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 |