

EFFICIENT WORKING

Key Revision Facts: GCSE Technology

Efficient working practices such as **Just In Time** and **Lean Manufacturing** help companies find the most efficient manufacturing products.

Lean Manufacturing

Lean is a methodology to reduce waste in a manufacturing system without sacrificing productivity. The customer defines what is of value in terms of what they would pay for the product or service. Through lean management, what adds value becomes clear by removing or reducing everything that doesn't add value. Lean manufacturing production methods were derived from Toyota's 1930 operating model "The Toyota Way" (Toyota Production System, TPS).

Just in Time

Just in Time production uses stocks delivered to the production line 'just in time' to be used. This means the business needs less factory space as it holds less stock and reduces warehousing costs. Holding stock is costly. Money tied up in stock could be used elsewhere. The moving stock also costs money. Holding only a minimum amount of stock reduces warehouse costs. Fewer workers are needed to handle the stocks. Although JIT is good for improving productivity, there are some possible drawbacks. The business is depending on suppliers delivering on time. If they don't, then production may well stop.

JIT advantages	JIT disadvantages
Less space needed: Less warehouse or storage space is required to store goods.	Risk of running out of stock: By not carrying much stock, it is imperative stock is delivered on time.
Waste reduction: A faster turnaround of stock prevents goods from becoming out of date, damaged, or obsolete.	Lack of control over time frame: Having to rely on suppliers' timeliness for each order puts you at risk of delaying your customers' receipt of goods.
Smaller investments: ideal for smaller companies that don't have the funds available to purchase large amounts of stock at once.	More planning required: JIT inventory management involves a lot of planning and organization. It requires the company to understand its sales trends and variances to allow for adequate stock predictions.

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VERSION INFORMATION

Date	Arthur	Comment
17-Jan-2021	Andrew Seaford	Initial release.