Chpt.5: **Operations Management**

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|  | **Definition** | **Example** | **Advantages** | **Disadvantages** |
| **Job** | Producing a one off item that has been tailor made to suit a specific purpose or customer. | Celebrities making their customized dresses for the Grammies  | -Satisfy customers-High productivity-High profit-Unique Selling Point-Quality-Flexibility | -High variable cost-High cost-Time consuming-Labor-intensive-Working capital cycle-Low economies of scale |
| **Batch** | Manufacturing identical products in small groups, allowing minor changes to be made | Cupcake private business company improving their flavors | -Specialization-Low production & good quality-Cost effective-Less risk-Economies of Scale-Variety | -Financial cost-Storage -Boredom-Inflexibility-High production cost |
| **Flow** | Continuous Production, often using conveyor belts, where products are worked upon as they move through a factory | Ice cream sandwich’s starting off and then adding additional elements | -economies of scale-Working cash flow-high profits-capital intensive-cost-effective-reducing avg. cost-low labor costs-machinery & equipment | -monotonous – boring-inflexibility -Huge set-up costs- |
| **Cell Production** | Autonomous working groups work together, and are responsible for a large part of the production process | The janitors in a factory work together to clean the place and offer higher quality products | -Specialization-Autonomy in decision making-Motivation-Specialization | -bad communication-Lower output-Capital-intensive-Production process-Machinery |