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Selection of product and optimal capacity utilization in manufacturing. Application of methods to cover the costs as an important factor in increasing the competitiveness of firms

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Abstract. The target parameters in a manufacturing company are turnover, reduce costs and profits from the activity. Depending on the evolution of costs it can contribute to better financial results or lead to a loss so the costs cover in manufacturing is an important factor for increasing the competitiveness of firms. The article presents the Technological preparation of production (TPP) method and the simplex algorithm for obtaining the optimal results. Based on this method four examples for selecting the product and optimum capacity utilization in the production with various production costs are presented. In view of the expected profit, the most profitable deployment of the third example, second and fourth have the same potential, and the first of no interest to production based on available capacity in the company.