



Handbags & Capacity

Volume & Capacity Calculator – Production Business

more money for shoes

Volume & Capacity Calculator – Production Business

Complete the following table for all machines or producers in your business

		<i>Example</i>	Machine/ Producer 1	Machine/ Producer 2	Machine/ Producer 3	Machine/ Producer 4	Total
1	Number of hours available for use per day	24					
2	Number of hours used per day (capacity)	12					
3	Number of days used per week	7					
4	Total used hours per week: (multiply value at 2 by value at 3)	= 12 x 7 = 84					
5	Working weeks in the year (that your business is open)	48					
6	Annual used hours (multiply value at 4 by value at 5)	= 84 x 48 = 4,032					
7	Number of items produced per hour	= 8					
8	Sale price per item	\$10					
9	Potential earnings from items produced (multiply value at 6 by value at 7 by value at 8)	= 4,032 x 8 x \$10 = \$322,560					

The number in the shaded cell indicates the total earning potential for all machines or producers where goods are made by hand. The more hours you can run machines and the higher the number at lines 2 and 3, the higher your earning potential at line 9. Of course there will always be down-time that is needed for repairs and maintenance and upgrades. For hand-produced items, the more efficiencies you can implement and the higher the number at line 2, the higher your earning potential at line 8.