Job production

Creating a product from start to finish that is tailor made to meet customer requirements – usually one-off or unique items (e.g. violin, painting)

Only one person or group's job to complete entire product

Small firms are likely to use job production

Advantages and Disadvantages of Job production

Advantages	High quality and uniqueness High motivation of workers More flexibility
Disadv-antages	Labor intensive and expensive Time consuming due to customer requirements Long working-capital cycle (due to slow production) Minimal economies of scale

Batch production

Producing limited number of identical products (batch) at a time (e.g. chocolates, CPUs, breeding)

Usually used when level of demand is not clear and the business produces a range of products

Advantages and Disadvantages of Batch Production

Advantages	Technical and purchasing economies of scale Specialisation – better quality and productivity Variety – reduce risks of producing single product
Disadvantages	Inflexibility – can't stop once started Storage costs Boredom – reduced motivation

Flow/mass production

Continuous production process of standardized products

Flow/mass are usually interchangeable

Generally capital intensive

Flow production: sequence of steps to create product (e.g. newspapers/magazine)

Mass production: manufacturing large amounts of standardised products (e.g. Chips)

Advantages and Disadvantages of Flow/Mass

Advantages	High production scale at low cost due to economies of scale Initial high costs is spread over high volume of units Standardized quality (assuming low defect rate) Low cost for workers
Disadv-antages	Low motivation Breakdowns cause major delays Inflexible – no reworking or customization High initial set-up, running, and replacement costs Requires effective storage

Cell production

Modern adaptation of assembly line

Parts of production are delegated to teams or cells for completion

Any member of team can contribute to the task

Cells work independently but rely on each other to achieve targets

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Advantages and Disadvantages of Cell Production

Advantages	Certain degree of autonomy in decision making Improved standards of quality ↳ Greater sense of responsibility and accountability in team Higher levels of motivation (team working, empowerment, etc.) Specialization
Disadvantages	Output may be lower Higher chances for intra- and intergroup tension and conflict Capital intensive to initiate and sustain

Labour and capital intensity

Labour intensive	Greater proportion of labour cost than capital cost Job production and service sector is often labour intensive Offers personalised service but may have more HR issues
Capital intensive	High proportion of capital costs compared to labor cost Leads to increased levels of output and productivity Needs sufficient demand to justify capital investment Homogenous products; may have no USP Standardisation means low profit margins and high fixed costs

Choice depends on:
Relative cost and substitution
Market size
Aims and objectives of the organization

Combining methods of production

Businesses usually combine the different methods of production, e.g. Burger King: uses batch production (making burgers in batches) and job production (customizable burgers for customers).
Possibility of customization, flexibility, and lower costs

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