The current capacity utilization is 92%. Utilization ranges from about 81% Prod 1 to 93% in the Prod 2. Prod 3 is near 92% and Prod 4 is about 88%.

Utilization is this:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | 2000 |  |  |  |
|  | No. Mchn. | M-Hr Capacity (annual Hrs) | M-Hrs Production | Utilization |  |
| Prod 1 | 2 | 4000 | 3529.3 | 88.2% |  |
| Prod 2 | 4 | 8000 | 6886.8 | 86.1% |  |
| Prod 3 | 8 | 16000 | 15200.3 | 95.0% |  |
| Prod 4 | 1 | 2000 | 329.9 | see below |  |
|  |  |  |  |  |  |
|  |  |  | BULK PACK |  |  |
|  |  | 17.9% | 329.91 | Prod |  |
|  |  | 36.4% | 672.44 | Other Const. |  |
|  |  | 45.7% | 844.68 | Sponges |  |
|  |  | 100.0% | 1847.03 | Total Prod hrs. |  |
|  |  |  | 2000 |  |  |
|  |  |  | 92.4% |  |  |

All departments are running one 40 hour shift. Some departments will add some overtime on a weekly basis as needed to stay up with orders. If I pay overtime the employees earn a 15% shift premium. I would rather pay the time & a half for the additional hours over 40 and have my utilization around 85%.

My short-term forecast indicates that there will be a small increase this year of 7% to 10%. The long term forecast indicates that there will be a 12.5% annual compound growth over the next five years. This equates to an 80% increase over the current demand in the fifth year.