

HOW SUPPLIERS & CUSTOMERS WORK TOGETHER?

THERE ARE AT LEAST FOUR WAYS IN WHICH CUSTOMERS AND SUPPLIERS CAN WORK TOGETHER:

SHARE
PRODUCTION
SCHEDULES
PROMPTLY

INCLUDE SUPPLIERS IN THE PRODUCT DESIGN HELP SUPPLIERS
IMPROVE THEIR
PRODUCTION
METHODS

HAVE SPATIALLY CLOSE FACILITIES

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SHARE PRODUCTION SCHEDULES PROMPTLY

- CUSTOMER AND SUPPLIER MUST SHARE PRODUCTION PLANS ON A REAL TIME BASIS
- CUSTOMERS SHOULD NOTIFY THE SUPPLIER IMMEDIATELY OF ANY CHANGE IN THE SCHEDULED PRODUCTION VOLUME

INCLUDE SUPPLIERS IN THE PRODUCT DESIGN

- THIS MAKES IT EASIER FOR THE SUPPLIERS TO MODIFY THEIR PRODUCTION DESIGN (IF REQUIRED)
- AS A RESULT, COMPONENTS WILL BE EASIER TO PRODUCE WITH CONSISTENT QUALITY AT A LOWER COST

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HELP SUPPLIERS IMPROVE THEIR PRODUCTION METHODS

IT IS IN YOUR BEST INTEREST TO SHARE THE PRODUCTION EXPERTISE AND HELP SUPPLIERS IMPROVE THEIR SYSTEMS MANY USERS OF JIT SYSTEMS MAKE TRANSFER OF TECHNOLOGY EXPLICIT IN THEIR CONTRACT

HAVE SPATIALLY CLOSE FACILITIES

LONG DISTANCE SUPPLIES RESULT IN UNCERTAINTY IN THE DELIVERY OF PRODUCTS OR SERVICES

ALSO RESULTS IN LONGER SHIPPING CYCLE TIMES

YOU MAY LOCATE MAJOR SUPPLIERS IN THE VICINITY