

A Data analytic solution for the Manufacturing industry - Off-bit and yet appropriate!

Two schools of thought, two patterns of solutions - that is what covers the knowledge base tackling the manufacturing arena in knowledge based approaches. The former is in manufacturing management and the latter in providing a technological aid to the decision making.

In organizing manufacturing process in optimization of resource inputs toward the best possible output one school of thought would control their production volume, time of output and re-order time or time for the new set of production in planning road map. This school assumes that the market segment demand is much more what they can ever produce, and therefore they need to produce to cater in the shortest possible time so as to make the supply line seamless. This scenario is appropriate for big companies to whom monitoring and management of their production capacity is the key in their business plan.

A second school of thought produces products to be sold to downstream producers who would use this product for their final product. This market introduces to their production challenge another aspect that is market driven and yet has to depend on the final producers. This is the case where the concerned companies act as vendors to the final-product companies. In a typical cash stricken economy as ours small and medium enterprises usually act in this mode. The final-product-company lays down very strict vendor management policies and even after that imposes down a buyer's market to which the first producer has very little leeway. In this case the production volume, its quality and the price becomes a captive element and gets out of the market consideration- this is a paradox because first it started as the market driven model and yet later it went out of the market changes. This school of thought has to plan for its production in terms of volume, time and quality as dictated by the final company(s). The need for business analytic tool loses its fullest realization.

The corresponding patterns of solutions are therefore one with supply induced or economy of scale induced, thereby the considerations of an optimum supply chain and supply schedule takes the preponderance in making the decisions- this results in dealing with those metrics that measures output in volume with respect to the inputs provided. So the conditioning criterion would dictate the volume and number of production from one period to the other with respect to variable inputs only.

The second approach is that of controlling the input price, resources, volume and other factors when the price is given - as the price is pre-fixed by the contract they signed. This approach is more in the traditional supply industry or vendor space where optimization is constrained by extraneous measures handed down by the final product company.

OUR own market investigation actually has made us take upon a new approach- that of open market induced approach, where production volume, time, price, re-order level, turnover time and quality is dictated by the market demand. The basic assumption is this approach is to factor-in

1. all production may not be sold in every cycle of production and that the market may want products with slightly varying composition, price, size and even quality depending on different groups of customers being targeted.
2. Production may be distributed to cater different geographical market segments and quite often production may need different types of packaging depending on the demographic and cultural changes.



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