

## Production and resource requirements

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Production consists of all those processes which involve converting inputs into finished outputs that can be sold in the marketplace. In order to carry out production activities you need to use up resources. What then are the typical resources used in the production process?

Let us take the example of producing biscuits in a factory.

The key resources that you need to produce biscuits will include:

- \* raw materials - e.g. sugar, dough, water, currants, chocolate etc
- \* people - the employees that are involved in running the machinery
- \* machinery - to mix the ingredients, cook the biscuits, pack the biscuits and check on quality
- \* finance - the wages of the employees, the cost of the raw materials, and the purchase of the machinery will all need financial resources
- \* time - is a resource that is often neglected. However, the timing of operations needs to be well planned and organised
- \* plant - the building in which the production process takes place
- \* land - on which the plant is built
- \* marketing and advertising resources
- \* managerial resources.

When you look at the list you can see that it is quite extensive. To make sure that the biscuits are produced in the way they are required and when they are required needs organisation.

Production planning is the process of organising the production process so that all the various component parts are organised in a structured way. Production schedules need to be set out and these are usually created using a diagrammatic format with numbers written in to show the quantities of the various resources that are required at particular times.

Production managers are responsible for production planning.

Nowadays a lot of production planning can be carried out using Information and Communications Technology (ICT) packages. This enables the use of such techniques as Just-In-Time production when the timing of the use of production resources is carefully set out in diagrams.