



JOB PRODUCTION

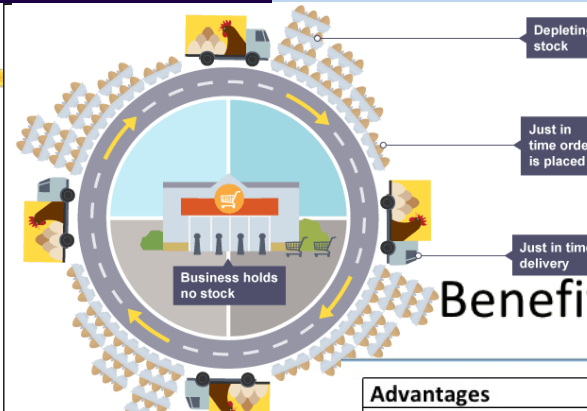
Production of items one-at-a-time e.g. celebration cake

ADVANTAGES

- Can produce unique "one-offs", specification can constantly be modified
- workers more likely to be motivated, tasks require high degree of skill and expertise. Work more demanding and interesting
- organisation is simple, communication, co-ordination, supervision and inspection can be carried out.

DISADVANTAGES

- labour costs high
- may be expensive to buy all the tools and equipment necessary
- lead times can be lengthy
- selling costs may be high
- Once demand for a firm's product rises, job production may become costly. Firms may prefer to use a method more suited to producing large quantities.



Lean Production:

is a set of measures that aim to reduce waste during production. Waste reduction methods,

Benefits and drawbacks of JIT

Just - in - time

With just in time, a business holds no stock and instead relies upon deliveries of raw material and components to arrive exactly when they are needed.

Just - in - case

Is a system used by businesses when they keep stock in a warehouse, including a reserve stock level for emergencies.

Advantages	Disadvantages
Lower stock holding means a reduction in storage space which saves rent and insurance costs	There is little room for mistakes as minimal stock is kept for re-working faulty product
As stock is only obtained when it is needed, less working capital is tied up in stock	Production is highly reliant on suppliers and if stock is not delivered on time, the whole production schedule can be delayed
Less likelihood of stock perishing, becoming obsolete or out of date	There is no spare finished product available to meet unexpected orders, because all product is made to meet actual orders
Less time spent on checking and re-working production as the emphasis is on getting the work right first time	A need for complex, specialist stock systems

FLOW PRODUCTION

Mass production, often using machinery & less skilled workers

ADVANTAGES

- unit costs are reduced
- the process can be highly automated, many operations carried out by robots and other types of machinery
- Quality systems can be built into production

DISADVANTAGES

- Set up costs are high
- product is standardised
- worker motivation can be low
- breakdowns can prove costly
- Supply may exceed demand

What impacts a businesses choice of suppliers?

- Price
- Quality
- Reliability

Suppliers

- Role:** to provide the business with goods or services that they might need
- Objectives:** they want to charge high prices to make a profit, they want customer loyalty with repeat orders, they also want payment on time, they may also want larger orders





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Knowledge Organiser
Business Operations (Paper 1: Unit 3)
Quality, Supply Chain & Customer Service



This is a specific approach to quality assurance that aims to develop a quality culture throughout the firm. In TQM, organisations consist of 'quality chains' in which each person or team treats the receiver of their work as if they were an external customer and adopts a target of 'right first time' or zero defects.

Benefits v's Costs of Focusing on high quality

Additional & repeat sales

Strong reputations and brand image

Can charge a higher price to customers

Less products returned/less need for recall of products

Lots of staff training required (or pay a quality inspection team) = increased costs

Need to use quality raw materials = increased costs

Increased prices can put customers off = less sales.



A supply chain is a system of organisations, people, activities, information, and resources involved in moving a product or service from supplier to customer.

What is procurement?

It involves buying the goods and services that enable an organisation to operate.

The process is used to ensure the buyer receives goods, services or works at the best possible price, when aspects such as quality, quantity, time, and location are compared.



Logistics:

Managing the movement of supplies and products to ensure the timely delivery of supplies to the production process and finished products to customers.

Outsourcing and Franchising can be a quality RISK as it is harder to monitor and control businesses working for you rather than employees working for you.

Customer Service:

Methods of good service: • product knowledge • customer engagement (creating a positive experience for the customer) • post sales services (e.g. user training, help lines, servicing).

Benefits of good customer service, including: • increase in customer satisfaction • customer loyalty • increased spend • profitability.

Dangers of poor customer service, including: • dissatisfied customers • poor reputation via word of mouth • reduction in revenue.

The ways in which advances in ICT have allowed customer services to develop: • websites • e-commerce • social media