

A top-down view of a wooden desk. A person's hands, wearing a dark suit, are visible. One hand holds a pen and points to a line graph on a document titled 'Trading Graph'. The graph shows a fluctuating line with a blue shaded area underneath. To the left of the graph is a document with a pie chart showing percentages: 50%, 30%, 15%, and 5%. Above the graph is a document with the heading 'Current financial situation' and some text. To the right of the graph is a document with the heading 'y of the n Union' and some text. In the bottom left corner, there is a spiral-bound calendar with a date marked '5' and a note 'Dinner with family 5:15 pm'. In the bottom right corner, there is a small calendar grid showing dates from 2 to 31. A laptop is partially visible in the top right corner.

# WHAT ARE THE ADVANTAGES OF JUST-IN-TIME SYSTEM?

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

# WHAT ARE ADVANTAGES OF JUST-IN-TIME SYSTEM?

**HIGH VOLUMES OF WORK-IN PROGRESS INVENTORY END UP PRODUCING A LARGE AMOUNT OF SCRAP**

**IT IS ALSO VERY DIFFICULT TO IDENTIFY DEFECTS WHEN VOLUMES ARE VERY LARGE**

**MACHINE CONDITIONS, TOOL SETTINGS, QUALITY OF RAW MATERIALS, ETC. HAVE TO BE CHECKED**

**SEVERAL ORGANIZATIONS NOW ADOPT JIT IN WHICH DEFECTS ARE DISCOVERED WHERE A LARGE PRODUCTION LOT IS PRODUCED**



# WHAT ARE ADVANTAGES OF JUST-IN-TIME SYSTEM?

**USING JIT, ORGANIZATIONS CAN REDUCE WASTE SUCH AS:**

- **WASTE OF OVERPRODUCTION**
- **WASTE OF TIME SPENT IN WAITING**
- **WASTE IN TRANSPORTATION & MOVEMENT**
- **WASTE IN PROCESSING**
- **WASTE IN KEEPING EXCESS INVENTORY**
- **WASTE OF DEFECTIVE PARTS**

# OPERATIONAL BENEFITS OF JIT SYSTEM

**INCREASED  
UTILIZATION OF  
MACHINERY AND  
EQUIPMENT**

**REDUCED INVESTMENT  
IN INVENTORY**

**IMPROVEMENT IN THE  
QUALITY OF PRODUCT  
OR SERVICE**

**REDUCTION IN SPACE  
REQUIREMENTS OF THE  
FIRM**

**REDUCTION IN  
PRODUCTION CYCLE  
TIME**

**ZERO INVENTORY  
STORAGE AND  
MAINTENANCE COSTS**

**CLOSER RELATIONSHIP  
WITH SUPPLIERS**

**REDUCTION IN  
FORMAL PAPER WORK**

**HIGHER INVOLVEMENT  
OF EMPLOYEES**

# BENEFITS FOR SUPPLIERS FROM JIT SYSTEM

**A LONG-TERM  
GUARANTEED  
CONTRACT FOR SUPPLY  
OF MATERIALS**

**A STEADY AND  
CONTINUOUS DEMAND  
FOR THEIR MATERIALS**

**LESS EXPENDITURE ON  
PROMOTIONAL  
ACTIVITIES**

**TIMELY PAYMENT FOR  
MATERIALS SUPPLIED**