Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chapter 13 Notes

Production and Business Operations

13-1: Types of Production

**Production as an Economic Activity**

* Forms of Production
	+ **Extraction and Cultivation -**
	+ **Processing -**
	+ **Manufacturing -**

**Manufacturing**

* Types of Manufacturing Processes
	+ **Mass Production -**
	+ **Custom Manufacturing -**
	+ **Materials Processing -**

13-2: Production Planning

**Production Activities**

* **Product Development**
	1. **Product Research**
		1. **Applied Research –**
		2. **Pure Research –**
	2. **Product Design –**
* **Production Planning**
	+ **Production Process –**
	+ **Production Resources –**
	+ **Personnel –**
	+ **Inventory Management –**

13-3: Planning and Managing Business Operations

**Business Operations**

* **Logistics** –
	+ **Just-in-Time** –
* **Operations Tools**
	+ **Operational Plan –**
	+ **Schedule –**
	+ **Standard –**

**Supermarket Video**

*As you learn about the supply chain and supermarkets, fill in the blanks and answer the questions below.*

**Introduction: Supermarket Evolution**

1. *Traditional Society* - People who \_\_\_\_\_\_\_\_\_\_\_\_\_ or produced goods gathered in a marketplace or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and stayed until their wares had sold.
2. *Specialized Shops* – Customers went to the shops carrying a \_\_\_\_\_\_\_\_\_\_\_\_ and the shop keeper would go through the items one by one, selecting and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to complete the order.
	* Customers did very little \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shopping because they had to carry their goods home (since most customers were \_\_\_\_\_\_\_\_\_\_\_\_\_\_, who had no transportation).
	* To improve business, quite often the shop keepers would \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ goods.
3. *Grocery Store* - In the 1960’s, larger stores offered more \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to customers with their own transportation. Customers could shop themselves, leading to a cut in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ costs and, in turn, vastly cheaper prices.
	* This type of shopping gave customers a chance to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
	* Stores needed different packaging for items like meat so it could be handled by customers without \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ issues.
	* Since customers have less time for shopping, they also expect faster \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Part 2: Shelf Layout**

1. What is placed at eye height on the shelves? Why?
2. Where can standard items and old favorites be found?
3. What is the purpose of the front display area (aka: endcaps)?
4. Where are the basic commodities (bread, butter, milk, and sugar) placed? Why?
5. Research shows that customers like to see products being made and discuss these items with the producer. What are some examples of items you can see being made in the grocery store?

**Part 3: Stock Levels**

1. By keeping its reserve stock as \_\_\_\_\_\_\_\_\_\_\_\_ as possible, supermarkets can keep costs down and ensure the food is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
2. The area at the top of the shelves where extra goods are stored is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_.
	1. How much does it cost to lift an item up from this area and then bring it down to the shelves?

**Part 4: Pricing**

1. A bar code is a standardized international code printed on the packaging to identify the product. It is used for \_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ control.
2. Label each part of the barcode with the information it provides:



1. Why don’t fruit and veggies have bar codes?

**Part 5: Distribution Centers (DC’s)**

1. Supermarkets have DCs for grocery, produce, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, general merchandise and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ foods.
2. What are the steps fruits and vegetables go through to get from the farmer to the store?
3. Give the time of day in which each of the following takes place:
	* By \_\_\_\_\_\_\_\_\_\_, orders come into from stores throughout the state. Order assemblers and fork lift drivers fill the orders based on the lists.
	* Order assembly goes on until \_\_\_\_\_\_\_\_\_\_\_ am.
	* The first load is put on a truck as early as \_\_\_\_\_\_\_\_\_\_\_ am.
	* By \_\_\_\_\_\_\_\_\_\_\_ am, the trucks are gone and the whole process begins again.
4. DCs rotate their product on the FIFO principle. What does FIFO stand for and why is it used?
5. Why are pallets of product wrapped in plastic?
6. What are some of the uses of bar codes throughout the distribution process?