



**PRODUCTION**

Use the words from the box to complete a text about the production process.

parts

keep stock  
components

breakdowns  
warehouses

raw materials  
finished goods

cause delay

Initially, 1 .....**raw materials**..... are transformed in manufacturing facilities into intermediate products, also called 2.....**parts**..... or 3.....**components**.. Then, 4.....**finished goods**..... are stored either temporarily or long-term in 5.....**warehouses**....., large buildings where they are kept before distribution and sale. Late shipments from suppliers can 6 .....**cause delay**..... in finishing our product on time. Other problems which may occur in the process include defective parts or raw material, or production process 7.....**breakdowns**..... One of the ways to avoid bigger problems is to 8.....**keep stock**..... of our product, also called inventory.

## Vocabulary connected to production:

- **Plant vs. factory**
- **Plant** – a factory in which a particular product is made (or power is produced: nuclear/power plant);
- **Factory** – a building where different products or different parts of finished products are produced;
- **Raw** /rɔː/ - (of materials) in a natural state, without having been through any chemical or industrial process;
- **Row 1.** /rəʊ/ - a line of things arranged next to each other;
- **2.** /raʊ/ - a noisy argument or fight OR to argue.

**NOW USE THIS VOCABULARY TO DO  
EXERCISES 1, 2 AND 3 ON PAGE 86**



# Page 86 - key

## ■ Ex. 1 :

- 1. quality control;
- 2. industrial process;
- 3. raw material;
- 4. productivity levels;
- 5. finished products;
- 6. assembly lines;
- 7. large-scale manufacturing;
- 8. production manager;

## ■ Ex. 2 :

- 1. batch;
- 2. assemble  
(**opposite:**  
disassemble);
- 3. outputs;
- 4. purchasing;
- 5. component;
- 6. optimize;

## ■ Ex. 3:

- a) factory;
- b) site;
- c) layout;
- d) fixtures;
- e) equipment;
- f) machinery;
- g) workshops;
- h) breakdowns;
- i) maintain;
- j) repair;
- k) stock;
- l) faulty.

# VOCABULARY

## PAGE 85



- Production management – menadžment proizvodnje
- *Plan* and *control* industrial processes
- *Produce* and *distribute* products/services
- Service industries – uslužne delatnosti
- Operations management – operacioni menadžment
- Assembly line – production line
- Raw materials – the basic materials used in the manufacturing process – inputs
- Finished products – the final results of the manufacturing process – outputs
- *Effectiveness* – the quality of being successful in achieving what is wanted – *efficacy*
- Cost – effective (adj.) – good value for money
- Cost – effectiveness (n.)

- **Efficiency** – (of a company/factory) using resources (e.g. time, materials, labour) well, without wasting any
- Words that collocate with efficiency:
  - business/economic/operational* efficiency
  - achieve/ boost/ improve* efficiency
  - improved/ increased/ greater* efficiency
- **Maximiz(s)e/minimiz(s)e** productivity
- Purchasing – buying, acquiring
- Inventory control – the process of controlling the amount of stock;  
**person:** inventory controller
- Quality control – kontrola kvaliteta; **person:** quality controller
- Storage – skladištenje
- stock (n.) – supply (n.); to stock **is not the same as** to supply



- **Batch** – a quantity of goods prepared at the same time
- **Lot** – a group of items, often finished goods
- **To optimiz(s)e** – to make sth as good as possible
- **Fixtures** – sth. in a building that is permanently fixed, such as bathroom equipment, and that won't be taken by the person moving out
- **Breakdown** – a mechanical failure
- **Backlog** – stockpile, excess

# VOCABULARY

## PAGE 87

Work in pairs to find the definitions of the words in bold. Use the Oxford English online dictionary to help you. When you're done, refer to slides to compare the definitions.

- **Components** – parts that go into the final product
- **Demand** (n. & v.) - the number of items that are needed (n.) or to request (v.)
- **Backlog** – tasks that have not been done on time – stockpile, excess
- **Delivery** – a group of goods that are ready to be sent to the customer
- **Suppliers** - companies that provide goods that factories need for the production process
- **Safety stock** – sigurnosne zalihe
- **Stock-out** (n.) - goods that are out of stock
- **To minimize costs** – to reduce costs to the lowest possible level
- **Aggregate** (adj.) - total
- **Back order** – an order from an earlier time which hasn't been produced yet
- **Bottleneck** – a step in production where a number of stages come together and cause a slowdown in production
- **Downtime** – the time when equipment is not working because of a breakdown or maintenance
- **Idle** (adj.) – not working, especially for a piece of equipment

- **Lead time** – the time between two events, e.g. between an order being placed and its delivery
- **Make-to-order** – to produce goods after an order has been received
- **Make-to-stock** – to produce goods which will be stored until an order is received
- **Sequence** – the order of steps in which production will be carried out
- **Set-up time** – the time required to set up a piece of production equipment
- **Slack** – the period of time when there is low demand for products and for production
- **Slack time** – the amount of time a task can be delayed without causing another task to be delayed or impacting the completion date of a project
- **Pick up/ take up slack** – to do the work that someone else has stopped doing and that needs to be done
- **Throughput** – the volume of goods that can be dealt with in a certain period of time

- Turn to page 88; do exercises 1, 2 & 3.
- Key:
- Ex. 1 – 1C; 2A; 3B; 4B; 5A; 6C;
- Ex. 2 – (označite termine sa leve strane slovima od *a* do *h*; označite definicije sa desne strane brojevima od 1 do 8) – a6; b8; c2; d1; e7; f3; g5; h4;
- Ex. 3 – a) demand; b) make-to-stock; c) to-order; d) uncertainty; e) forecast; f) lead time; g) lead time; h) overtime; i) backlog; j) shift; k) bottlenecks; l) stock-outs; m) slack; n) idle.

# Operations management

pp. 91 & 92

How an organization produces and delivers its products or services



# Supply chain



**Watch the video:**

[Retailers, Wholesalers and Distributors](#)



**Complete the blanks on the next slide.**

Watch the  and complete the blanks.

1. A supply chain is the system involved in moving a product or service from the manufacturer to the customer. It consists of manufacturers, distributors, wholesalers and retailers.
2. A functional supply chain helps manufacturers to distribute their products efficiently to meet the customer's demand.
3. A distributor buys products from the manufacturer, warehouses them and resells them to the wholesalers.
4. A wholesaler is an intermediary entity that buys and resells to the retailer rather than to the customers directly.
5. The retailers are the end of the channel in the supply chain. They sell goods or commodities directly to the customers.



## Use the following words to fill in the blanks:

Procurement

supply chain

subcontracted

contingency plan

in-house

value chain

Operations management

- The management stated that a contingency plan was in place for dealing with such emergencies.
- All our advertising material is not subcontracted to external service providers but designed in-house.
- Procurement is obtaining raw materials, equipment and machinery necessary for production.
- We want recycled materials to reenter the value chain as raw materials.
- Operations management deals with all aspects of how an organization produces and delivers its products and services.
- Our supply chain starts from raw materials supplier.

# Contingency planning and risk

Effective changes confidence deal avoid operate  
challenges aware prioritize vulnerable assess

Today's businesses are exposed to ever-changing global risks, from volcanic ash to major financial challenges.

Senior managers must be able to assess risk accurately and to understand where their business may be vulnerable. They need to be able to put in place a risk management process to deal with risk and an effective contingency plan if necessary.

Successful organizations will be risk aware, and will have confidence in their ability to identify and avoid potential risks that come from both predictable and unpredictable changes in the environment in which they operate. We will look at how companies produce risk profiles and develop systems to prioritize risks which eventually form their risk management policies.

1. Not be protected from something (v.) Be exposed to
2. Having a higher position (adj.) senior
3. Correctly (adv.) accurately
4. Establish, implement (phrase) put in place
5. Possible (adj.) potential

# SUPPLIERS VOCABULARY PAGE 95

Deo pod C i vežbanje 18.3 koje ga prati neće biti testirani.

## Form word partnerships.

1. fit	D	a. suppliers
2. remedial	F	b. directories
3. approved	A	c. order
4. trade	B	d. for purpose
5. initial	C	e. purchases
6. repeat	E	f. steps

Now use them in sentences.

Once the need for the product is firmly established, the procurement department must draw up specifications to make sure the supplier knows exactly what is required for goods to be fit for purpose.

The procurement department will often have a list of approved suppliers the organization has done business with in the past. In some cases, they may use trade directories, online databases and other means to research potential suppliers.

After the initial order is fulfilled, the relationship with the new supplier must be managed, especially if the organization is likely to make substantial repeat purchases over a considerable period of time.

If something goes wrong, remedial steps must be taken to ensure tighter control over production.

- **Supply chain – lanac snabdevanja**
- **Supply chain management – upravljanje lancem snabdevanja**
- **Input to/ into the production process**
- **Subcontractor - a person or company that does part of a job that another person or company is responsible for**
- **Bear the extra cost – be ready to pay more for doing some business**
- **Hold stock – to keep an amount of goods in order to use them in the future (also: stockholding)**
- **Formal alliance – formal agreement between two companies**
- **Supplier audit – checking the functioning of the supply chain**
- **Remedial steps – corrective measures**

- **Procurement – the acquisition of supplies**
- **Procurement Department**
- **To procure – to get something**
- **Be fit for purpose – be good enough to do the job sth. is designed to do**
- **Approved suppliers – the suppliers that the organization has so far done business with**
- **Trade directory – a list of all business within niche based categories - privredni adresar**
- **Initial order – first order**
- **Repeat purchases – new purchases with the same supplier**

# EXERCISES

## PAGE 96





- **Key:**
- **Ex 18.1:**
- supply chain management;
- supply chain;
- hold stock;
- bear the extra cost;
- subcontractors;
- supplier audits;
- suppliers;
- remedial steps;
- audited;
- formal alliance;
- an equity stake in

- **Ex 18. 2:**
- **1. Procurement Department;**
- **2. Value analysis;**
- **3. trade directory;**
- **4. Approved suppliers;**
- **preostala dva termina:**
- **repeat purchases; initial order**

# HOMework

pages 121 & 122

# Key to homework

- Ex. 1 – 1. OF; 2. WITH; 3. TO; 4. WITH; 5. ON; 6. OF (to advocate FOR); 7. TO (apologize TO sb, but apologize FOR sth. you did); 8. TO;
- Ex. 2, A - 1. CORPORATE ADVERTISING; 2. MEDIA KIT; 3. PRESS RELEASE; 4. INTERNAL COMMUNICATORS; 5. MISSION STATEMENT;
- Ex. 2, B - 1. TARNISH (= damage, harm) REPUTATION; 2. CREATE UNDERSTANDING; 3. TRACK ISSUES; 4. DEFINE IDENTITY; 5. COMMUNICATE VALUES
- Ex. 3 - 1C/B; 2D; 3A; 4B/C; 5E;