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## Production System

The production system is the collection of people, equipment, and procedures organized to accomplish the manufacturing operations of a company (or other organization)

- The production system consists of facilities and manufacturing support systems
The facilities of the production system consist of the factory, the equipment in the factory, and the way the equipment is organized.
The manufacturing support systems is the set of procedures used by the company to manage production and to solve the technical and logistics problems encountered in ordering materials, moving work logistics problems encountered in ordering materials, moving
through the factory, and ensuring that products meet quality standards. Product design and certain business functions are included among the manufacturing support systems.

Production System



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Production System


Manufacturing System Defined
"A collection of integrated equipment and human resources, whose function is to perform one or more processing and/or assembly operations on a starting raw material, part, or set of parts"

- Equipment includes

Production machines and tools
. Material handling and work positioning devices , Computer systems

- Human resources are required either full-time or periodically to keep the system running

Production System Facilities
Facilities include the factory, production machines and tooling, material handling equipment, inspection
equipment, and computer systems that control the manufacturing operations

- Plant layout - the way the equipment is physically arranged in the factory
- Manufacturing systems - logical groupings of equipment and workers in the factory
, Production line
- Stand-alone workstation and worker
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## Examples of Manufacturing Systems

- Single-station cells
- Machine clusters
- Machine cells (cellular manufacturing)
- Manual assembly lines
- Automated transfer lines
- Automated assembly systems

Production Facilities

- A manufacturing company attempts to organize its facilities in the most efficient way to serve the particular mission of the plant
- Certain types of plants are recognized as the most appropriate way to organize for a given type of manufacturing
- The most appropriate type depends on:
- Types of products made

Production quantity

- Product variety
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Components of a Manufacturing System
. Production machines
Material handling system
3. Computer system to coordinate and/or control the preceding components
4. Human workers to operate and manage the system

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## Production Machines

- In virtually all modern manufacturing systems, most of the actual processing or assembly work is accomplished by machines or with the aid of tools
- Classification of production machines:

Manually operated machines are controlled or supervised by a human worker
. Semi-automated machines perform a portion of the work cycle under some form of program control, and a worke tends the machine the rest of the cycle
3. Fully automated machines operate for extended periods of time with no human attention

Fully-Automated Machine

> Machine operates for extended periods (longer than one work cycle) without worker attention (periodic tending may be needed).


Manually Operated Machine

- Manually operated machines are controlled or supervised by a human worker. The machine provides the power for the operation and the worker provides the control. The entire work cycle is operator controlled.

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## Material Handling System

In most manufacturing systems that process or assemble discrete parts and products, the following materia handling functions must be provided:

Loading work units at each station
Positioning work units at each station
3. Unloading work units at each station

Transporting work units between stations in multi-station systems

Temporary storage of work units

Semi-Automated Machine
A semi-automated machine performs a portion of the work cycle under some form of program control, and a worker tends to the machine for the remainder of the cycle. Typical worker tasks include loading and unloading parts


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Work Transport Between Stations
Two general categories of work transport in multistation manufacturing systems:

1. Fixed routing

Work units always flow through the same sequence of workstations
Most production lines exemplify this category
2. Variable routing

Work units are moved through a variety of different station sequences
Most job shops exemplify this category
(a) Fixed Routing and
(b) Variable Routing

(a)

(b)

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## Manufacturing Operations

- Basic activities that must be carried out in a factory to convert raw materials into finished products.
- Processing operations, uses energy including mechanical, thermal, electrical, and chemical, to alter a work part's shape, physical properties, or appearance to add value to the material
Assembling operations, two or more separate parts are joined to form a new entity which is called an assembly, subassembly, or some other term that refers to the specific joining process, either permanently or semi permanently.
Material handling and storage, move the product from one operation to the next in the manufacturing sequence
Inspection and test, to insure high quality.
Coordination and control.

Types of Operations Performed

- Processing operations on work units versus assembly operations to combine individual parts into assembled entities
- Type(s) of materials processed
- Size and weight of work unit

Part or product complexity

- For assembled products, number of components per product

For individual parts, number of distinct operations to complete processing

- Part geometry

For machined parts, rotational vs. non-rotational

Computer Control System

- Typical computer functions in a manufacturing system

Communicate instructions to workers (receive processing or assembly instructions for the specific work unit)
Download part programs to computer-controlled machines
Control material handling system
Schedule production
Failure diagnosis when malfunctions occur and preventive maintenance
Safety monitoring (protect both the human worker and equipment)
Quality control (detect and reject defective work units produced by the system)
Operations management (manage overall operations)

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Classification of

## Manufacturing Systems

- Factors that define and distinguish manufacturing systems:

Types of operations performed
Number of workstations
System layout
Automation and manning level
Part or product variety

Production Quantity vs Product Variety - Production quantity refers to the number of units of a given part or product produced annually by the plant
Low production: quantities in the range of I to 100 units per year Medium production: quantities in the range of 100 to 10,000 units

High pro
High production: production quantities are 10,000 to millions of
units

- Product variety refers to the different product designs or Product variety refers to the differ
types that are produced in a plant

Hard product variety is when the products differ substantially $\rightarrow$ the
Soft product variety is when there are only
between products $\rightarrow$ the variety between different the same product category
When product variety is high, production quantity tends to be ow' and vice versa $\rightarrow$ inverse correlation

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Production Quantity vs Product Variety

$100 \underset{ }{10,000} \begin{array}{r}1,000,000\end{array}$ Relationship between product variety and production
quantity in discrete product manufacturing quantity in discrete product manufacturing

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Process Layout


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## Medium Production Quantities

I. Batch production - A batch of a given product is produced, and then the facility is changed over to produce another product
Changeover takes time - setup time
Typical layout - process layout
Hard product variety
2. Cellular manufacturing - A mixture of products is made without significant changeover time between products
Typical layout - cellular layout
Soft product variety

Fixed-Position Layout


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Low Production Quantity
Job shop - makes low quantities of specialized and customized products

- Also includes production of components for these products
- Products are typically complex (e.g., specialized machinery, prototypes, space capsules)
- Equipment is general purpose
- Plant layouts:
- Fixed position
, Process layou
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Cellular Layout


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High Production (mass production)
I. Quantity production - Equipment is dedicated to the manufacture of one product

- Standard machines tooled for high production (e.g. stamping presses, molding machines)
Typical layout - process layout

2. Flow line production - Multiple workstations arranged in sequence
, Product requires multiple processing or assembly steps

- Product layout is most common

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## Number of Workstations

- Convenient measure of the size of the system
, Let $n=$ number of workstations
Individual workstations can be identified by subscript $i$, where $i$ $=1,2, \ldots, n$
- Affects performance factors such as workload capacity, production rate, and reliability
As $n$ increases, this usually means greater workload capacity and higher production rate
There must be a synergistic effect that derives from $n$ multiple stations working together vs. $n$ single stations

Product Layout

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## System Layout

- Applies mainly to multi-station systems
- Fixed routing vs. variable routing
+ In systems with fixed routing, workstations are usually arranged linearly
, In systems with variable routing, a variety of layouts are possible
- System layout is an important factor in determining the most appropriate type of material handling system
- $35 \longrightarrow$ Production 5ystem $16 / 10 / 2017$

Production Quantity vs Product Variety:
Layout and Production Type

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## Automation and Manning Levels

- Level of workstation automation
- Manually operated

Semi-automated
, Fully automated

- Manning level $M_{i}=$ proportion of time worker is in attendance at station
$M_{i}=1$ means that one worker must be at the station continuously
$M_{i} \geq I$ indicates manual operations
$M_{i}<I$ usually denotes some form of automation

Automation and Manning Levels: Human Participation

Three categories in terms of the human participation in
the processes performed by the manufacturing system:
Manual work systems - a worker performing one or more tasks without the aid of powered tools, but sometimes using hand tools
Worker-machine systems - a worker operating powered equipment
Automated systems - a process performed by a machine without direct participation of a human

## Automated System



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Manual Work System

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## Part or Product Variety:

Flexibility
The degree to which the system is capable of dealing with variations in the parts or products it produces
Three cases:
Single-model case - all parts or products are identical (sufficient demand/fixed automation)
2 Batch-model case - different parts or products are produced by the system, but they are produced in batches because changeovers are required (hard product variety)
Mixed-model case - different parts or products are produced by the system, but the system can handle the differences without the need for time-consuming changes in setup (soft product variety)

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Worker-Machine System


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Three Cases of Product Variety
in Manufacturing Systems

(a) Single-model case, (b) batch model case, and (c) mixed-model case

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## Enablers of Flexibility

- Identification of the different work units
- The system must be able to identify the differences between work units in order to perform the correct processing sequence
- Quick changeover of operating instructions

The required work cycle programs must be readily available to the control unit

- Quick changeover of the physical setup

System must be able to change over the fixtures and tools required for the next work unit in minimum time

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Overview of Classification Scheme

- Single-station cells
+ $n=1$
- Manual or automated
- Multi-station systems with fixed routing
, $n>1$
Typical example: production line
- Multi-station systems with variable routing
, $n>1$

Manufacturing Systems for Medium or High Product Complexity


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Single-Station Cells

- $n=1$
- Two categories:

Manned workstations - manually operated or semiautomated production machine $(M=1)$
Fully automated machine $(M<1)$
Most widely used manufacturing system - reasons.
Easiest and least expensive to implement
, Most adaptable, adjustable, and flexible system
Can be converted to automated station if demand for part or product justifies

Manufacturing Systems for Low Product Complexity


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Multi-Station Systems
with Fixed Routing
$n>1$

- Common example $=$ production line -a series of workstations laid out so that the part or product moves through each station, and a portion of the total work content is performed at each station
- Conditions favoring the use of production lines:

Quantity of work units is high
Work units are similar or identical, so similar operations are required in the same sequence
Total work content can be divided into separate tasks of approximately equal duration

Multi-Station Systems
with Variable Routing
p $n>1$

- Defined as a group of workstations organized to achieve some special purpose, such as:
Production of a family of parts requiring similar (but not identical) processing operations
- Assembly of a family of products requiring similar (but not identical) assembly operations
Production of a complete set of components used to assemble one unit of a final product
- Typical case in cellular manufacturing
$+\cdots$
nformation Processing Cycle in
Manufacturing Support Systems



Production System: Manufacturing Support Systems

## - Business Functions

- The principal means of communicating with the customer
- The beginning and the end of the information-processing cycle
- Including sales and marketing, sales forecasting, order entry,
cost accounting, and customer billing
, Forms of the production order:
An order to manufacture an item to the customer's specifications
A customer order to buy one or more of the manufacturer's
proprietary products
An internal company order based on a forecast of future demand for a proprietary products


## Manufacturing Support Systems

Involves a cycle of information-processing activities that consists of four functions:

Business functions - sales and marketing, order entry, cost accounting, customer billing
2. Product design - research and development, design engineering, prototype shop
5. Manufacturing planning - process planning, production planning, MRP, capacity planning
4. Manufacturing control - shop floor control, inventory control, quality control

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Production System: Manufacturing Support Systems

## - Product Design

If the product is to be manufactured to customer design, the design will have been provided by the customer
If the product is to be produced to customer specifications, the manufacturer's product design department may be contracted to do the design work for the product as well as to manufacture it
If the product is proprietary, the manufacturing firm is responsible for its development and design

- The departments of the firm that are organized to accomplish product design might include research and development, design engineering, drafting, and perhaps a prototype shop

Production System: Manufacturing Support Systems

- Manufacturing Planning

The information-processing activities in manufacturing planning include process planning and production planning (master scheduling, requirements planning, and capacity planning)

## Service vs Services

## - Service

Process of using one's resources for the benefit of another entity
A business transaction that takes place between a servic provider (donor) and a customer (receiver) in order to produce an outcome that satisfactorily meets the customer's needs

- Services
- Regarded as a supportive drive to the production of goods

Viewed as activities that are done in combination with
products as a value-added too

- Seen as an intangible type of product

Production System: Manufacturing Support Systems

- Manufacturing Control
- Managing and controlling the physical operations in the factory to implement the manufacturing plans
- Including

Shop Floor Control. It deals with the problem of monitoring the progress of the product as it is being processed, assembled, moved, and inspected in the factory.
Inventory Control. It attempts to strike a proper balance between the danger of too little inventory (with possible stock-outs of materials) and the carrying cost of too much inventory
and its components meet the standards specified by designer.

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Relationship Between Products and Services

- No rigid distinction can be made between "product" industries and "service" industries
- The outputs of most companies have both product and service attributes in different combinations
- Customers view the outputs of a company as a package, and their satisfaction is determined by the total performance of the elements of this package


## Customer value

- Value creation is the goal of marketing
- Definition of customer value
- The net gain meaning all the benefits over costs
- Market perceived quality adjusted for the relative price of your product

Perceived value is defined as the "tradeoff between the quality or benefits they perceive in the product relative to the sacrifice they perceive by paying the price"
The consumers' overall assessment of utility based on what is received and what is given

The hierarchies of exchange in G-D logic and S-D logic

|  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Dasat mexatios |  |  |  |
| (1) Matimearemexam | FimClumen biad |  | Cuenarememen bod |  |
| c2) smine | Value proposed by the firm | Value created by the customar | Value derived from Customer- | Value derived from many- |
| (3) Long Term Relational Value Attributes | Service quality, price benafits, utility benefits service staff knowledge <br> and skills | Satisfaction, trust, commitment, | Positive Word-of-mouth (selfaffirmation, altruism. memory, catharsis, and vengeance) | Custoner engagement in swial networls, computer mediated environments |

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Transition for practitioners

| G-D logic | S-D logic |
| :---: | :---: |
| Making something (goods or services) | Assisting customers in their own value-creation processes |
| Value as produced | Value as co-created |
| Customers as isolated entities | Customers <br> in context of their own networks |
| Firm resources primarily as operand | Firm resources primarily as operant |
| Customers as targets | Customers as resources |
| Primacy of efficiency | Efficiency through effectiveness |

Conceptual lexicon of marketing

| G-D logic concepts | Transitional concepts | S-D logic concepts |
| :---: | :---: | :---: |
| Goods | Services | Service |
| Products | Offerings | Experiences |
| Feature/attribute | Benefit | Solution |
| Value-added | Coproduction | Cocreation of value |
| Profit maximization | Financial engineering | Financial feedback/learning |
| Price | Value delivery | Value proposition |
| Equilibrium systems | Dynamic systems | Complex adaptive systems |
| Supply chain | Value chain | Value-creation network |
| Promotion | Integrated marketing communications | Dialogue |
| To market | Market to ... | Market with |
| Product orientation | Market orientation | Service orientation |



Service-dominant logic


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$+63$

Normative guidelines for practitioners
I. The firm should be transparent and make all information symmetric in the exchange process. Because the customer is someone to collaborate with, anything other than complete truthfulness will not work.
2. The firm should strive to develop relationships with customers and should take a long-term perspective.
3. The firm should view goods as transmitters of operant resources (embedded knowledge); the firm should focus on selling service flows.
4. The firm should support and make investments in the developments of specialized skills and knowledge that are the fountainhead of economic growth.

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