

Methods of Production.

There are three types of production.

These are;

- Job
- Batch
- Mass or flow production.

Job Production.

With Job Production single items, usually to the buyers specification are made. Examples of goods made by Job Production are bridges, wedding dresses, tailor made suits. Employees producing goods using job production can be highly skilled, and therefore paid well, and have interesting a challenging jobs. Goods can take a long time to make compared to goods made by mass production, prices are also likely to be a great deal higher. Firms may use Job Production to differentiate their products from the mass market, and allow them to target niches within the market, or it may be the nature of the product that forces the firm to apply Job Production methods.



Batch Production.

With Batch Production goods are produced in sets (batches) and then other using the same equipment and labour, batches of different goods are made. An example of an industry using batch production is baking, where bak-

ers will use ovens to make bread, then use the same ovens to make cakes, then savouries etc. Batch production is also used by potters, and furniture manufactures. Cadbury apply Batch Production techniques in their Birmingham factory. One type of bar is produced for 5 days, then the equipment is adjusted to produce another type of bar. Employees are likely to be semi-skilled, and there can be a reliance on capital investment. Batch production allows firms to aim at niche markets, using the same assets or capital equipment to produce a range of goods. But time is lost when machines have to be reset for new production (down time), and the firm may not be equipped to deal with large scale orders.

Mass or Flow Production.

Continuous or flow production involves the production of products on production lines. These mass produced products surround us in our lives, from TV's to DVD's, from cars to food. In the mass production process the making of the product is broken down into a number of small, simple tasks, so machines or robots can complete the job or workers can be employed who are unskilled, or have skills limited to particular tasks. Employing workers with few skills can of course keep the costs of labour down, and allow firms who do not need a highly skilled labour force to locate where labour costs are lowest. Continuous production implies large amounts of capital investment. Firms will benefit from economies of scale, reducing costs.



Which type of production is best?

The type of production used will depend upon a number of factors. The most important are,

- the product being produced,
- the cost of labour
- the cost of capital
- availability of capital
- the skills of labour
- the size of the targeted market.

Large v Small Scale Production.

There are advantages and disadvantages to both types of production;

Small Scale Production

- Reduces need for capital investment
- 'Hand built' is a good selling point
- Reduces financial risk
- Products can be produced directly to customer requirements

Large Scale Production

- Benefits from economies of scale
- Allows increased use of expensive technology
- Workers can be low skilled and low paid
- Allows mass market to be targeted
- Increases productivity

Notes