

Production Cycle

Depending on the type of business model that you choose as a team, the way you manage operations and production will be distinctly tied to that model.

Subscription Based Offering (Product or Service)

Non-Profit Based Offering (Product or Service)

Retail Based Offering (Product Based)

Event Based Offering (Service Based)

Methods of Production

1. Job or Unit Production

- Makes a single unit product/service from start to finish, one at a time
- The product/service is based on the requirements of the customer
- Tends to require highly skilled labour

Examples include: Boat-building, hand-crafted furniture or custom-made clothes

Advantages

- Unique, high-quality products are made.
- Workers are often more highly motivated and take pride in their work.

Disadvantages

- Very labour intensive
- Production can take a long time and can be expensive.
- Economies of scale are not possible, often resulting in a more expensive product.

2. Batch Production

- Products/Services are made in batches
- Suited to products/services that are identical to each other produced in limited quantities, or for a limited amount of time

Examples include: Baked goods, pharmaceuticals, some musical instruments

Advantages

- Use of specialized machinery can increase productivity
- Can help small businesses who can't afford continuous production
- If product doesn't sell production can be stopped relatively easily

Disadvantages

- Goods have to be stored until they are sold, which is expensive
- Set-up time is lost setting up machinery, processes, organizing ingredients

3. Mass (Flow) Production

- Large numbers of identical products/services are made
- Production is continuous
- Suited to high demand, mass market products Examples include: chocolate bars, cars, electronic goods

Advantages

- Labour costs are usually lower.
- Materials can be purchased in large quantities, so they are often cheaper.
- Large number of goods are produced.

Disadvantages

- Production lines are very expensive to set up.
- Workers are not very motivated, since their work is very repetitive.
- Not very flexible, as a production line is difficult to adapt.
- If one part of the line breaks, the whole production process will have to stop until it is repaired.

Production Tips

- Ensure your organization is aware of all production costs and any relative numbers by consulting with the Finance department
- Develop a detailed forecast of required production numbers with the Sales department
- Create a visual layout of a production line and assign members of your team to specific tasks & duties within the production process
- Be ready to adapt to issues/bottlenecks within your organization
- Ensure you are prepared for returns of products/services