

BUSINESS: *Creating informed, discerning employees, consumers and future leaders*

KNOWLEDGE ORGANISER

Theme 2 – Building a Business

Key Vocabulary

Operations– The department that provides the customer with the goods or services they have asked for

Method of production – The process by which a product is manufactured

Batch production – Producing a limited number of the same item

Flow production – Continuous production of identical products

Job production – One off production of a one off order

Labour intensive – When an activity is carried out primarily by human labour

Capital intensive – When an activity is carried out primarily by machine

Productivity – The quantity produced by the resources available

Efficiency – Getting the most out of resources

Automation – Production without people being involved

Bar gate stock graph – A diagram showing how stock levels change over time

Lead times – How long it takes between ordering new stock and it arriving

Buffer stock – The minimum stock level held at all times to avoid running out

DO I UNDERSTAND THIS TOPIC?



Topic 2.3 Making Operational Decisions

2.3.1 Business Operations

The purpose of business operations:

- To produce goods
- To product services

Production processes:

- Different types: Job, Batch, Flow
- The impact of different types of production process: keeping productivity up and costs down and allowing for competitive prices.

Impacts of technology on production:

- Balancing costs, productivity, quality and flexibility

2.3.2 Working with suppliers

Managing stock:

- interpretation of bar gate stock graphs
- the use of just in time (JIT) stock control.

The role of procurement:

- relationships with suppliers: quality, delivery (cost, speed, reliability), availability, cost, trust
- the impact of logistics and supply decisions on: costs, reputation, customer satisfaction.

2.3.3 Managing quality

The concept of quality and its importance in:

- the production of goods and the provision of services: quality control and quality assurance
- allowing a business to control costs and gain a competitive advantage.

2.3.4 The sales process

The sales process:

- product knowledge, speed and efficiency of service, customer engagement, responses to customer feedback, post-sales service.

The importance to businesses of providing good customer service.

Key Vocabulary

Bar gate stock graph – A diagram showing how stock levels change over time

Lead times – How long it takes between ordering new stock and it arriving

Buffer stock – The minimum stock level held at all times to avoid running out

Just in Time (JIT) – A stock management process where new stock is ordered so that it arrives “just in time” for existing stock to run out

Procurement – The process of finding the right suppliers, ordering the right quantities and checking everything is done on time and to the right standards

Logistics – Ensuring the right supplies will be delivered and ordered on time

Quality control - Measures put in place to check the quality is acceptable at the end of production

Quality assurance – The process of checking quality throughout production

Culture – The consistent attitudes and behaviours of a group

Sales process – The stages involved in the final stage of the distribution process.

After sales process – The support and processes available to consumers after making a purchase