

Production and operation management

[Business](#), [Management](#)



Production and Operation Management al affiliation In every production, output is viewed as a function of workforce and the capital used. In the Zammar, Lybia manufacturing, the management reduced the number of workers from eight to six. The demand of their output however remained higher than their output.

In order to see through their production plan while operating at the minimum possible cost, the firm chose to use subcontracts instead of hiring more workers. The manufacturers optimized output as their production was able to meet the market demand. Based on the calculations the firm was able to optimize their profits and reduce on surplus in inventory.

However it was notable that the company spent one hundred and sixty dollars more in hiring subcontracts than in layoffs. The company plan was to create an aggregate plan that cuts cost and increases the efficiency and output. This plan successfully did that.

The true beauty in the aggregate plan was n the cost cutting evidenced by the decrease in final monthly inventories and decrease in un-taken care of demands. The constant production per day made it easy to manage and operate the system taking care of the dead weight and creating a better system.

In conclusion the firms new strategy is efficient, better and advantageous interm of ease of operation maximization of output and the ability to outsource for better standard output. On the other hand t is more costly to operate thus reducing the profits. Thus I would not recommend the use of the new plan