Operations Management

University Business · Vocabulary in context

Word	Example
operations management /ˌɒpəˈreɪʃnz ˈmænɪdʒmənt/	**Operations management** organises how a firm makes its goods.
bottleneck /ˈbɒtəlnek/	The mixer is the **bottleneck**: it is the slowest step.
cycle time	A **cycle time** of 12 minutes means a batch finishes every 12 minutes. 12 12
throughput /ˈθruːpʊt/	**Throughput** is how many batches the line makes per hour.
capacity utilisation /kəˈpæsɪti ˌjuːtɪlaɪˈzeɪʃn/	**Capacity utilisation** compares what a factory makes with the most it could make.
Little's law	**Little's law** links the work in progress, the throughput and the time on the line. `
work in progress	**Work in progress** is the unfinished batches on the line.
statistical process control	**Statistical process control** spots a problem before bad products are sent out.
control chart	The **control chart** showed one sample outside the limits.
Pareto analysis	**Pareto analysis** shows that a few causes make most of the faults.
economic order quantity	The **economic order quantity** is the best amount to order each time.

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reorder point	When stock falls to the **reorder point**, a new order is sent.
safety stock	**Safety stock** is extra stock kept in case demand is higher than expected.
moving average /ˈmuːvɪŋ ˈævrɪdʒ/	A **moving average** smooths out ups and downs in sales.
exponential smoothing	**Exponential smoothing** forecasts sales by giving recent weeks more weight.
mean absolute deviation	The **mean absolute deviation** shows how far forecasts are from actual sales.
lead time /liːd taɪm/	The **lead time** is the wait between ordering and delivery.
risk pooling	**Risk pooling** means keeping stock in one place, so less safety stock is needed.
square-root law	The **square-root law** says joining depots reduces the safety stock needed.
postponement	With **postponement**, products are finished only after orders come in.
critical path /ˈkrɪtɪkl pæθ/	A delay on the **critical path** delays the whole project.
total float /ˈtəʊtl fləʊt/	A task with five days of **total float** can be late by five days.
crashing	**Crashing** means paying extra to finish a task faster.

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earned value analysis	**Earned value analysis** compares the work done with the money spent.
carbon footprint /ˈkɑːbən ˈfʊtprɪnt/	The bakery's **carbon footprint** is the carbon dioxide it causes each week.
system boundary /ˈsɪstəm ˈbaʊndəri/	Where you draw the **system boundary** changes what you count.

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