

1.0 Xmultiple Production Plan

A production plan is for the new high volume production project is developed by the Xmultiple management and our manufacturing / operations departments. The production plan shows the total amount of output that the manufacturing department is responsible to produce for each period in the planning horizon.

The production plan is the authorization of your manufacturing department to produce the production of the connectors our customer's order at a rate consistent with our Xmultiple's overall factories production plan. The output is expressed in terms of units

This production plan will be used to form the **master production schedule** so as to schedule the items for completion promptly, according to promised delivery dates; to avoid the overloading or under loading of the production facility; and so that production capacity is efficiently utilized and low production costs result. Low production cost will provide Xmultiple with the capability to provide the lowest cost possible to our customers.

Carefully developed production plan

The Production planning will assure we meet the customers forecasted requirements. The plan will provide medium-range planning activity that follows long-range planning in P/OM such as process planning and strategic capacity planning to meet the demand forecast and to determine the best plan to meet this demand.

The Production Plan for new projects meets the following objectives:

- Minimize costs
- Minimize inventory investment
- Minimize changes in production rates
- Minimize changes in work-force levels
- Maximize the utilization of plant and equipment

Production Plan for New Projects

How we form the Production Plan for New Projects

Activity 1 Determination of Monthly and Yearly Requirements

The 1st activity in this Production Planning is the determination of the requirements over monthly and yearly estimates. **Demand forecasting** plays an important role in the conduct of this task. Xmultiple managers are aware of the various factors which affect the accuracy of the estimated per unit demand and sales forecast.

Activity 1 involves the conduct of the following tasks:

ACTIVITY 1 Tasks	Description
1	Draw up the sales forecast for each product or service over the appropriate planning period
2	Combine the individual product / service demands into one aggregate demand
3	Transform the aggregate demand for each time period into staff, process, and other elements of productive capacity

Activity 2 How Xmultiple Will Meet the Requirements

The major activity involves the identification of the alternatives that the firm may employ to meet production forecasts as well as the constraints and costs involved. Specifically, this activity involves the following tasks:

ACTIVITY 2 Tasks	Description
1	Develop alternative resource schemes to meet the cumulative capacity requirements
2	Identify the most appropriate plan that meets aggregate demand at the lowest operating cost

Production Plan for New Projects

Inputs to our production planning process

The following information is used by our production planning team. The data include the following:

- Materials / purchasing Information
- Operations / manufacturing Information
- Engineering / process Designs
- Financial and accounting information
- Human resources information

How we address the demand fluctuations

There are three basic production planning strategies Xmultiple uses to address demand fluctuations. These are the (1) Chase Demand strategy, (2) Level Production strategy, and the (3) Mixed Strategy.

Strategy	Description
Demand Chase Strategy	Matches the production rate to the order or demand rate through the hiring and firing of employees as the order rate varies
Level Production Strategy	Maintains a stable workforce working at a constant production rate with the shortages and surpluses being absorbed by any of the following: • Changing the inventory levels • Allow order backlogs (commit to the customer that you will deliver the product (s) at a much later date) • Employ marketing strategies (e.g. promotional activities)
Mixed Strategy	The strategies here could include combination of any of the following: • Having a stable workforce but employ variable work hours (e.g., increase no. of shifts, flexible work schedules or overtime) • Subcontracting / outsourcing • Changing inventory levels

How Xmutiple will monitor the effectiveness of your production plans?

Production Plan for New Projects

The important considerations in monitoring the effectiveness of your production plan are shown below:

Systems and Procedures

- The production planning and control have a formal monitoring system to maintain and update master scheduling records
- There is a system of coordination between sales forecasts prepared in sufficient detail so that these translated to specific production plans?

Production Plan Elements

- The production planning and control team prepare a master production schedule with all the production assignments and time allocation?
- The production schedules permit adequate planning of purchases and inventory levels
- Worker productivity is monitored and managed.

Production Control

- Status of any order and work in progress are readily determined and reported
- Actual production levels do not deviate at all in comparison with planned schedules
- Actual shipments of orders always occur according on schedule
- Essential production control records and reports are maintained to cover current and future production loads