CONTENTS

Preface to the Second Edition v
Preface to the First Edition vi

1  INTRODUCTION TO PRODUCTION AND OPERATION MANAGEMENT 1–21

1.1 Introduction 1
1.2 Historical Evolution of Production and Operations Management 1
1.3 Concept of Production 3
1.4 Production System 3
  1.4.1 Classification of Production System 4
1.5 Production Management 7
  1.5.1 Objectives of Production Management 7
1.6 Operating System 8
  1.6.1 Concept of Operations 8
  1.6.2 Distinction between Manufacturing Operations and Service Operations 8
1.7 Operations Management 9
  1.7.1 A Framework for Managing Operations 9
  1.7.2 Objectives of Operations Management 11
1.8 Managing Global Operations 12
1.9 Scope of Production and Operations Management 13
  Exercises 17
  Skill Development 18
  Caselet 18

2  PLANT LOCATION AND LAYOUT 22–64

2.1 Introduction and Meaning 22
2.2 Need for Selecting a Suitable Location 22
2.3 Factors Influencing Plant Location/Facility Location 27
  2.3.1 General Locational Factors 27
  2.3.2 Specific Locational Factors for Manufacturing Organisation 31
  2.3.3 Specific Locational Factors for Service Organisation 32
2.4 Location Theories 33
2.5 Location Models 34
  2.5.1 Factor Rating Method 34
  2.5.2 Weighted Factor Rating Method 35
  2.5.3 Load-distance Method 36
  2.5.4 Centre of Gravity 38
  2.5.5 Break Even Analysis 39
# CONTENTS

## 2.6 Locational Economics

## 2.7 Plant Layout

- 2.7.1 Objectives of Plant Layout
- 2.7.2 Principles of Plant Layout

## 2.8 Classification of Layout

- 2.8.1 Process Layout
- 2.8.2 Product Layout
- 2.8.3 Combination Layout
- 2.8.4 Fixed Position Layout
- 2.8.5 Group Layout (or Cellular Layout)

## 2.9 Design of Product Layout

## 2.10 Design of Process Layout

## 2.11 Service Layout

## 2.12 Organisation of Physical Facilities

### Exercises

### Skill Development

## 3 Material Handling

### 3.1 Introduction and Meaning

### 3.2 Objectives of Material Handling

### 3.3 Principles of Material Handling

### 3.4 Selection of Material Handling Equipments

### 3.5 Evaluation of Material Handling System

### 3.6 Material Handling Equipments

### 3.7 Guidelines for Effective Utilisation of Material Handling Equipments

### 3.8 Relationship Between Plant Layout and Material Handling

### Exercises

### Skill Development

## 4 Materials Management

### 4.1 Introduction and Meaning

### 4.2 Scope or Functions of Materials Management

### 4.3 Material Planning and Control

- 4.3.1 Techniques of Material Planning

### 4.4 Purchasing

- 4.4.1 Objectives of Purchasing
- 4.4.2 Parameters of Purchasing
- 4.4.3 Purchasing Procedure
- 4.4.4 Selection of Suppliers
- 4.4.5 Special Purchasing Systems

### 4.5 Stores Management

### 4.6 Inventory Control or Management

- 4.6.1 Meaning of Inventory
### 4.6.2 Reasons for Keeping Inventories

4.6.3 Meaning of Inventory Control

4.6.4 Objectives of Inventory Control

4.6.5 Benefits of Inventory Control

4.6.6 Techniques of Inventory Control

4.6.7 Inventory Model

### 4.7 Standardization

4.7.1 Advantages of Standardization

4.7.2 Disadvantages of Standardization

### 4.8 Simplification

4.8.1 Advantages of Simplification

### 4.9 Value Analysis

4.9.1 Value Analysis Framework

4.9.2 Steps in Value Analysis

### 4.10 Ergonomics (Human Engineering)

4.10.1 Objectives of Human Engineering

### 4.11 Just-In-Time (JIT) Manufacturing

4.11.1 Seven Wastes

4.11.2 Benefits of JIT

#### Exercises

#### Skill Development

#### Caselet

### 5 Production Planning and Control

5.1 Introduction and Meaning

5.2 Need for Production Planning and Control

5.3 Objectives of Production Planning and Control

5.4 Phases of Production Planning and Control

5.4.1 Planning Phase

5.4.2 Action Phase

5.4.3 Control Phase

5.5 Functions of Production Planning and Control

5.5.1 Parameters for PPC

5.6 Operations Planning and Scheduling Systems

5.7 Aggregate Planning

5.8 Master Production Schedule (MPS)

5.9 Material Requirement Planning (MRP)

5.9.1 Objectives of MRP

5.9.2 MRP System

5.10 Capacity Planning

5.10.1 Measurement of Capacity Planning

5.10.2 Process of Capacity Planning

5.11 Routing

5.11.1 Techniques of Routing
5.12 Scheduling 125
5.12.1 Principles of Scheduling 126
5.12.2 Inputs to Scheduling 126
5.12.3 Scheduling Strategies 126
5.12.4 Types of Scheduling 127
5.13 Scheduling Methodology 127
Exercises 129
Skill Development 129
Caselet 130

6 Quality Control 131–170
6.1 Introduction 131
6.2 Quality 132
6.2.1 Fundamental Factors Affecting Quality 132
6.3 Control 133
6.3.1 Need for Controlling Quality 133
6.4 Inspection 134
6.4.1 Objectives of Inspection 134
6.4.2 Purpose of Inspection 134
6.4.3 Types of Inspection 135
6.4.4 Methods of Inspection 137
6.4.5 Drawbacks of Inspection 137
6.5 Quality Control 137
6.5.1 Types of Quality Control 138
6.5.2 Steps in Quality Control 138
6.5.3 Objectives of Quality Control 139
6.5.4 Benefits of Quality Control 139
6.5.5 Seven Tools for Quality Control 139
6.5.6 Causes of Variation in Quality 143
6.6 Statistical Process Control 144
6.6.1 Control Charts 144
6.6.2 Acceptance Sampling 152
6.7 Quality Circles 154
6.7.1 Benefits of QC 154
6.8 Total Quality Management 155
6.8.1 Benefits of TQM 156
6.9 ISO 9000 Series 156
6.9.1 Objectives of ISO 9000 Series 156
6.9.2 Benefits of ISO 9000 Series 157
6.9.3 Steps in ISO 9000 Registration 157
6.10 Application ISO 9000: ISO 14000 Series 158
6.10.1 The Benefits of ISO 14000 Certification 159
Annexure–I 159
Annexure–II 162
## Exercises 163

## Skill Development 164

## Caselet 165

### 7 WORK STUDY (TIME AND MOTION STUDY) 171–204

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Introduction</td>
<td>171</td>
</tr>
<tr>
<td>7.2</td>
<td>Productivity</td>
<td>172</td>
</tr>
<tr>
<td>7.2.1</td>
<td>Factors Influencing Productivity</td>
<td>172</td>
</tr>
<tr>
<td>7.2.2</td>
<td>Total Productivity Measure (TPM)</td>
<td>174</td>
</tr>
<tr>
<td>7.2.3</td>
<td>Partial Productivity Measures (PPM)</td>
<td>174</td>
</tr>
<tr>
<td>7.2.4</td>
<td>Productivity Improvement Techniques</td>
<td>175</td>
</tr>
<tr>
<td>7.3</td>
<td>Work Study</td>
<td>178</td>
</tr>
<tr>
<td>7.3.1</td>
<td>Advantages of Work Study</td>
<td>179</td>
</tr>
<tr>
<td>7.4</td>
<td>Method Study</td>
<td>179</td>
</tr>
<tr>
<td>7.4.1</td>
<td>Objectives of Method Study</td>
<td>180</td>
</tr>
<tr>
<td>7.4.2</td>
<td>Scope of Method Study</td>
<td>180</td>
</tr>
<tr>
<td>7.4.3</td>
<td>Steps or Procedure Involved in Methods Study</td>
<td>180</td>
</tr>
<tr>
<td>7.4.4</td>
<td>Selection of the Job for Method Study</td>
<td>182</td>
</tr>
<tr>
<td>7.4.5</td>
<td>Recording Techniques for Method Study</td>
<td>183</td>
</tr>
<tr>
<td>7.5</td>
<td>Motion Study</td>
<td>190</td>
</tr>
<tr>
<td>7.5.1</td>
<td>Principles of Motion Study</td>
<td>190</td>
</tr>
<tr>
<td>7.5.2</td>
<td>Recording Techniques of Motion Study</td>
<td>191</td>
</tr>
<tr>
<td>7.6</td>
<td>Work Measurement</td>
<td>192</td>
</tr>
<tr>
<td>7.6.1</td>
<td>Objectives of Work Measurement</td>
<td>192</td>
</tr>
<tr>
<td>7.6.2</td>
<td>Techniques of Work Measurement</td>
<td>192</td>
</tr>
<tr>
<td>7.7</td>
<td>Time Study</td>
<td>193</td>
</tr>
<tr>
<td>7.7.1</td>
<td>Steps in Making Time Study</td>
<td>194</td>
</tr>
<tr>
<td>7.7.2</td>
<td>Computation of Standard Time</td>
<td>194</td>
</tr>
<tr>
<td>8</td>
<td>MAINTENANCE MANAGEMENT 205–226</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Introduction and Meaning</td>
<td>205</td>
</tr>
<tr>
<td>8.2</td>
<td>Objectives of Maintenance</td>
<td>205</td>
</tr>
<tr>
<td>8.3</td>
<td>Types of Maintenance</td>
<td>206</td>
</tr>
<tr>
<td>8.3.1</td>
<td>Breakdown (Reactive) Maintenance</td>
<td>206</td>
</tr>
<tr>
<td>8.3.2</td>
<td>Preventive Maintenance</td>
<td>207</td>
</tr>
<tr>
<td>8.3.3</td>
<td>Predictive Maintenance</td>
<td>208</td>
</tr>
<tr>
<td>8.4</td>
<td>Maintenance Planning</td>
<td>210</td>
</tr>
<tr>
<td>8.5</td>
<td>Maintenance Scheduling</td>
<td>211</td>
</tr>
<tr>
<td>8.6</td>
<td>Maintenance Schedule Techniques</td>
<td>212</td>
</tr>
<tr>
<td>8.6.1</td>
<td>Modern Scientific Maintenance Methods</td>
<td>212</td>
</tr>
</tbody>
</table>
8.6.2 Six Sigma Maintenance 214
8.6.3 Enterprise Asset Management (EAM) 215
8.6.4 Lean Maintenance 215
8.6.5 Computer Aided Maintenance 215
8.7 Total Productive Maintenance (TPM) 216
  8.7.1 Similarities and Differences between TQM and TPM 217
  8.7.2 Pillars of TPM 217
  Exercises 226
  Skill Development 226

9 Waste Management 227–230
  9.1 Introduction and Meaning 227
  9.2 Reasons for Generation and Accumulation of Obsolete, Surplus and Scrap Items 227
  9.3 Identification and Control of Waste 228
  9.4 Disposal of Scrap 229
  Exercises 230
  Skill Development 230

10 Automation 231–249
  10.1 Introduction 231
  10.2 Types of Automation 231
  10.3 Computer Integrated Manufacturing 233
  10.4 Reasons for Automation 234
  10.5 Advantages of Automation 235
  10.6 Disadvantages of Automation 235
  10.7 Automation Strategies 236
  10.8 Automated Flow Lines 237
  10.9 Automated Guided Vehicles Systems 238
    10.9.1 Types of AGVS 239
    10.9.2 Applications of Automated Guided Vehicle Systems 239
  10.10 Automated Storage/Retrieval Systems 240
    10.10.1 Types of AS/RS 241
    10.10.2 Basic Components of an AS/RS 241
  10.11 Carousel Storage Systems 242
  10.12 Carousel Storage Applications 242
    Exercises 243
    Skill Development 244
    Caselet 244

Glossary 250–258

Examination Question Bank 259–271