

Key Ideas		Production Processes		Business Operations and Technology		Quality	
Operations	This is the Business function that organizes, produces and delivers the goods and services.	Job Production	<ol style="list-style-type: none"> One-off or bespoke products Focus on customer needs and individual service Specialist skilled workforce increases costs High Profit margins Longer production process 	Technology used in business	Computer aided design (CAD) Supply chain management (SCM) Geographical positioning Systems (GPS) Electronic point of Sale (EPOS) 3D Printing E-Commerce (shopping online)	Quality Control	This is seen as one part of the chain of production. A quality controller will examine and/or test products for quality once the product has been made.
Purpose of Business operations	To produce goods To produce services					Quality Assurance	This involves focusing on quality at every stage of the production process. Everyone is involved and everyone is responsible. As a result there should be zero defects.
Production	Using resources (raw materials, finance, skills) to produce goods and services						
Production methods	Job Production Batch Production Flow Production	Batch Production	<ol style="list-style-type: none"> Larger volumes of productions than job production Some flexibility (eg, different flavours) Semi-skilled workforce Some levels of automation Productivity reduced when switching between batches 	The impact of technology on operations	Speeds up the production process Keeps businesses in touch with the customers Lower production costs Ensures fewer mistakes and defects Can involve a costly initial investment Requires employees to be trained to use the technology (increase cost)	Benefits of good quality products	<ol style="list-style-type: none"> Allows a business to charge a premium price Builds a strong brand image Closely linked to meeting customer needs Helps to build a competitive advantage Is a way of differentiating the product – USP Less waste Reduces costs
Production Process	The impact of different types of production process: Keep productivity up Keep costs down Allows for competitive prices						
Production and Competitive advantage	Operations is linked to productivity, flexibility, cost and quality If a business can provide custom products and services, this will make their products more desirable						
Productivity	Output per worker. How much does a worker produce over a period of time. Increasing productivity leads to greater competitiveness in the market.	Flow Production	<ol style="list-style-type: none"> High volumes of products and low margins (with high productivity) Standardised production Low skilled workforce Highly automated process Setting up expensive machinery increases costs 	Factors affecting the use of technology	Productivity Cost Quality Flexibility		
Economies of Scale	Average unit costs of production fall as the volume of production increases						



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Operations		Job Production		Technology used in business		Quality Control	
Purpose of Business operations						Quality Assurance	
Production				Batch Production		The impact of technology on operations	
Production methods		Factors affecting the use of technology					
Production Process						Flow Production	
Production and Competitive advantage							
Productivity							
Economies of Scale							

Quality Assurance

- Process
- Proactive
- Prevents Mistakes
- Auditing
- What

Quality Control

- Output
- Reactive
- Finds Mistakes

Quality Assurance

- Process
- Proactive
- Prevents Mistakes
- Auditing
- Whole team

Quality Control

- Output
- Reactive
- Finds Mistakes
- Testing
- Specific Team

Managing Stock

Key Idea	Managing stock is about managing the materials that a business holds in the most efficient and effective way.
Stock	<ol style="list-style-type: none"> 1. Stock can be materials waiting to be used in the production process 2. products that are in progress of being made 3. finished stock waiting to be delivered
Just in Time Stock Control (JIT)	This is a stock control management system where stock is delivered only when it is needed by the production system
Just in Case Stock control (JIC)	Just-in-case is a stock control method that involves producing or purchasing stock with excess, or buffer stock in place. This means that there is always stock available for the business if required.
Procurement	Procurement means getting the right supplies from the right suppliers, at the right place, and the right time
Key Idea	Procurement is a vital component of business success, customers expect products to be available when they need them
Factors affecting how/when to reorder	Lead time from supplier Implications of running out of stock Demand for the product

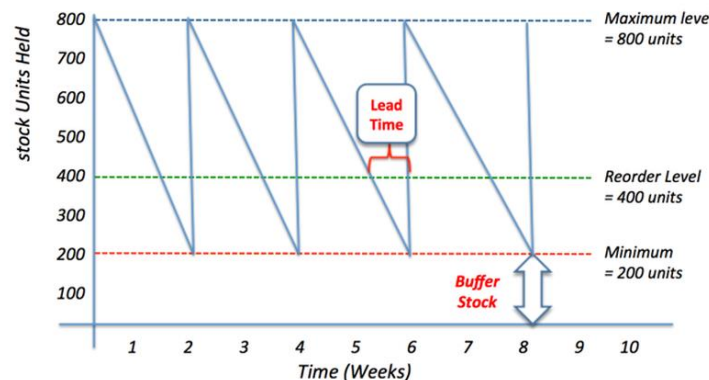
JIT

Advantages	<ol style="list-style-type: none"> 1. Lower stock holding means a reduction in storage space which saves rent and insurance costs 2. As stock is only obtained when it is needed, less working capital is tied up in stock 3. There is less likelihood of stock perishing, becoming obsolete or out of date 4. Avoids the build-up of unsold finished product that can occur with sudden changes in demand 5. Less time is spent on checking and re-working the product of others as the emphasis is on getting the work right first time
Disadvantages	<ol style="list-style-type: none"> 1. It can be hard for businesses to react to unexpected changes in demand, eg a heatwave causing an increase in the demand for ice cream. 2. Businesses are unable to use bulk-buy discounts if they only buy in small quantities. 3. Customers could receive a poor service if the business misjudges the amount of stock it needs and allows products to go out of stock.

JIC

Advantages	<ol style="list-style-type: none"> 1. Increases the level of customer satisfaction 2. Reduce the chance of running out of stock 3. Benefit from bulk-buy discounts
Disadvantages	<ol style="list-style-type: none"> 1. Buffer stock space requires more storage space at more cost to the business 2. Products kept in stock for a long period of time may lose their freshness 3. High amounts of cash tied up in stock 4. Increases the chances of having to sell off stock at a discount

Example of Stock Control Chart



Maximum level	Max level of stock a business can or wants to hold Example chart: 800 units
Re-order level	Acts as a trigger point, so that when stock falls to this level, the next supplier order should be placed Example chart: 400 units
Lead time	Amount of time between placing the order and receiving the stock Example chart: just under a week
Minimum stock level	Minimum amount of product the business would want to hold in stock. Assuming the minimum stock level is more than zero, this is known as buffer stock
Buffer stock	An amount of stock held as a contingency in case of unexpected orders so that such orders can be met and in case of any delays from suppliers

Managing Stock

Key Idea

Stock

Just in Time
Stock Control
(JIT)

Just in Case
Stock control
(JIC)

Procurement

Key Idea

Factors
affecting
how/when to
reorder

JIT

Advantages

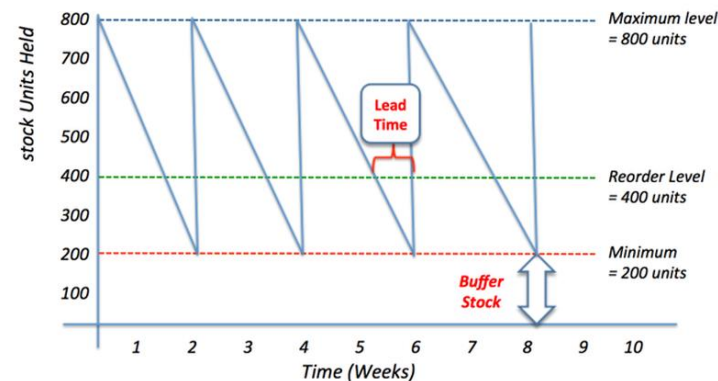
Disadvantages

JIC

Advantages

Disadvantages

Example of Stock Control Chart


Maximum
level

Re-order
level

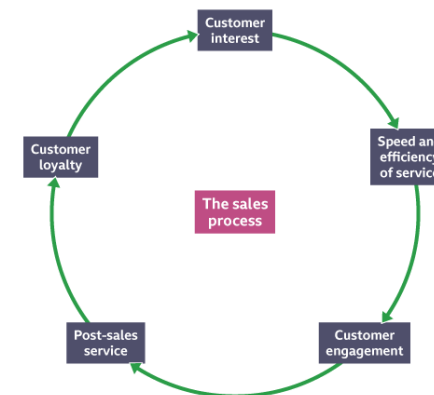
Lead time

Minimum
stock level

Buffer stock

Suppliers and Procurement	
Supplier	This is who you choose to get your raw materials/products from
Procurement	Procurement means getting the right supplies from the right supplier
Logistics	Logistics means making sure the correct products are procured and that they will arrive when needed.
Key Idea	Both procurement and logistics have impacts on a business' costs, reputation and customer satisfaction.
Costs	Costs can be kept lower if production is quick. Delays can cost a business money and can limit cash flow if products are damaged, lost or unavailable.
Reputation	The quality of the raw materials or services provided by suppliers can have an impact on a business' reputation. For example, if products are regularly delivered late, this can negatively affect the business' reputation because it will affect the business' ability to deliver to its customers on time. If businesses provide high-quality and reliable products, they will have a higher chance of gaining a good reputation.
Customer Satisfaction	Businesses aim to have high customer satisfaction by meeting all of their customers' needs in a simple, quick and effective manner. This is achieved by getting the correct products delivered to the correct places at the correct times. By keeping customer satisfaction high, businesses are more likely to get repeat customers, which will improve sales figures and profits.

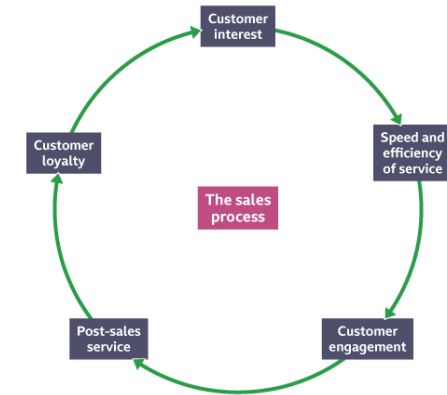
Sales Process	
Key Idea	The process of purchasing a product or service is made up of 5 key stages: customer interest speed and efficiency of service customer engagement post-sales service customer loyalty
Key Idea	These stages all contribute to customer satisfaction. This makes the sales process a valuable part of providing good customer service. It is represented as a cyclical process, as an effective sales process can lead to loyal customers and repeat purchases. However, it is important to remember that while the process usually does follow this cycle, the sequence varies for some products and services.
Sales approaches	Hard approach – This is when sales employees actively seek out customers and advise them about the products or services on offer, trying to encourage them to make a purchase. This can be done face to face or through cold calling . Soft approach – This is when sales employees simply advise customers that they are available should the customers require any help or information about the products or services on offer. This approach allows customers to look at the products and services on offer in their own time
Customer Service	Good customer service is important, as customers who are satisfied with their purchase and the customer service they have received are more likely to become regular customers. When customers post recommendations online or speak positively about a business to people they know, this helps the business to build a good reputation and positive brand image.
Impact of customer services	<u>Good customer service</u> Satisfied and loyal customers Positive brand image and reputation Differentiated products with a competitive advantage Increased sales and repeat purchasing <u>Bad customer service</u> Poor customer satisfaction and low customer loyalty Inability to differentiate products and therefore can't charge a premium price Falling sales and repeat purchases
Factors affecting the sales process	Product knowledge of staff Speed and efficiency of the service Customer engagement with products Response to feedback Post sales service that is provided



Working with suppliers	
Key Idea	Most businesses don't produce a product completely. Instead, they have suppliers that supply some of their raw materials or components . Finding suppliers that can meet all of a business' needs is essential for a business to remain competitive and successful
Key Idea	There are five key factors a business needs to consider when trying to build a relationship with a supplier: 1. Costs 2. Quality 3. Delivery 4. Availability & Capacity 5. Trust 6. Discount for large orders

Suppliers and Procurement	
Supplier	
Procurement	
Logistics	
Key Idea	
Costs	
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Key Idea	
Key Idea	
Sales approaches	
Customer Service	
Impact of customer services	
Factors affecting the sales process	



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