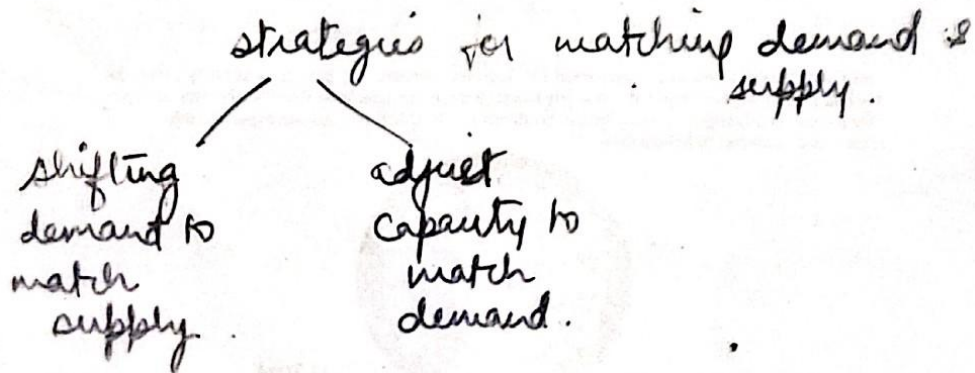


Demand & Capacity

(1)



Shifting Demand to match Capacity

→ Shift customers away from periods in which demand exceeds capacity or attracting customers during low demand.

— various ways ^{psychology} it can be done! —

(a) Vary the Service offer

→ changing service offering ~~times~~ during season.

Ex. Resorts ^{at 6:00} offer facilities for training low. prog. during ~~the~~ rainy season when customer visits are low.

(b) Communicate with customers

— letting customer know the times of peak demand so that they can choose service at other times to avoid delays.

Ex. Banks

(c) Modify timing & location of Service Delivery (d)

- Ex. ~~Stores~~ Retail outlets open till 11 pm during festive season.
- Ex. Banks changing time 8 am to 8 pm understanding customer req. during late hrs.
- Ex. Online shopping, Online Banking

(d) Differentiate on price

- discount during slow demand
- Ex. Hotels in hill areas during winter
- Retail outlets - Ex. ~~peak~~ ^{season.} discounts

Adjusting Capacity to Meet Demand

(a) Stretch Existing Capacity

- (i) stretch time
- (ii) stretch labour
- stretch Equipments
- stretch facilities - i.e. more chairs etc.

(b) Align Capacity with demand fluctuation

- (i) - Use part-time employees
- outsourcing
- Rent / share facilities or Equipments
- Cross train employees so that they can be shifted during peak hrs.

Waiting line strategies: When demand & Capacity can't be matched - (3)

- when it is too costly
Ep. Hospitals / clinics do not find it eco. to add facilities or Dr. to handle peak demand.

- Strategies for waiting time!

(1) Employ Operational Logic

- Remove operational inefficiencies if waits are common.

- Redesign system

Ep. Use of CRISP in ICICI Bank

(2) Establish Reservation process

- when waiting can't be avoided

Ep. Railway reservations, airlines etc.

(3) Differentiate waiting customers

- importance to priority customers or who spend large amt with Sp^r

Ep. - Privilege Banking customers less waiting time

- frequent flyers less waiting time

(4)

- a) - Urgency of job/need can be served first
Ep. Emergency health care.

- ~~Size~~ Duration of job if less then get priority thru express lanes

- Payment of premium - Customers who pay more served early.

Ep. state check in in separate lanes.