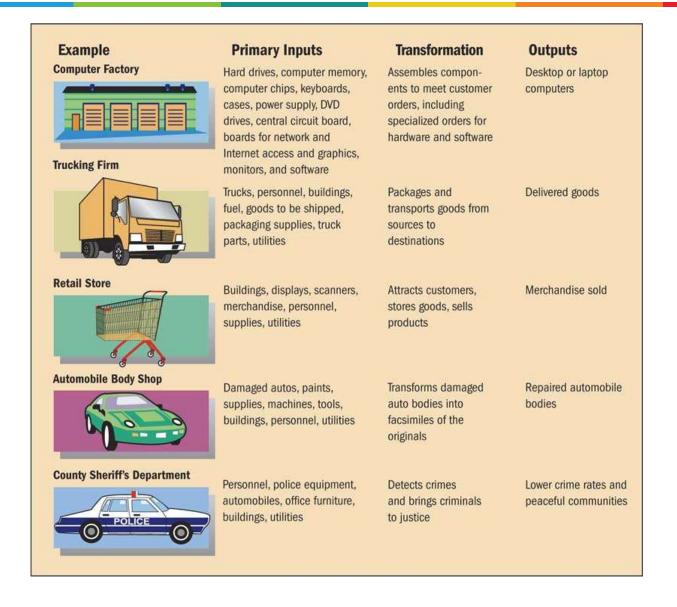
Production Systems



Strategic Importance of the Production Function

- A vital function is necessary for generating money to pay employees, lenders, and stockholders.
 - Production is a vital function.
- Effective production and operations management can:
 - lower a firm's costs of production.
 - boost the quality of its goods and services.
 - allow it to respond dependably to customer demands.
 - enable it to renew itself by providing new products.

Mass, Flexible, and Customer-Driven Production

- Mass Production

 a system for manufacturing products in large quantities through effective combinations of employees, with specialized skills, mechanization, and standardization
- Flexible Production— more cost-effective for producing smaller batches using information technology, communication, and cooperation
- Customer-Driven Production

 customer demands in order to make the
 connection between products manufactured and
 products bought