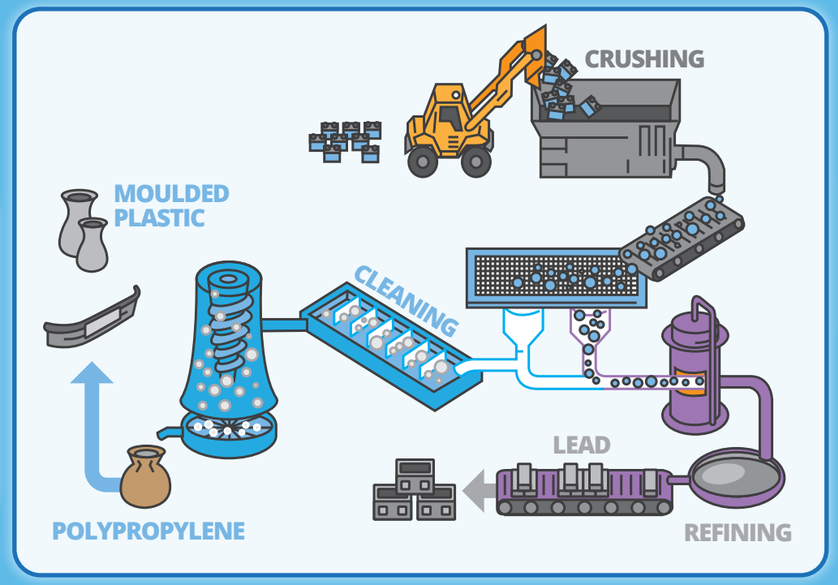
GCSE Business
Business Operations

Functions of Production Department

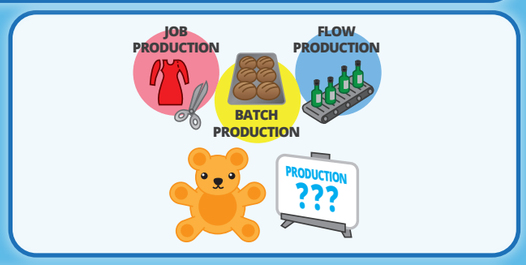
- Production planning and scheduling ➔ making sure that the correct number of items are produced to fulfil order on time
- Deciding the best production methods to use
- Managing product quality (including process control and monitoring)



Production

Definition: The process of changing inputs such as labour services into goods and services that can be sold.

Methods of Production



Method of Production:	Job	Batch	Flow/Mass
Definition	• Involves the manufacture of an individual good from start to finish. • Each product is different and offers a unique good for the consumer or meets specific consumer requirements.	• Found when a small number of identical products are made at once. • Each batch goes through one stage of the production process before moving onto next stage.	• Goods are produced continuously usually on a production line. • Partly finished goods move along the assembly line with parts being added through the process.
Examples	Wedding dresses, Hairdresser	Clothing Manufacturer, Bakery	Golf balls
Advantages	☑ **Unique ➔** bespoke ➔ to customer specification. ☑ **Higher quality ➔** product is made one at a time ➔ everyone different.	☑ **More products can be produced ➔** allow for higher sales. ☑ **Costs for producing each product (unit costs) are lower.** ☑ **Production is more efficient ➔** workers can specialize in performing specific tasks. ☑ **Specialist machinery can be used ➔** speed up production.	☑ **Efficient use of labour and machines ➔** division of labour. ☑ **Produces similar/identical goods ➔** production quicker. ☑ **Reduce unit costs of production ➔** benefit from economies of scale.
Disadvantages	☒ **Expensive ➔** workers tend to have higher skills and therefore higher wages. ☒ **Time-consuming ➔** completion takes longer due to greater attention to detail and high quality. ☒ **Replacements more difficult to find ➔** products were made for a specific purpose to a particular design.	☒ **Products no longer produced to a unique specification** ☒ **Quality is not as high compared to job production ➔** less time and care is taken on individual products ☒ **High level of stock may be needed ➔** materials have to be stored and this is expensive. ☒ **Machines have to be cleaned and reset before producing a different batch ➔** this takes time and adds to costs.	☒ **Machinery is expensive ➔** smaller businesses may not be able to afford it. ☒ **Lack of flexibility ➔** flow production produces identical products ➔ what if the customer wants a slight modification? ☒ **Bored workers ➔** could lead to lower quality.