**IMPROVING PRODUCTIVITY**

1. What is meant by increasing productivity?

**Profitability** and **productivity** are closely related. It is important that an increase in productivity results in an increase in profit.

Increased **productivity** consists of the following:

maintaining quality while increasing speed

increasing quality while maintaining speed

increasing both quality and speed at the same time

Improving and maintaining **productivity** is often dependent on **training, capital investment**

**investment in technology, and new inventory systems**

1. What must be the result in terms of profit when a company becomes more productive?

Profit must increase

1. Watch the following videos below and briefly discuss which methods listed in question #3 have been utilized to improve productivity. In addition to improved productivity what other advantages have the companies experienced.

Videos: [3M Manufacturing Company](https://www.youtube.com/watch?v=5H0F-jpG-2g) 🡺 <https://youtu.be/5H0F-jpG-2g>

[Transtar Autobody](https://www.youtube.com/watch?v=nlIBJ0bPTOc) 🡺 <https://youtu.be/nlIBJ0bPTOc>

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| **METHOD OF INCREASING PRODUCTIVITY** | **DESCRIPTION AND/OR EXAMPLE** |
| Training | 3M: Partnered with Southwest Technical College (computer training, maintenance training, and gold collar certification) - develops more qualified and different applicants  - computer based, lectures  Transtar: a lot of training not required, very easy to implement, holding a hand scanner in your hand is all that it takes |
| Capital Investment | 3M: looks for problems, and finds a solution in the educational environment  Transtar: automation, investment in toolworks |
| Investment in Technology | 3M: not explicitly stated but lots of automated technology/machinery can be seen, conveyor lifts & belts, automated arm, automatic labeling machines) to perform repetitive tasks  Transtar: didn’t need a pc, smart printer, integrated solution, printing bar code labels |
| New Inventory System | 3M: N/A  Transtar: bar code provided a lot more information |

1. Provide one example how each could be used to improve productivity in a bakery:
   1. Capital investment – a more efficient oven, bigger trucks for delivery
   2. Investment in new technology – a new inventory system to manager customers
   3. Just-in-time inventory systems – ordering goods exactly when they are needed
2. Read page 167 *In the News.*

Which of the 4 major types of training do you think occurs at Hamburger U?

1. initial (new employees)
2. ongoing (new systems or procedure integration)
3. retraining (employee transfers into another job)
4. specialized (upgrade employee skills, i.e. professional development)