

JUST IN TIME INVENTORY IN OPERATIONS MANAGEMENT

Hassan Basodan

Abstract- The just in time manufacturing is termed as a continuous production systems where movement as well as processing of goods and materials occurred only when they are needed by the organization in small batch forms. Just in Time, methodology is considered as more than just an ordinary inventory system because it is a philosophy where organizations seeks continuous improvements in its processes and products in order to alleviate the quantities of waste. The basic aim or purpose of JIT is the reduction of inefficiencies and wastages, which does not add values to the product of an organization.



Introduction

The expansion of competition in the international market, improved communications as well as emergence of latest technologies has raised the expectation of the customers with the buying the products and acquiring the services from an organization. Standing up to the difficulties of worldwide rivalry, organizations worldwide is compelled to discover approaches to diminish expenses, enhance quality, and meet the ever-changing necessities of their clients. Hence, lately, numerous assembling and administration organizations have been tested to build their attention on consumer loyalty and nature of items and administrations. (Canel, Rosen, & Anderson, 2000)

JIT was produced in Japan in the 1950s and consequently made extensive progress at Toyota. One effective arrangement has been the reception of without a moment to spare (JIT) producing frameworks, which include numerous utilitarian ranges of a organization, for example, producing, building, promoting, and obtaining. JIT can be characterized as a working idea intended to wipe out the waste. Waste is characterized as something besides the base sum of hardware, materials, parts, space, and specialists' chance, which are completely vital to increase the value of the item or administration.

The Just in time processes are significantly applied in the manufacturing concerns or industries. These methodologies are measureable and obvious for manufacturing environments whereas the elusive area for its application is the services industries. For a successful implementation of JIT methods, it requires the building blocks, which are proper materials, needed at the right time, quality and personnel. The JIT manufacturing methods could provide the organizations a way through or benefits in terms of its survival. (Svensson, 2001)

The extreme objective of JIT is to create a decent or an administration without waste. Administrations are much like assembling, in that both utilize forms that include worth to the essential inputs used to make the last item. JIT concentrates on the procedure, not the item. The logic behind JIT is to look consistently for approaches to make forms more effective. It can in this way, be connected to any gathering of procedures, whether assembling or administration.

One of the key prerequisites of JIT is the consistent furthermore, constant testing of procedures. The objective of the *JIT* is drawn nearer by testing every progression in a procedure to figure out whether it enhances the item or to the administration.

In this way, every procedure bit by bit and ceaselessly makes strides.

In the event that the stride does not include esteem, then, it is inspected nearly to decide conceivable options. The proper planning in the implementation of the JIT manufacturing systems would require the personal commitment from the top management of the company.

Background of Just In Time

The Japanese philosophies of the business about JIT are considered as development of existing manufacturing concerns. This concept was created by the Toyota Motor Company in the year of 1987. This system is created for making balance as well as managing its internal activities in comparison to its relationships with the contractors. This particular concept of just in time could be said like production at the last minute. The just in time methodology was coinciding the needs of its originator for Toyota Motor Company named as Kiichiro Toyoda in the year 1987.

Another motor company that adopted this just in time concept in its manufacturing processes was the Ford Company. The company utilized the concept in the early 1920's that was later implemented by the Toyota Motor Company. This particular concept helped the company to make reductions in overstocked production of its cars. The method focuses on the elimination of those inventories that does not add values to the existing products. (Srinidhi & Tayi, 2004)

On the other hand, it foresee the stocking of inventory by a firm as poor management on their part because such product inventory stock would act as a buffer which could conceals the challenges in the manufacturing systems. Toyota Company is considered as the largest player of the auto industry market. After Toyota, many other firms then adopted the Just in time methodology in the manufacturing processes. The just in time would allow the firms to attain the competitive advantage over its competitors in meeting the customer aspirations in a timely manner.

In history, the firms who adopted the just in time or *Kanban systems* in terms of reducing the shipment times from months to daily basis to its customers includes General Electric ceramic parts plant. The Westinghouse semiconductor plant was able to cut the lead-time in terms of 70% as well as the defective materials were reduced to 50%. The company was able to cut down 95% of job categories. The Richardson-Vicks Home Care Products was able to find the reduction in its change over time as

well as finished goods and work in process. (Biggart & Gargeya, 2002).

Utilization of Just In Time Methodology in Business

a) *All-inclusive responsibility of Top Management*

Information of key things, for example, the expense of changing over to a JIT framework, and about the extent of the transformation as well as the expected results that can help administration choice to bolster the JIT. Without the dedication of administration, the JIT assembling arrangements for an association will not be successful. Appropriate arranging before usage of a JIT framework is key element for an organization that starts with a guarantee from top administration. Moreover, a monetary responsibility is fundamental amid its early phases of advancement and usage of JIT assembling.

Powerful usage of JIT requires a significant and proceeding with exertion with respect to administration to teach the representatives about the methods of JIT generation. The success also lies in the proper execution and operation of the JIT assembling procedures by a firm. Instruction and preparing of representatives at all levels is a substantial interest for an organization, which will keep the firms at a unique end in terms of founding JIT technique. Another necessity for the execution of JIT manufacturing systems is in the form of the working, which creates items that are impeccable without fail.

JIT execution needs the backing of administration. All out, profitable support is a framework that is utilized as a part of JIT to guarantee machines and apparatuses expected to make quality items are accessible. These support exercises incorporate different things like keeping the hardware dependably in great working environments in order to make them collective. This thing would support the obligation of anticipating the breakdowns on line of manufacturing of an organization.

b) *Legitimate materials at the correct time*

By requesting little groups that are expended very nearly when they arrive, an association can use space for creation purposes that they would typically hold for "to be safe" stock administration. With the JIT fabricating framework, materials are obtained in little amounts conveyed as often as possible just before they are required for generation. Furthermore, the expenses of a capital expense for the to be safe requesting mindset, when joined with the expenses connected with holding a lot of stock, are as a rule higher than the cargo expenses and little rebates connected with the little parcel size buys.

The JIT assembling procedure disposes of squandered space and tied-up capital that can be dispensed to option uses to enhance the general achievement of the association. Ford Company assesses that each dollar of parts conveyed in stock expenses the organization, for the most part in premium and protection.

c) *Supplier connections*

The supplier's connection is a single doorway, which is doing the business in small form, and this is only one way, which can they do the business with big organizations. Small organizations can jump through with big organizations. This can be also help to increase the growth economy. Small companies is only doing compete their tasks, which are giving to them to makes the products. It is only their duties. But the supplier is main entry to enter in the big companies. Suppliers will be able to

make a connection and open the opportunities to sell the services in good form (Swanson & Lankford, 1998).

Suppliers can provide the ways and plate form which use for connect to the large companies. It is using as the relationship, because deals of any activity is depending on the relationships and supplier is showing the roll of as relationship. Without supplier any small companies cannot sell their products in the supplier or big market and in the face of the big organizations. Supplier is like wagers, which is use for the transfer products from small industry to the big industry. Supplier is making the relationship and if any company want to growth their business, then they should interest on the supplier. The organization takes advantages due to lessened expense in its production or manufacturing.

Principals of JIT

According to large companies, the JIT principles effectively link the floor and plant operations for supplying diverse product lines to the organization. At the end of the day, JIT does not reduce the generation of supplies vital for the proceeded with formation of extra items. The use of JIT frameworks perceives the persistent need to address supply issues with the organization structure to satisfy the request prerequisites important to effective complete the JIT cycle. (Claycomb, Dröge, & Germain, 1999)

On the off chance that an organization makes radios, for instance, they might likewise make some of the complex mechanical parts important for the making of the last item. This connection in the middle of gasp and floor operations is one of the fundamental premises of JIT operations of an organization.

Theoretical Frameworks of JIT

The concept of JIT is strongly related with the theories of marketing channel. The supply chain and marketing channel has vertical emphasis where horizontal aspects are not included in it. At the starting times, economic foundations are analyzed according to the distribution channels of a product by an organization. These foundations are constructed to bring effectiveness in driving the consumer benefits from the usage of a product of a company. There are different principles, which could be dominating in the marketing channels for instance the postponement principles as well as the speculation principles that are termed as a push approach or method.

The marketing channels involved specialized activities where there are functional distributions in between the different firms as to the application of the JIT structures in their organizations. The dependencies of the firms on each other are associated thought of the division of their labor in the manufacturing concerns. The firms having marketing channels employed have the aim or purpose of satisfying their ultimate customers of its product or services. (Sandelands, 1994)

Criticism on JIT systems

There is implementation of OEM (Original Equipment Manufacturer) supplier and perceived progressions are actualized under JIT frameworks. Faultfinders have contended that the monetary benefits of JIT frameworks are restricted in view of the absence of spotlight on the financing and operational fundamentals for this framework in order to succeed. The agent from the organization clarified that vacant stock racks were an immediate adversity of the actualized frameworks in the organization that does not have the capacity to hold their inventories over days at one time.

This is an essential conviction under the JIT frameworks; however, contentions are present that this lessening

in expense is never acknowledged to scrutinize the pertinence of JIT frameworks for all business structures. However, this may seem to impact the expense reserve funds in light of the extra costs acquired by regular setups, this expense was more than balance by lessening in stock possessions. The delegation of expense was clear to clarify that the organization now needs machine parts in little clusters. (Srinidhi & Tayi, 2004)

Conclusion

At the end, it could be said that the Japanese organizations that have opened plants inside of the United States keep on using the standards of JIT frameworks in their business structures. The advancement of JIT has changed the substance of supplier/client connections since their presentation in the U.S. in the mid 1980s. American organizations perceived the advantages as well as transitioning their regular practices of large-scale manufacturing with a specific end goal to diminish overhead, reduction in costs while considering the use of capital that is accessible due to lower stock uses.

The use of an in-house agent, which is accessible to advance and disseminate product offerings while likewise diminish the lead times has monumentally affected various business structures. JIT is a characteristic expansion of procedures that spare time and cash for some organizations. JIT frameworks have driven the route in making procedures that are more streamlined in their stocks. The pattern seems to be moving towards the minimization of stock systems as opposed to staying as well as enduring in large-scale manufacturing.

The procedure is not considered as fleeting speculation rather long haul logic of administration of an organization that yields numerous advantages. The magnificence of the JIT assembling procedure is that the whole operation is consistently enhanced and is not static. As beforehand talked about, a few things are vital "building squares" to the JIT producing process.

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