

# Distinctions between manufacturing and service industry



## KEY LEARNINGS: DISTINCTIONS BETWEEN MANUFACTURING AND SERVICE INDUSTRY

### Recap of 5S Principles:

- 5S principles provide structure and control to chaotic workspaces.
- Their application in service environments differs significantly from manufacturing settings.

### Key Distinctions Between Manufacturing and Service Industries:

#### 1. Nature of Inventory:

- **Manufacturing:** Tangible inventory (e.g., raw materials, products).
- **Services:** Intangible inventory (e.g., knowledge, skills, time).

#### 2. Customer Interaction:

- **Manufacturing:** Customers see only the final product.
- **Services:** Customers are actively involved in the process and influence outcomes.

#### 3. Workspace:

- **Manufacturing:** Focuses on physical organization (e.g., tools, assembly lines).
- **Services:** Includes digital spaces (e.g., computer desktops, email inboxes, cloud storage).

#### 4. Process Flow:

- **Manufacturing:** Linear processes (input to output).
- **Services:** Complex, dynamic, and customer-driven processes.

#### 5. Measurement:

- **Manufacturing:** Success measured by units produced or defect rates.
- **Services:** Requires creative metrics blending quantitative data (e.g., response times) with qualitative feedback (e.g., customer satisfaction).

### Tailored Approach for Services:

- 5S in services reimagines manufacturing principles to address the unique needs of service industries.
- The goal remains the same: creating an efficient and organized workspace.

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### The Importance of 5S in Services:

- Critical for improving efficiency, reducing waste, and enhancing customer satisfaction.
- Essential for achieving excellence in service delivery.

