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Viewpoints for Effective Manufacturing Revolution*

— Changing Manufacturing Sites, Unchanged Principles —

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Abstract

Many Japanese manufacturers are implementing various production revolution programs for their survival in the ever-severer business environment. Among those diverse programs are two which are attracting considerable attention: ‘outsourcing’ of production function; and ‘cell production system’ introduced in many assembly lines. Both of these activities are expected to generate sizeable performance improvement results, the former by concentrating management resources on core business areas while cutting off non-core operations of the business, and the latter by making a leap in productivity at assembly lines.

15

This paper discusses concepts of ‘outsourcing’ and ‘cell production system’ in order to clarify often-forgotten keypoints to be noted in adopting them, while paying attention to the mechanism of how each of these concepts achieves business performance results. More specifically, it presents viewpoints needed in evaluating these concepts from managerial viewpoints and considers each viewpoint using a couple of actual cases. It then goes on to present three basic principles to be remembered in implementing

20

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