

Three basic strategies include Make-to-stock: in anticipation of demand Assemble-to-order; built from standard components on order Make-to-order; produce to customer specification at time of order

Product and Service Strategy Options Delivery Time Shipping Make-to-Stock Processing Assembly Product Inventory Delivery Time Assembly Delivery Time Assembly Shipping Assemble-to-Order Processing Product Inventory Processing Make-to-Order Product Inventory Shipping 2010 Wiley 24

Flowchart for Different Product Strategies at Antonio's Pizzeria (a) Make-to-stock strategy Ingredients Customer Order Delivery Make Dough b) Assemble-to-order strategy Ingredients Make Dough Prepare Assemble Pizza Bake Finished goods inventory Customer Order Assemble Pizza Prepare Crust Work-in-progress inventory of "crust" Bake Delivery c) Make-to-order strategy Customer Ingredients Make Dough Prepare Crust Assemble Pizzas Bake Delivery 2010 Wiley 25

Design of Services Service design is unique in that the service and entire service concept are being designed .must define both the service and concept – Physical elements, aesthetic & psychological benefits e.g. promptness, friendliness, ambiance Product and service design must match the needs and preferences of the targeted customer group

Designing Services vs Products? These include automation, automated material handling devices, CAD, NC, FMS, and CIM Designing services have more complexities than manufacturing, because service produce an intangible product and typically have a high degree of customer contact. These firms have a high degree of service standardization, have higher sales volumes are typically less labor intensive.