

# World class manufacturing

[Business](#), [Industries](#)



Why is a manufacturing company which adheres to a world class approach better able to succeed in the contemporary corporate environment? How is world class status achieved? The contemporary corporate environment is hugely different from what the corporate environment used to be in the past. Now the corporate environment is highly competitive, volatile and information is easily available to everyone including the customers. Over the years customers have become more demanding and they are clear about what they want and what they don't want.

They don't want to settle for anything different from their needs and wants. Markets are more fragmented in the contemporary corporate environment. There is a lot of volatility in the market. This is due to continuous improvements and changes in technology which has a huge impact on the production process of companies in the contemporary corporate environment. Many products now have much shorter product life cycles in the contemporary corporate environment. Prices and costs of products are also fluctuating a lot due to the volatile corporate environment.

Companies have to keep selling prices low since there is too much competition in the market. The more competitors there are the more difficult it is for companies to survive since they have to make sure they offer the customers something better in quality as well as price than their competitors. Companies adhering to world class manufacturing (WCM) are better able to succeed in the contemporary corporate environment. This is because adhering to WCM allows companies to be more competitive in the market. WCM focuses more on what the customers want rather than what the company can offer the customers.

Under WCM products are made to meet exactly the needs of the customers rather than something similar to what they want. WCM allows companies to be more customer focused and know exactly what they want. This is achieved by putting more resources into market research and identifying effectively the needs of the customers. WCM includes the use of advanced manufacturing technology (AMT) which allows companies to broaden their product range to meet the needs of the customers and also allows the company to customise products which further helps the company to be more competitive in the contemporary corporate environment.

Being customer focused makes companies more competitive and reduces the chances of customers rejecting the products e. g. Boeing works closely with its customers to make sure customers get exactly what they want. WCM also helps companies to reduce costs which mean companies can afford to keep selling prices low and be more competitive. When companies work closely with suppliers they can reduce costs. Chrysler corporation established the suppliers cost reduction effort (SCORE) in an effort to work closely with its suppliers and identify opportunities to reduce costs from the vehicle manufacturing process.

Working closely with suppliers allowed Chrysler and its suppliers to make cost savings of \$1 billion in just one year. WCM helps companies strengthen external relationships. This helps to open the doors of the global market for companies and have more opportunities. Selling their products globally makes companies more competitive. WCM helps companies to survive in the contemporary corporate environment by allowing companies to be more flexible so they can cope with the volatility in the market. WCM allows

companies to adapt flexibility in different areas such as strategic, tactical and operational.

From the strategic point of view, WCM helps companies to be able to quickly align the company's strategic posture with rapidly changing external conditions. To survive in the contemporary corporate environment it is extremely important for companies to be flexible from the operational point of view. WCM requires companies to be flexible in this area which means companies need to be producing on the spot or in a period of time that satisfies the customers' needs from the beginning, not from stock and not to assembling order. Under WCM this can be achieved by reducing lead times relating to the short manufacturing cycle.

WCM allows companies to reduce lead times by adopting a process orientation versus a functional orientation as well as using the mushroom concept and also by removing constraints rather than adapting with them and working within the constraints like under the traditional manufacturing. Worker empowerment is promoted under WCM which helps remove the constraints. Employees are the best people to identify constraints and know how to remove them but under traditional manufacturing, employees don't have the authority to do this but under WCM workers are given much greater power than they had under traditional manufacturing.

Under WCM workers are organised into smaller teams which have responsibility for maintenance, hiring, firing etc. A worker has the power to stop the production line if they see some problems i. e. jidoka. Workers are also encouraged to make suggestions for improvements known as kaizen and they are also given appropriate information which is also a pre-requisite

<https://assignbuster.com/world-class-manufacturing/>

to empowerment e. g. visual factory, andon. WCM is an approach which allows an enterprise to succeed in today's highly competitive globalised markets.

To achieve world class status, companies need to adopt new organisation structure, culture, work methods, supported by a platform of information age technology. The hardware arm is AMT. With the advent of the information age, information becomes the key resource of a company. This has encouraged the switch from 'M' form of organisation to networks as information flows more easily through a network. Furthermore if workers are to play their part in process improvement, they need the information to do this.