

1.7: Chapter Key Terms

Agile manufacturing – Emphasizes the need for an organization to be able to switch frequently from one market-driven objective to another.

Craft manufacturing – The production of goods in low volume, but with a high degree of variety, performed by skilled, specialized craftspeople to meet the requirements of their individual customers.

Effectiveness – Making the right actions and plans in order to improve the business and add value for the customer.

Efficiency – Doing things well at the lowest cost possible and reducing activities which add unnecessary costs.

Flexible specialization – Firms (especially small firms) focus on separate parts of the value-adding process and collaborate within networks to produce whole products. Such an approach requires highly developed networks, effective processes for collaboration and the development of long-term relationships between firms.

Lean production – Focuses on the elimination of all forms of waste from a production system, especially from the perspective of keeping inventory levels down to exposes inefficiencies, reduces costs, and cuts lead times.

Macro operations – The overall process within a company's transformation processes, e.g. in a brewery, the macro operation is making beer.

Mass customization – Seeks to combine high volume, as in mass production, with adapting products to meet the requirements of individual customers.

Mass production – The production of goods in high volume with low variety by using standardized parts, a system of scientific management, and assembly lines; rose in popularity in the 19th century.

Micro operations – The detailed transformations that must occur, usually in a specific sequence, for a company to complete their macro operation.

Operations management – The design, management, and improvement of the systems and processes that create the organization's goods or services.

Transformation process – Any activity or group of activities that takes one or more inputs, transforms and adds value to them, and provides outputs for customers or clients, e.g. milk (input) being transformed into cheese or butter (outputs).

1.7: Chapter Key Terms is shared under a [CC BY-NC 4.0](https://creativecommons.org/licenses/by-nc/4.0/) license and was authored, remixed, and/or curated by LibreTexts.