Animation 7.3

As we saw in the level capacity strategy, demand for goods and services is rarely constant. It varies over time. This variation may be hourly, daily, weekly or seasonal. In this approach to managing capacity such variation in demand is acknowledged, so that – as far as is possible - capacity is utilised at a rate that matches demand.

This means that when demand is weak capacity is reduced, and when demand is strong it is increased. Clearly it is difficult to flex capacity for those parts of the operation that are dependent on infrastructure or equipment. So in most cases, it is the labour input to the operation that is flexed to match demand.

Thus during periods of high demand seasonal workers may be employed, whereas during periods of slack demand employees may be required to take holidays or work reduced hours. In some operations, such as the fast food sector, the workforce is made up of a high proportion of part-time workers, so that hourly and daily fluctuations in demand may be accommodated.