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Bitesize GCSE BUSINESS STUDIES

PRODUCTION METHODS

DEBORAH MEADEN- ENTREPRENEUR

This whole thing about carrying stock or carrying raw materials is absolutely crucial to a business, particularly in terms of cash flow. Because if you buy stock up front, you've got to pay for it up front.

DR PAUL THOMAS- TRUFFLE ENTREPRENEUR

In terms of choosing raw materials for the products company it's very simple, just got to; they have to be the best. And we've got about four or five trusted suppliers who we know consistently supply very, very good quality chocolate for us. And that's who we buy from.

LORD ALAN SUGAR- ENTREPRENEUR

One of the things of course, is making sure you have a very good supply chain. And one way of doing that is being very honourable. Very honest with your supplier. Letting him know where you stand and I always believe in loyalty. Both ways. And so your supplier has to be loyal to you and you have to be loyal to them. However it's important that they maintain their quality and you always keep them on their toes. By looking at other suppliers and comparing what other offers are available.

SAIRA KHAN- SKINCARE ENTREPRENEUR

I make a quality product and I use quality ingredients but I want to make sure I want to buy them in bulk. So that I'm getting a good price for them. Ethically I don't want raw materials from lots of different countries far away because I want to reduce my carbon footprint. So my ethics and my values will also determine which raw materials I buy and where from.

DR PAUL THOMAS - TRUFFLE ENTREPRENEUR

And in terms of keeping stock it takes us a full year to produce trees. So at the beginning of the year we have to predict how many trees were gonna have sold or planted by the end of the year. And that's quite difficult, so that's the biggest problem we have in terms of stock levels

SAIRA KHAN- SKINCARE ENTREPRENEUR

You have fluctuations um depending upon the time of the month, um if you've done a promotion or not. Um as to your stock levels, but it's just about keeping an eye on them and letting the manufacturer know, in plenty of time, coz they have lead times, that you'll probably need another batch of production and to get started with it.

NICOLA VANE- PHONE SOCK ENTREPRENEUR

We need to juggle our stock levels. We don't want to overstock but at the same time we don't want to run out. Our lead times vary depending on which factories we use. One factory we have to compete for production space. Whereas the other the machines are used solely for our products

DEBORAH MEADEN- ENTREPRENEUR

You got to look at your business and think – I want to hold the minimum amount of stock or raw materials as is practical. As is practical is the key. So for instance if you're running a pub and you can get weekly deliveries of beer, probably two. In fact you might get daily deliveries of beer, why would I want to hold more than two days' worth of stock. Maybe because the lorry can't get through to me. Maybe because they are forecasting bad weather. Maybe now, maybe this time I need to

order two weeks' worth of stock because I've been told the snows going to come in. So those are all of the things. What I do find is that people tend to pay no attention to external factors. Or to anything they should be paying attention to, in terms of influencing stock and raw material level.

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