Capacity Planning and Facility Location

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1. Businesses are complex in nature. Wise capacity planning is essential before the inauguration of any business. In order to set up any business facility, the location is very important (“Location Definition - Entrepreneur Small Business Encyclopedia,” n.d.). First of all, the location must be selected according to the type of business. The demographics must be kept in mind to earn profits in the business. The facility must be accessible to a wide range of customers. The location has to be appealing to the aesthetic sense of all these different people as they feel compelled to visit the store. If the place is sparsely populated, then running of the business and the associated profits will be in jeopardy. So, the most significant factor in the capacity planning and the facility location is the people and the associated dividend.
2. The poor location of the business has such drastic consequences that are undeniable in nature. Several businesses have failed due to this poor decision-making in facility location (“Why Do Small Businesses Fail? - 10 Major Reasons and 50 Best Solutions,” n.d.). A fish and chips restaurant pike street fish fry failed in the local market due to the poor choice of business and the poor selection of location such as Seattle (“Why Can’t Terrific Fish and Chips Make it in Seattle? | Seattle Met,” n.d.). People in the area were mainly junk-eaters and had no inclination towards fried fish. Moreover, the other activities on the location also made it difficult to run the restaurant smoothly. Hence, when the location was poorly selected for the Pike street fish fry, it did not earn anything for the owners as people were least interested in that business venture.

  **References**

Location Definition - Entrepreneur Small Business Encyclopedia. (n.d.). Retrieved June 21, 2019, from https://www.entrepreneur.com/encyclopedia/location

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