

The constraints on production analysis

[Education](#)



He had 15 years of experience In Sales and 4 years of experience In Production He always exceeded target by 20%, even in difficult situations He was extremely entertaining and socializing He was intelligent and had acquired considerable business know-how He participated in many self improvement programs There are a number of limiting factors that determine the quantity and nature of output that a producer is able to achieve within a given time period. These are the constraints on production. The main external constraint is the extent of the market. Larger markets offer the opportunity to produce on a large scale and to benefit from the resultant unit cost reductions. Goods in mass markets such as chocolate bars and razors allow scale economies for large-scale producers, thus encouraging companies like Caduceus Kraft (confectionery), and Gillette and Big (razors) to supply the market.

Another Important external constraint is the ability of a producer to gain access to appropriate resources such as the financeto purchase and run a modern production facility. Internal constraints include: 1 OFF process. For example, the ability to meet new orders depends on having appropriate spare capacity. 2. The availability, skills and training of the labor force. Modern specialist products often require extensive training before the staff are able to produce new goods effectively. 3. Access to an adequate supply of parts and raw materials. A business that is able to supply appropriate quantities of goods and services to customers 'Just in time' also needs to have access to supplies and materials 'Just in time'.

This is why it is so important for modern companies such as Ionians to build excellent relationships with suppliers. . Time. Careful planning to give

sufficient time for the production process to meet customer requirements.

Time has to be given priority in planning resource utilization. 5. Finance.

Healthy cash flow is essential if business is to respond to changing demands and requirements in production activity. Investment funding may be necessary if new plant and facilities are needed.