Operations management

A-Level Business · Vocabulary in context

Word	Example
operations /ˌɒpəˈreɪʃnz/	**Operations** is the part of the business that makes the product.
operations management /ˌɒpəˈreɪʃnz ˈmænɪdʒmənt/	**Operations management** organises how a firm makes its goods.
inputs /ˈɪnpʊts/	Labour and materials are production **inputs**.
outputs /ˈaʊtpʊts/	Finished tables are factory **outputs**.
transformation process /trænsfɔːˈmeɪʃn ˈprəʊses/	The **transformation process** turns inputs into finished goods.
adding value /ˈædɪŋ ˈvæljuː/	A cafe is **adding value** when it turns cheap beans into an expensive coffee.
raw materials /rɔː məˈtɪərɪəlz/	Wood and cotton are **raw materials**.
productivity /ˌprɒdəkˈtɪvɪti/	Better machines raise **productivity**: more output per hour.
efficiency /ɪˈfɪʃənsi/	A lamp with 20% **efficiency** turns only a fifth of its energy into light. 20%
capital-intensive /ˈkæpɪtl ɪnˈtensɪv/	A **capital-intensive** factory uses many machines and few workers.
labour-intensive /ˈleɪbə ɪnˈtensɪv/	A **labour-intensive** farm uses many workers and few machines.
job production /dʒɒb prəˈdʌkʃn/	Making one custom table is **job production**.

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batch production /bætʃ prəˈdʌkʃn/	Baking one group of rolls before changing recipes is **batch production**.
flow production /fləʊ prəˈdʌkʃn/	**Flow production** makes the same product non-stop on a line.
mass customisation /mæs ˌkʌstəmaɪˈzeɪʃn/	With **mass customisation**, customers choose options for a mass-produced product.
sustainability /səˌsteɪməˈbɪlɪti/	Planting new trees helps **sustainability**.
technology /tekˈnɒlədʒi/	New **technology** lets factories make more with fewer workers.
automation /ˌɔːtəˈmeɪʃn/	**Automation** uses machines to do work that people used to do.
inventory /ˈɪnvəntri/	**Inventory** is the stock of goods a firm keeps.
holding costs /ˈhəʊldɪŋ kɒsts/	**Holding costs** are the costs of storing inventory.
inventory control chart /ˈɪnvəntri kənˈtrəʊl tʃɑːt/	An **inventory control chart** shows stock levels over time.
re-order level /riː ˈɔːdə ˈlevl/	When stock falls to the **re-order level**, the firm orders more.
lead time /liːd taɪm/	The **lead time** is how long a new order takes to arrive.
buffer inventory /ˈbʌfə ˈɪnvəntri/	**Buffer inventory** is extra stock kept in case of problems.
maximum inventory /ˈmæksɪməm ˈɪnvəntri/	The **maximum inventory** is the most stock the firm wants to hold.

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just-in-time /dʒʌst ɪn taɪm/	**Just-in-time** deliveries arrive when materials are needed.
just-in-case /dʒʌst ɪn keɪs/	**Just-in-case** means keeping lots of stock in case it is needed.
capacity /kəˈpæsɪti/	The factory's **capacity** is the most it can make in a week.
capacity utilisation /kəˈpæsɪti ˌjuːtɪlaɪˈzeɪʃn/	**Capacity utilisation** compares what a factory makes with the most it could make.
under-utilisation /ˈʌndə ˌjuːtɪlaɪˈzeɪʃn/	**Under-utilisation** means the factory is making much less than it could.
over-utilisation /ˈəʊvə ˌjuːtɪlaɪˈzeɪʃn/	**Over-utilisation** means machines run all the time with no rest.
outsourcing /aʊtˈsɔːsɪŋ/	**Outsourcing** pays another firm to perform a task.
supplier /səˈplaɪə/	Our main **supplier** sends us fabric every week.

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