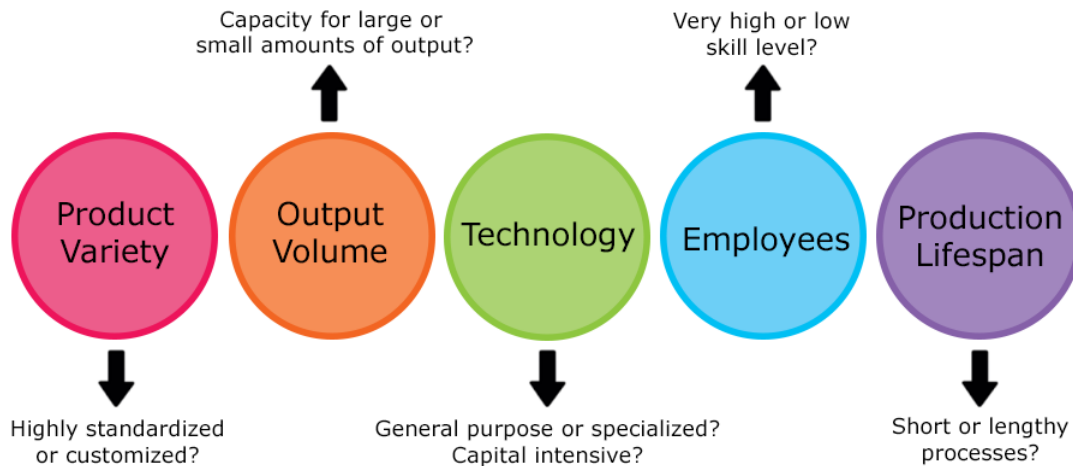


6.1: Introduction to Process Design

Every firm that produces a good or a service will do so by the use of a process. This process will use the firm's resources in order to transform the primary inputs into some type of output. In designing the actual process, particularly the number and sequence of steps, several important factors need to be considered.

1. Product variety – Is the product highly standardized, or is the product highly customized?
2. Volume of output – Is the business created to produce large volumes or a small amount of output?
3. Is the technology to be used general purpose or specialized? Is it capital intensive?
4. The skill level of employees, it is very high or low?
5. What is the expected duration?



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