey doesn't hold any inside information about the infinite or type of available equipment. There are no ailments originating and 20 % of the members use the installation during extremum hours which equals 16 members so we assume that it is being utilised suitably.

Recreational activities: There is sufficient room available to accommodate the members during peak hours. Six tennis tribunals can accommodate between 12 to 24 members to play either 6 individual or dual games where every bit presently merely 8 members play tennis during peak hours. Same is the instance for 8 racket ball tribunals which can accommodate between 16 to 32 members for 8 singles or doubles lucifers. During peak clip merely 12 members play racquet ball. The premises are based on the mean calculation of each game to last for 1 hr. In instance of longer game Sessions still there are plentifulness of tribunals available to accommodate the demand. Detail of equipment and infinite are as follows: Further analysis: Yu Lee (2002) is of the sentiment that right measuring of capacity is a pre-requisite for the effectual direction because right determinations are ever based on right observations.

It is a quandary that one can non exactly mensurate the use capacity for service organisations as it needs changeless studies and observations (Jones and Kutsch, 2007) . It has been observed that all the capacity measurings which can be taken are based on the primary informations i. e. equipment status, physical infinite, type of members, frequency of usage, the type of

equipment and support system (Yu Lee, 2002) . For Fitness Plus another utile capacity measuring technique would be “ Utilization ” which is used for equipment, work force or infinite. Use is the ratio between existent mean end product of the equipment and the maximal capacity (Krajewski et al. , 2010) .