

Techniques for lean production

Cell Production

In traditional production, products were manufactured in separate areas (each with a responsibility for a different part of the manufacturing process) and many workers would work on their own, as on a production line. In **cell production**, workers are organised into **multi-skilled teams**. Each team is responsible for a particular part of the production process including quality control and health and safety. Each cell is made up of several teams who deliver finished items on to the next cell in the production process.

Cell production can lead to efficiency improvements due to increased motivation (team spirit and added responsibility given to cells) and workers sharing their skills and expertise.

Kaizen (Continuous Improvement)

Kaizen is a Japanese word for an **approach to work** where workers are told they have two jobs to do:

- ▶ Firstly to carry out their existing task; and
- ▶ Secondly to come up with ways of improving the task

The concept known as “**continuous improvement**” therefore implies a process where the overall progress and gains in productivity within a firm, come from small improvements by workers being made all the time.

For example, an employee may simply re-organise the lay out of his work area, which saves 2 minutes looking for and filing paperwork each day. When added up the course of a week, 10 minutes extra productive time is gained, which over a year equates to an extra days work. If other workers also adopt this, then a firm can benefit from a significant increase in output per worker (productivity) over a year.

Just-in-time (“JIT”) Production

JIT means that stock arrives on the production line just as it is needed. This minimises the amount of stock that has to be stored (reducing storage costs).

JIT has many benefits and may appear an obvious way to organize production but it is a complicated process which requires efficient handling. For example, JIT relies on sophisticated computer systems to ensure that the quantities of stock ordered and delivered are correct. This process needs to be carried out very accurately or production could come to a standstill.

Advantages of JIT	Disadvantages of JIT
Reduces costs of holding stock e.g. warehousing rent	Needs suppliers and employees to be reliable
No money tied up in stock, can be use better elsewhere	May find it difficult to meet sudden increase in demand

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