The Effectiveness of Production Management in the growth of business by Annphilip

Article published on February 7th 2012 | Management

To streamline the business and to meet targets, business managers should analyze and scrutinize the production procedures on a daily basis. Production management has a key role in planning the production, monitoring the inventory movement and setting the production target. The production management system also provides the necessary tools to check productivity and the actual production target for a certain period. As no business can be operated without being part of a network of firms, production management works on collaborating and sharing information for mutual success.

As the growth and future of a company depends on the product or service offered by it, an efficient production management system works on transforming a range of inputs into the required output that is in line with the quality guidelines. The term â€˜production managementâ€™ gains its popularity in th early eighteenth century. It was Adam Smith who recognized the economic benefits of dividing labors based on their specialization. Based on his concepts, the companies classified jobs into subtasks and assigned to those workers who are specialized and efficient at it.

Production is a step-by-step process to convert one form of material into another form. This activity should be performed in a controled manner to add value in accordance with the policies communicated by management. Any deviation from this can result in the rejection of the product. Thereby, the company may face a huge loss. In order to avoid this, most companies give ample importance of planning, organizing, directing and controlling the activities of the production function.

What are the objectives of Production Management? The key objective of production management is to produce goods of right quality and right quantity at right time. So, the main objectives can be classified as the Right Quality, the Right Quantity and the Right Time at Right manufacturing cost.

Right Quality â€“ The quality of a product depends on customersâ€™ requirements of the product. The righ quality may not be the best quality. The quality of a product depends on the cost of the product, raw materials used for making it and the technical characteristics.

Right Quantity - Most companies take a decision on quantity based on market needs and the customer requirement. Any wrong judgment on this can lead to wastage of men, machine and materials. That means, if a company produces more than what is needed then its capital will block up in the form of inventory. And if the company produces less than what is required, then there comes a shortage of the product and this makes customers to search for an alternative.

Right Time â€“ Time is an important factor in judging the effectiveness of the production department. So itâ€™s the responsibility of the production department to give finished products using minimum resources and costs at the desired time.

Minimize manufacturing costs â€“ In order to tackle with the rising costs of raw materials, each and every company try to minimize their manufacturing costs. Management will calculate manufacturing costs before they start production. Making products at pre-established cost minimizes the variation between the actual and the standard cost.

Today, people digitalized every process. This makes it easy to plan and organize everything in a well mannered way. Internet connection from providers like Verizon FiOS Deals makes it easy to collect data related to production and production management within few seconds. This helps production managers to organize and coordinate each and every function within the provided time

frame.

Thus, operations management focuses on how the subtle routines and activities in the production department of a company can be systematically improved day by day. The concept uses logic and practicality to bring more efficiency into production and work related to that. An efficient production manager can give better solutions on how to become more productive while avoiding unnecessary waste.

Article Source:
http://www.articleside.com/management-articles/the-effectiveness-of-production-management-in-the-growth-of-business.htm - Article Side

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Article Keywords:
Verizon FiOS Deals, Verizon TV, Management

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