

Manufacturing strategy

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Manufacturing Strategy College Introduction Manufacturing companies have adopted new manufacturing strategies. Quality, speed, service, global and flexibility focus have been identified as the main elements for thriving manufacturing companies. These elements help in quick response to unpredictable and sudden changes in customer wants and needs (Harrison, 1989).

The first strategy is establishing strong links with the market. The EME industry has maintained a strong feedback loop with the processing, engineering, research, design and production functions. It has nurtured market sensitivity so as to shift production abroad and offshore in order to save costs. The mining sector belonged to the state sector so as to increase prices of minerals and boost production of minerals

The second strategy used by the manufacturing company is precise financial discipline. The company has embraced a shareholder value added that measures the difference between the company's cost of capital and the operating company's profit. It approximated cost of productivity by running through an essential analysis to resolve whether it can effectively compete. The Komatsu limited company allowed buying of machines and spare parts including up-front bidding process. The company pays its employees based on the ratio of company's earning over the investment of the company. That presented the entire company with incentive to cut down costs. This strategy greatly reduced the deployed capital in the mineral mining. It has made the production function produce the right products faster and service to customers at the correct time.

The third strategy used is having a balanced approach of investment. The company shifted production offshore and also decided to get resource from <https://assignbuster.com/manufacturing-strategy/>

different offshore factories. The Komatsu limited company employs use of this strategy that comprised of a considerable reinvestment in the local market. As a way of example, the company built mineral mining in Australia, but shifted mineral production and processing in the Middle East nations to improve efficiency and trap energy sources. The company heavily invested in bringing the most advanced as well as modern productivity tools to the manufacturing factories to boost the operations in the production sector. This is aimed at improving home markets and emerging markets abroad. The fourth manufacturing strategy is having multiple export approaches and home markets. This Komatsu limited company located mineral manufacturing in the Middle East nations not only to satisfy customers' demand, but also considered getting possible exports from Middle East markets. It build mineral processing in Australia and Middle East countries to serve their markets and also export from those nations to other countries like the United States of America. The company devised strategies of increasing infrastructure to allow export. The company used to export to a few countries, but the outlook of engaging in more wide-ranging exports has been backed by this strategy.

The fifth manufacturing strategy employed by Komatsu limited company is labor flexibility. Recently, this U. S. manufacturing company modernized its manufacturing techniques in order to ensure greater flexibility in practices of mineral processing. The company provides its employees with a profit sharing system that is based on productivity. Such type of collegiality has established a good relationship of handling tough calls such as closing down factory production.

The other manufacturing strategy used by Komatsu limited company is <https://assignbuster.com/manufacturing-strategy/>

ensuring lean production. This company has embraced lean production and adapted it to its unique customer needs. The company does not have huge volumes but it has many different products that are all quite different. The company's production and processing systems are tailored to high-quality and low-volume production.

References

Harrison, N. (1989). Manufacturing strategies: executive summary of the 1989 Australian ...
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