

If you do not want to generate the JavaScript for such Apps by hand, ChancePlan.AI can automate the procedure.

Capacity Planning



You are planning capacity in the face of uncertain demand, but it is believed that the expected (average) demand will be 100,000 units. Click the checkbox to calculate results based on this average.

Since you expect demand of 100,000 you choose a capacity of 100,000, which leads to profit of \$1 million. But this can't be the average profit because if demand is less than average you will make less than \$1 million, and if demand greater than average, you are capped by your capacity.

Now uncheck the average box to see the true average profit. View profit for any of the 1,000 simulated demands with the controls at the top of the screen.

Set the inequality to < and the \$800,000 to \$0 to determine the chance of losing money.

Capacity Planning Dashboard

Trial

▼

1

▲

Load

Demand 1

Demand 2

Demand 3

Cost of Capacity per Unit

\$30

Selling Price per Unit

\$40

Actual Demand (Uncertain)

100,000

☒ Replace demand with 100,000

Decision: Capacity

100,000

Sales

100,000

Revenue

\$4,000,000

Total Cost

\$3,000,000

Profit

\$1,000,000

>

\$800,000

100%

Average Profit

\$1,000,000

You may experiment with different uncertain demands, each of which has an average of 100,000.

Experiment with the capacity. Comparing both the average profit and the chance of losing money. The proper decision depends on your risk attitude.