

7.4 Turn 2

Note that you have still made a little profit – despite selling less units than the last month and building the new Fixed Position Layout!

Overview		Monthly Summary		Cost Structure		
	Total Cost	Fixed Cost	Supply Cost	Building Cost		
1	7,145.25	4,725.00	2,420.25	0.00	1	7,145.25
2	15,995.25	4,725.00	3,770.25	7,500.00	2	15,995.25

Overview		Monthly Summary		Cost Structure		
	Cost	Income	Profit			
1	7,145.25	12,875.20	5,729.95			
2	15,995.25	16,428.90	433.65			

The new production layout needs another month for completion. Have a look at your sales forecast for the coming month. It should be around 2,500 units. If you compare that to your current stock and production capacity, you will find that you could sell around 3,000 units this turn. You do not want to produce to stock. Some safety stock for unexpected additional sales is fine, but not too much. One possibility is to reduce your stock even more by reducing the sales price.

	Forecast	
Current:	2,520	Products in Stock: 713
Last Month:	2,502	
2 Months ago:	2,501	Production Capacity: 2,285

But since you make a decent profit with the current price, you will now change the production goal. As you see it is currently set to maximum capacity, which is the default. Set the production to 2,500 now.

Production Goal: Max. Capacity

You will now produce less than you actually could. The advantages are the stock reduction but also that you need to buy less raw material for your production. You directly save money this way. Now obviously this is a short-term measure since you generally want to use your maximum capacity. **If you do not specify a production goal, it will reset to maximum capacity the next month again.**

By the way: You can set a production goal higher than your maximum capacity. You will not produce more, but your diligent supply staff will buy the material needed for the production anyway. Be careful!

Now hit the “End Turn”-button to end this round!