Operations management

IGCSE Business Studies · Vocabulary in context

Word	Example
production /prəˈdʌkʃn/	**Production** turns raw materials into goods.
labour /ˈleɪbə/	Factory workers provide **labour**.
services /ˈsɜːvɪsɪz/	Teaching and transport are **services**.
job production /dʒɒb prəˈdʌkʃn/	Making one custom table is **job production**.
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.
productivity /ˌprɒdəkˈtɪvɪti/	Better machines raise **productivity**: more output per hour.
technology /tekˈnɒlədʒi/	New **technology** lets factories make more with fewer workers.
motivation /ˌməʊtɪˈveɪʃn/	Praise can raise workers' **motivation**.
lean production /liːn prəˈdʌkʃn/	**Lean production** cuts waste of materials and time.
just-in-time /dʒʌst ɪn taɪm/	**Just-in-time** deliveries arrive when materials are needed.
inventory /ˈɪnvəntri/	**Inventory** is the stock of goods a firm keeps.
automation /ˌɔːtəˈmeɪʃn/	**Automation** uses machines to do work that people used to do.

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cost /kɒst/	The **cost** of making each shirt is ¥30. ¥30
fixed costs /fɪkst kɒsts/	Rent is one of the **fixed costs**: it stays the same however much you make.
variable costs /ˈveərɪəbl kɒsts/	Raw materials are **variable costs**: they rise as you make more.
output /ˈaʊtpʊt/	The factory's **output** rose by 10%. 10%
total cost /ˈtəʊtl kɒst/	**Total cost** is fixed cost plus variable cost.
average cost /ˈævrɪdʒ kɒst/	**Average cost** is total cost divided by the number of units.
revenue /ˈrevənjuː/	Selling 30 loaves at $5 brings $150 of **revenue**. $5 30 $150
profit /ˈprɒfɪt/	If sales are bigger than costs, the firm makes a **profit**.
break-even /breɪk ˈiːvən/	At **break-even**, total revenue equals total cost.
contribution /ˌkɒntrɪˈbjuːʃn/	**Contribution** is the price minus the variable cost of each unit.
break-even chart /breɪk ˈiːvən tʃɑːt/	A **break-even chart** shows where costs and revenue meet.
break-even point /breɪk ˈiːvən pɔɪnt/	At the **break-even point**, the firm makes no profit and no loss.
margin of safety /ˈmɑːdʒɪn ɒv ˈseɪfti/	The **margin of safety** is how far sales can fall before the firm makes a loss.

Word	Example
quality /ˈkwɒlɪti/	A product has **quality** when it meets customer requirements.
customers /ˈkʌstəməz/	Happy **customers** come back and buy again.
brand /brænd/	Nike is a famous **brand**. Nike
customer loyalty /ˈkʌstəmə ˈlɔɪəlti/	Reward cards build **customer loyalty**.
quality control /ˈkwɒlɪti kənˈtrəʊl/	**Quality control** checks products for defects.
quality assurance /ˈkwɒlɪti əˈʃʊərəns/	**Quality assurance** tries to stop mistakes at every stage.
manufacturing /ˌmænjuːˈfæktʃərɪŋ/	**Manufacturing** jobs moved overseas.
raw materials /rɔː məˈtɪərɪəlz/	Wood and cotton are **raw materials**.
market /ˈmɑːkɪt/	The **market** for phones in China is huge.
tariffs /ˈtærɪfs/	**Tariffs** make imported cars more expensive.
legal controls /ˈliːgl kənˈtrəʊlz/	**Legal controls** stop firms from selling unsafe toys.

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