

Production is:
the process of turning raw materials into saleable products and services

- Job production**
Making products individually
- Batch production**
Making one type of product then switching to make a different product
- Flow production**
The production of one product on a continuous assembly line
- Automation**
Production involving machinery not controlled by a person

4:1 Production Processes

Job production		Batch production		Flow production	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
<ul style="list-style-type: none">Products are usually high-qualityProducts can be made to meet the needs of individual customersWorkers often get more satisfaction	<ul style="list-style-type: none">Costs of production will be highLabour costs may be high because job production often requires skilled labour	<ul style="list-style-type: none">The needs of different customers can be met by making batches of different goodsBatches are made to meet specific orders from customersIt may be possible to use specialist machines to automate production	<ul style="list-style-type: none">It takes time to switch production from one batch to another - costlyMay have to keep stock of raw materials to be able to switch productionLess choice of products for customersTasks are repetitive for workers	<ul style="list-style-type: none">Large amounts can be madeCosts of production for each unit is lowMachinery can be used, helping to reduce costsTechnology can be used to change the products slightly to more are available for customers to choose from	<ul style="list-style-type: none">Goods are mass-produced so quality may be lowExpensive to set up a production lineLarge stocks of materials need to be kept which can be expensiveIf production stops at any point then production stops everywhereJobs can be repetitive and boring
Technology is being used more and more in the production of goods and services. Technological development is making it possible for technology to perform skilled work and reducing the need for human resources					

Quality is:
about a product being fit for purpose and working in a way that it is supposed to

- Quality control**
A system for inspecting the quality of goods and services
- Quality assurance**
An approach that involves the whole business focusing on quality
- Returns**
Goods which customers take back to the shop because of problems
- Recalls**
The business asks for products to be returned because of faults

4:2 Quality of Goods and Services

- Importance of providing quality products**
- It avoids waste**
If goods are not of a good quality they may not be able to be sold and so the producer has wasted money
 - It avoids recalls**
If unsatisfactory products are made and sold they will then have to be recalled and the issue resolved at a cost to the manufacturer
 - Reputation and sales**
Customers will not be happy with poor quality products and may shop elsewhere in the future
 - Disrupted production**
Production may be disrupted if quality is poor from the start

4:3 The Sales Process and Customer Service

Businesses are able to use a range of selling methods.
E-commerce:

Pros to the business Can sell worldwide Open 24/7 Professional look at little cost Lower operating costs	Cons to the business Worldwide competition Problems with delivering and returning goods Online security issues Technology advances rapidly
Pros to the customer Price comparison available 24/7 availability Wider range of products	Cons to the customer Lack of personal contact Problems returning goods Only image of goods seen Security Cannot pay with cash

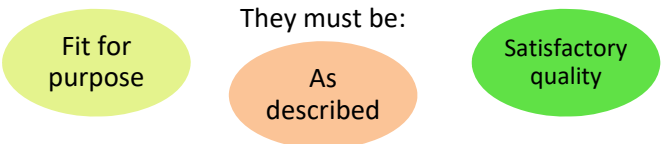
- E-commerce**
Bringing together the buyer and seller electronically
- Customer service**
What a business does to keep customers happy
- Face-to-face selling**
Usually completed in a shop where there is direct contact between buyer and seller
- Telesales**
Sales completed over the telephone
- After-sales service**
Any help and advice given to customers after they have bought a product

Consumer law is:
the area of law which protects customers.

- Fit for purpose**
This means that goods must do what they are meant to do
- As described**
This means goods must be as the business describes
- Satisfactory quality of goods**
This means that how the goods are made will reflect the price
- Reputation**
What customers say about a business

4:4 Consumer Law

Customers are protected by the **Consumer Rights Act 2015**. This Act of Parliament gives customers protection when they buy goods and services.



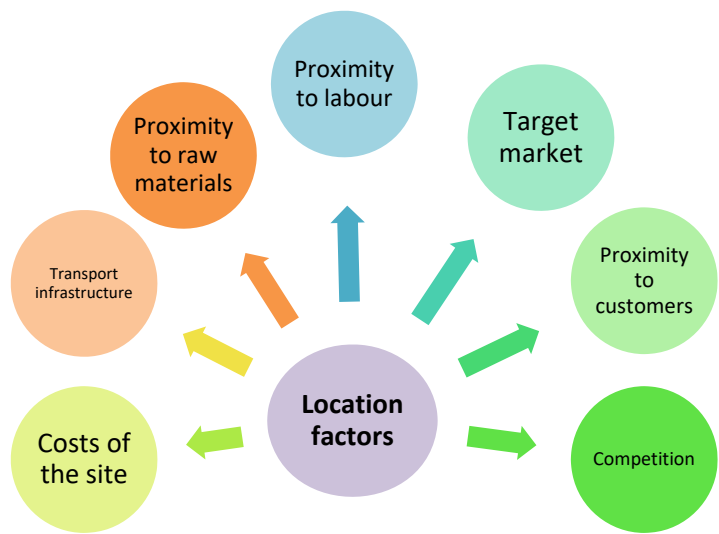
Impact of consumer law on business	
Production	A business must make sure that the quality of the goods is up to standard. They must not be faulty or damaged when bought. If they are not customer could return products and this will affect their reputation.
Safety of goods	If goods are produced in a defective way customers can claim compensation for damage or personal injury. This could result in huge costs for the business and a loss of reputation.

Location:
refers to the place where a business is sited

- Proximity**
Means 'nearness to'
- Labour**
The people employed by the business to produce goods and services
- Raw materials**
Materials needed to produce saleable goods and services
- Transport infrastructure**
The provision of roads, railways, ports and airports

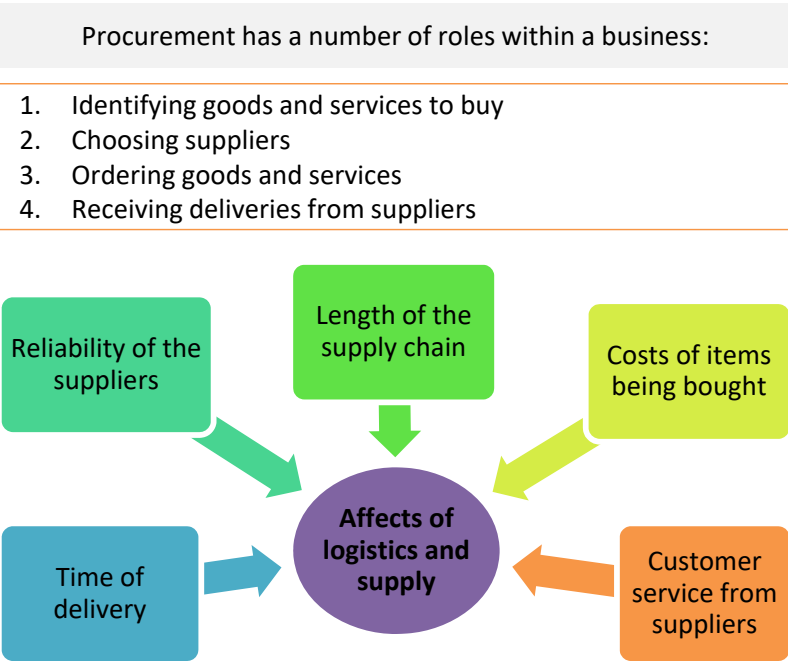
4:5 Business Location

For many businesses, the decision of where to locate is one of the most important decisions it takes. There are a number of factors that influence the location of a business



4:6 Working with Suppliers

- Logistics**
The management of the transportation and storage of goods
- Procurement**
The management of purchasing within a business
- Suppliers**
Parties who supply goods and/or services to a business



Assessment Information

Your assessment will take place during a normal timetabled lesson but you should be revising at home.

Number of marks available: 40
Time allowed: 50 minutes

Answer **ALL** of the questions

The first 10 questions will be multiple choice - you must only select **ONE** answer, selecting two will score 0 marks.

The other questions will include a range of 2, 3, 4, 6, 7, & 9 mark questions

Possible questions

1. State one way consumers are protected by law.
2. Explain why quality is important to businesses.
3. Analyse one benefit of using batch production.
4. Recommend one type of production a business could use for a product.
5. Evaluate the importance of selling good-quality products.