Business Growth Hub

26 Factsheet

"What if" Rough Cut Capacity Planning (RCCP)

You would use this approach to understand if you have sufficient capacity to take on unexpected orders or growth in demand.

Projected performance gains

Improved

- Awareness of production capacity
- Resource deployment

What investment is needed to understand the concept?

DIFFICULTY

Medium

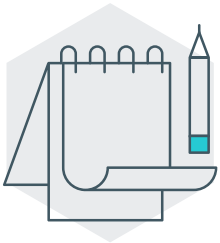
Requires some reading around the subject and understanding of Microsoft Excel.

ACTIVITY

Team and Individual

The task can be completed by an individual, but may require a collective agreement to take new business.

EQUIPMENT



Computer

With Microsoft Excel software.

Explanation of the concept

Most factories have critical resources in terms of machines or people and skills. RCCP is a way of looking at a new order(s) and quickly identifying if it can be accepted. The assumption is made that if the critical resource has enough capacity, then the other resources should be OK and the order(s) can be accepted. RCCP also assumes that raw materials are not an issue.

RCCP usually takes the form of a simple Excel spreadsheet that calculates the available and required capacity at your critical resources.

In order to do this, you will need the following data:

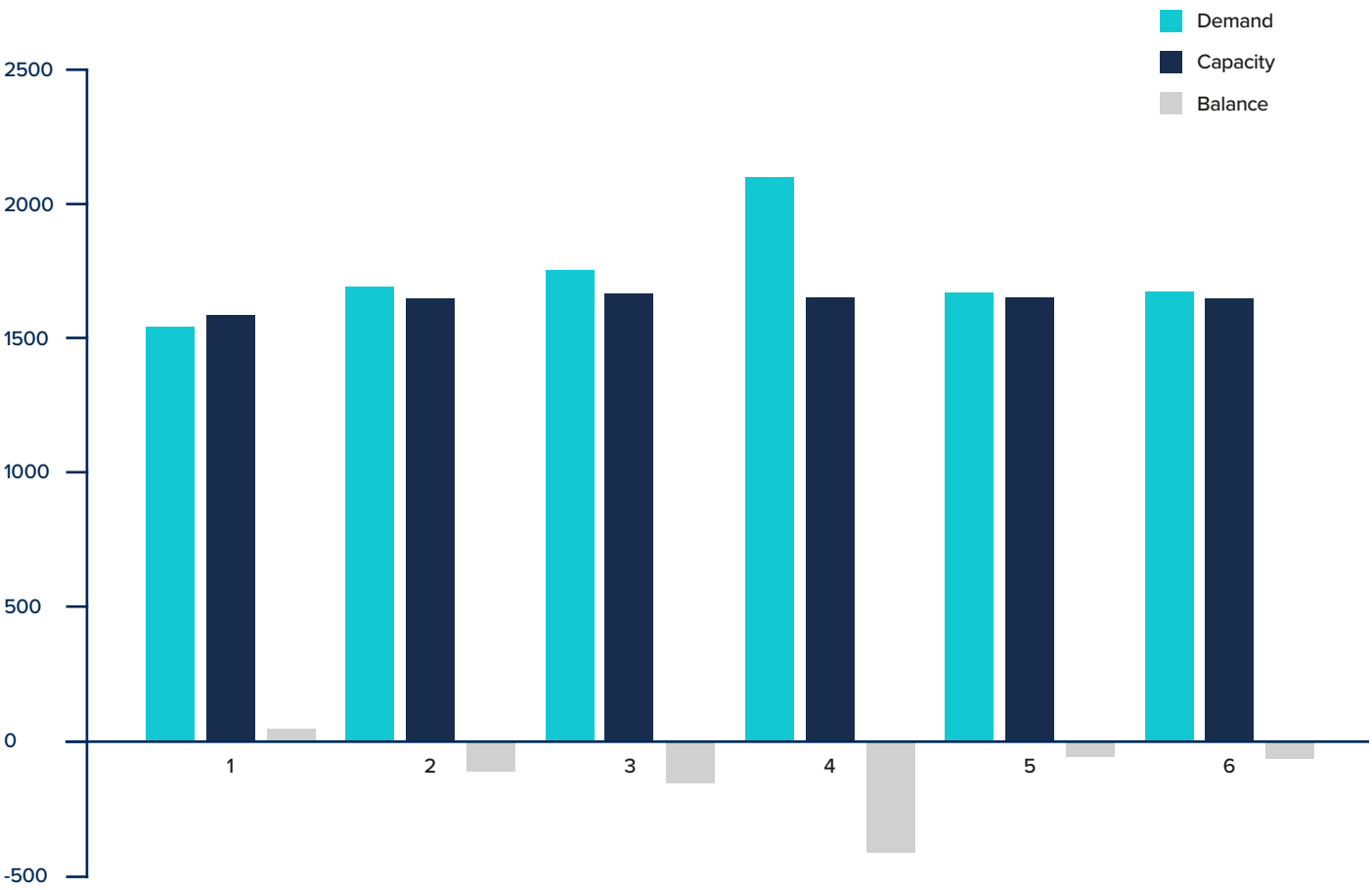
- Shifts/time worked at the critical resource
- Standard time (cycle time) for the product
- Change-over/set-up times
- Planned downtime
- Typical historical unplanned downtime
- Existing committed orders on the resource

RCCP then uses the data and makes a calculation along the lines of:

- Time worked at critical resource – (everything else listed above)

If the answer is positive, and there is still some surplus capacity, it is probably safe to accept the order.

It is important to remember that people and machine capacity are not the same. People can be the critical resource, just as machines can be. In fact machines are present 24/7, we decide when they can be run with the shift system we put in place.



“What if” Rough Cut Capacity Planning (RCCP) Factsheet 26

What action should I take?

1.

Identify your critical resources

2.

Collect the process data previously listed

3.

Build a simple Excel spreadsheet that allows you to calculate your “go/no go” to unexpected order(s)

Recommended resources

GC Business Growth Hub Factsheet 01: Bottleneck Analysis

Glossary

Critical Resource: Most often called a constraint or bottleneck process

For more advice, case studies and additional factsheets visit: www.businessgrowthhub.com/manufacturing

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