Just in Time (JIT)

Buying/Producing as and when the requirements are felt rather than attempting them in advance. JIT is a managerial philosophy that fosters continuous improvement by reducing in-plant inventories and developing the supplier and system capabilities to produce quality goods in relatively small lots when needed, i.e Just in time.

Traditional manufacturing set up produces components, products in massive scale and push the products into the market. Taking more time to produce because of the set up involved in producing huge quantities, is bane to the company. Operation cycle (meaning conversion time of raw material into finished product) is big and customer takes more time to pay in the backdrop of pushed sales, enterprises often-losing hard-earned profits in the vicious cycle. Toyota Company translated the idea of just in time for the first time and proved that JIT is pragmatic.

JIT is "pulled" in approach against traditional approach of "pushed" out. To work out JIT successful, the enterprise should develop many smaller workstations rather than traditional a fewer massive workstations. Workers are to be versatile and flexible in their functions to achieve the goal of JIT.

Factors causing JIT a successful approach in Management

1. Close ties with a few reliable suppliers.
2. Low inventories of raw materials, WIP and Finished products
3. Pull type movement of work through the system
4. Small lot sizes with shorter lead times
5. Short, low-cost set up times
6. Product layout tendency in small, more focused facilities
7. Smoothed (mixed-model) master schedule.
8. Multiskilled, flexible, responsible work force
9. Supportive, team oriented, problem solving environment
10. Preventive maintenance system to minimize breakdowns