

Advantages and disadvantages of just-in-time production

Just-in-time (JIT) production, sometimes called **lean manufacturing** or **lean production**, turns traditional manufacturing thinking on its head.

Rather than producing goods and supplying customers from stock, JIT processes focus on producing exactly the amount you need at exactly the time your customers need it.

Just-in-time advantages and disadvantages

The **main advantages** of JIT are that it can improve production efficiency and competitiveness.

It does this by:

- preventing over-production
- minimising waiting times and transport costs
- saving resources by streamlining your production systems
- reducing the capital you have tied up in stock
- dispensing with the need for inventory operations
- decreasing product defects

It can also bring many of these benefits to your customers, so if you have a JIT approach it can win you new business.

Despite the many advantages, there are some **possible disadvantages** of the just-in-time system. For example, JIT procedures can require a major overhaul of your business systems - they may be difficult and expensive to introduce.

JIT or lean manufacturing also opens businesses to a number of **risks**, notably those associated with your supply chain. With no stocks to fall back on, a minor disruption in supplies to your business from just one supplier could force production to cease at very short notice.