|  |  |  |
| --- | --- | --- |
| Description | Conversion Model | Flow Model |
| Conceptualization | Manufacturing as a series of conversion activities | Manufacturing as a combination of value and non-value adding activities |
| Basic Queuing Theory | Batch and queue | Single-piece flow |
| Inventory Implications | Large inventories as a result of batch and queue production and WIP | Minimal inventories |
| Production Trigger | Products pushed onto the market as a result of forecasted demand | Products pulled onto the market by demand |
| Focus on Improvement | Improvement focused on lowering cost and increasing productivity of each activity (analytical reductionism) | Improvement focused on lowering cost and increasing productivity of value adding activities and reducing/eliminating non-value adding activities |
| Variability Control | Buffers used to control variability | Use of coordination among internal operations as well as supply chain management to reduce variability |
| Focus of Control | Cost and time of activities | Cost, time and value of value adding and non-value adding activities |