

## Production Methods

### Operations Management

Notes taken during a class guided by the Business Management Course Companion for the IB, by Loykie Lominé, Martin Muchena, and Robert A Pierce

### Main methods of production

| Type                                                  | Definition                                                                                                                                     | Example                                                                                                                                                        |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Job (customized) production</b>                    | One-off production<br><br>Production made to a specific order                                                                                  | <ul style="list-style-type: none"> <li>- Personalized wedding cake</li> <li>- Handmade crafts</li> <li>- Buildings / bridges / ships</li> </ul>                |
| <b>Batch production</b>                               | Production of a <u>group</u> of identical products ("batch" → items in each group go together through the stages of production)                | <ul style="list-style-type: none"> <li>- Car models with differing features for each model.</li> <li>- Shoes in a shoe factory</li> </ul>                      |
| <b>Mass production</b><br>(Or flow production)        | Production of a high volume of identical, standardized products                                                                                | <ul style="list-style-type: none"> <li>- Cars made to a standard design.</li> <li>- Identical, undifferentiated cookies produced for a mass market.</li> </ul> |
| <b>Cellular manufacturing</b><br>(or cell production) | Form of mass production where the production flow is broken into 'cells' or 'pods' where teams of workers work on the production independently |                                                                                                                                                                |

### Job Production

- Associated with the highest end of the market (luxury, etc)
- Emphasis on quality and originality, prices charged are higher

| Advantages                                                                                                                                                                                                                                                                                                                              | Disadvantages                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>→ <b>High mark-up</b></li> <li>→ Unique products of high quality</li> <li>→ Clients get exactly what they want</li> <li>→ This production method is likely to <b>motivate skilled workers</b> who are on individual projects</li> <li>→ It can be a <b>flexible production method</b></li> </ul> | <ul style="list-style-type: none"> <li>→ Can be <b>expensive</b>, requiring <b>skilled workers</b>, and <b>non-standardized materials</b></li> <li>→ Can be <b>time-consuming</b> (Client needs to communicate what it wants)</li> <li>→ Possibility of <b>failure</b> of the product because of lack of knowledge of client</li> <li>→ Can be <b>labor intensive</b></li> </ul> |