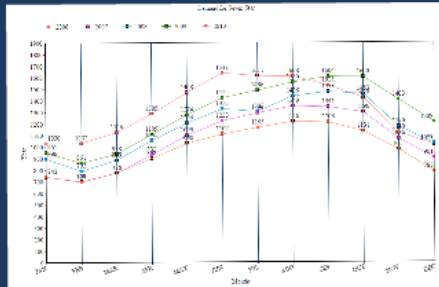


Capacity Planning



Operation Strategy

Make to Stock
 The Operation Strategy is innovative upon the following:
 - **Website Business:** Who knows of the power
 - **Capacity:** Provision high capacity standards
 - **Inventory:** Prepared from ingredients with a certain date of expiry
 - **Operative System:** Use of electronic tools & apps

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Material Requirement Planning

- Raw materials took 15 days to arrive.
 - Different suppliers and vendors for each of the four main ingredients.
 - Careful handling and transportation
 - Ingredients stored in a climate control environment
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- Challenges Faced**
- Seasonal Variations
 - High Ordering cost
 - High Holding cost
 - Inexpensive Inventory Management
 - Profitability of the new system

- Capacity Planning (Contd.)**
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- Evaluating Existing Capacity
 - Financial Analysis
 - Maintained Levels of Stocks to meet the expected service level of 95%

Inventory order quantity (EOQ)
 EOQ is the order quantity that minimizes the total inventory holding costs and ordering costs.

$$EOQ = \sqrt{\frac{2 \times \text{Annual Demand} \times \text{Ordering Cost}}{\text{Holding Cost}}}$$



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Group Members

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INTRODUCTION To TOFFEE INC.

- Toffee Inc. was founded by Hansmukhlal Jadhvani in 1990, Amgaon, Maharashtra
- Business Started As : **Wholesale Trading Agent**



Small time production



Modern Confectionery Processing Unit

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Attributes Of 7 Star Chocolate Bar

- Most Expensive
- One of the Popular Product of Toffee Inc
- Fresh Ingredients of high grades
- Large variety of Ingredients including Dark Chocolate, Cocoa Butter, Cocoa Powder, Nuts, etc

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Operation Strategy

Make To Stock

The Operation Strategy is dependent upon the following :

- **Human Resource** : Workforce of 85 people
- **Quality** : Provides high quality chocolates
- **Sourcing** : Imports fresh ingredients across various cities of India
- **Operating System** : Use of technology using MIS

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Process Selection

Batch Process :

- Toffee adopted the batch process as they produced small quantities of bars

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Capacity Planning (Contd..)

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- Evaluating Existing Capacity
- Financial Analysis
- Maintained Levels of Stocks to meet the expected service level of 95%

Material Requirement Planning

- Raw materials took 15 days to arrive.
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