

Unit 3

Topic 3.3.1 Production Process

Key Terms:

Production
Efficiency
JIT

flow production
Lean production

Job production
Kaizen



Method of Production	Definition	Example
Job	Producing a one off item, specifically designed for the customer	Wedding cakes
Batch	Products are made in groups of one thing then production is stopped, reorganised and a batch of something else is made.	Bakery (different loaves of bread)
Flow (mass)	All products are passed along a production line to produce. Products are all identical.	Baked beans Chocolate bars

Topic 3.3.2 The Role of Procurement

Key Terms:

Procurement
Efficiency

Logistics
JIC

Supply chain
Unit costs

JIT
Suppliers



Advantages	Disadvantages
<ul style="list-style-type: none"> Reduces cost of holding stock Stock less likely to go out of date Helps cash flow as short time between buying supplies and selling the product. 	<ul style="list-style-type: none"> If deliveries do not arrive on time the business could run out of stock Relies on good relationship with suppliers Due to buying small amounts of stock at one time, the business misses out on purchasing economies of scale More frequent deliveries which could increase costs

JIC (Just in Case) – operating with buffer stock at every stage of production, just in case there is a supply shortage or increase in demand.



Procurement

Logistics

Finding & buying resources needed to produce.

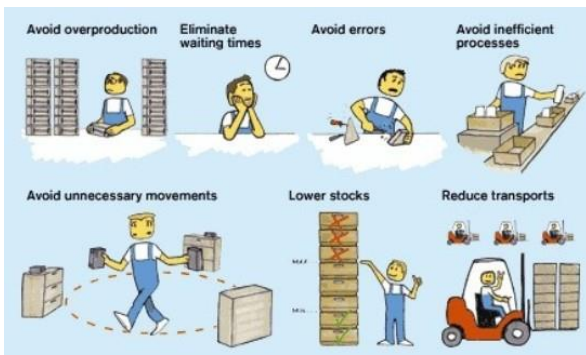
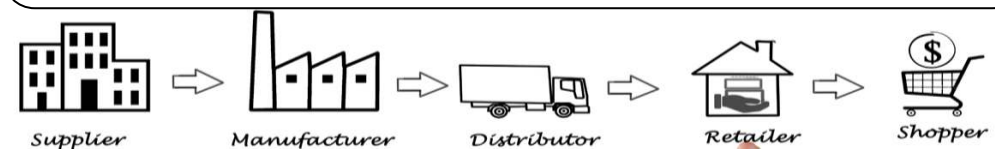
- Identify what is needed
- Choose a supplier
- Order the right amount
- Arrange receiving



Transporting supplies from one place to another

Supply Chain: The group of businesses that contribute to making the final product/service to the customer.

All members of the supply chain must be reliable. The longer the chain the longer it can take to reach the retailers to sell the good



Lean Production is a way of producing more efficiently, using as fewer resources as possible & little waste.

JIT (Just in Time): keeping stock levels low, raw materials arrive as soon as they are required.



TASK 1

Define the key terms:
Production

Flow production

Job production

Efficiency

Lean production

Kaizen

JIT

TASK 2

Produce a poster that clearly displays the 3 different production methods. Be sure to include your own examples of each to support.

TASK 1

Define the key terms:

Procurement
Efficiency

Logistics
JIC

Supply chain
Unit costs

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Suppliers

TASK 2

For each of the products below identify the various participants of the supply chain:

- Free range eggs sold in a supermarket
- Laptop
- Football or fashion magazine

TASK 3

Use the food miles calculator on <http://www.foodmiles.com/results.cfm> to see where your food comes from and how many miles it travelled. How could the businesses that produce your food improve their logistics to be more environmentally friendly? What impacts could these suggestions have?

