

Advanced - Just In Time Strategy (E0047)

- A: I called this meeting today in order to discuss our manufacturing plan. As I'm sure you're all aware, with the credit crunch, and the global financial crisis, we're obligated to look for more cost efficient ways of producing our goods. We don't want to have to be looking at redundancies. So, we've outlined a brief plan to implement the just-in-time philosophy.
- B: We have two basic points that we want to focus on. First of all, we want to reduce our lead time.
- C: Why would want to do that? I think this is not an area that really needs to be worked on.
- B: Well, we want to reduce production and delivery lead timesfor better overall efficiency.

- A: Right, production lead times can be reduced by moving work stations closer together, reducing queue length, like for example, reducing the number of jobs waiting to be processed at a given machine, and improving the coordination and cooperation between successive processes. Delivery lead times can be reduced through close cooperation with suppliers, possibly by inducing suppliers to locate closer to the factory or working with a faster shipping company.
- C: I see⋯⋯ That makes sense.
- B: The second point is that we want to require supplier quality assurance and implement a zero defects quality program. We currently have far too many errors that lead to defective items and therefore, they must be eliminated. A quality control at the source program must be implemented to give workers the personal responsibility for the quality of the work they do, and the authority to stop production when something goes wrong.
- C: I'm with you on this one. It's essential that we reduce these errors; we've got to force our suppliers to reduce their mistakes.

A: Exactly. Well, let's look at how we're going to put this plan into action. First...(fade out)

Key Vocabulary

obligate	<i>verb</i>	make a person do something because it is the right thing to do
cost efficient	<i>phrase</i>	cheap, not expensive
redundancy	<i>common noun, plural</i>	layoff, the ending of workers' employment
implement	<i>verb</i>	put a plan into action
lead time	<i>common noun, singular</i>	the time between the beginning of a process and its end
efficiency	<i>common noun, singular</i>	the ability to produce something more quickly

work station	<i>common noun, plural</i>	an area where a person works and does his job
given	<i>Adjective</i>	used to refer to a specific time, place or thing
defective	<i>Adjective</i>	having a mistake or error that makes something not perfect
defect	<i>common noun, plural</i>	a mistake or error that makes something not perfect

Supplementary Vocabulary

inventory	<i>common noun, non-variable</i>	supply of goods stored in a place
carrying cost	<i>phrase</i>	the cost of holding inventory
warehouse	<i>common noun, singular</i>	large building where products or goods are stored



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stock	<i>common noun, non-variable</i>	the supply of goods for sale, or available
bottleneck	<i>common noun, singular</i>	something that slows a process down