E18CSE187 Tanvi Penumudy Q1

**Make to Stock:** Businesses use make to stock (MTS) as a conventional production strategy to match inventory to expected consumer demand. To calculate how much stock to produce, the MTS method requires an accurate forecast of this demand. Rather than setting a production level and then trying to sell goods, an MTS company would estimate how many orders its products could produce and then supply enough stock to meet those orders.

**Make to Order:** Make to order (MTO), also known as made-to-order, is a business production strategy that encourages customers to buy goods that are tailored to their specific needs. An MTO item's manufacturing process begins only after a confirmed customer order has been submitted. MTO's benefits include customer customization, stock obsolescence reduction, and finished goods inventory reduction. MTO is in contrast to make-to-stock (MTS) manufacturing, in which inventories are manufactured in advance of customers purchasing them off the shelf.

**Assemble to Order:** Once an order is verified, assemble-to-order (ATO) is a business strategy in which products are quickly produced from component parts. Assemble-to-order is a hybrid of make-to-order and make-to-stock production methods. The costs of assembling the product from its components are negligible in a typical ATO strategy, but the costs of producing the various components can be significant. An assemble-to-order approach is used by a PC manufacturer who receives orders and then assembles customizable computers using components such as keyboards, monitors, and motherboards. It usually necessitates that the product's basic components have already been manufactured but have not yet been assembled. After receiving an order, the parts are quickly assembled, and the final product is delivered to the customer.