

Animation 2.3

Consider flexibility as an order qualifier or order winner. Changing a product or service offering to suit customers' needs has become very important to companies. Within the category of flexibility we have identified eight main factors;

Material quality flexibility: The ability to adapt operations to absorb small differences in raw material quality without unduly affecting the final product. In furniture making for example wood finishes may differ.

Output quality flexibility: The ability to offer different standards of output. Many supermarkets offer their own label products in a variety of quality price ranges, such as a lower cost, a mid-price and a luxury range.

New product flexibility: The ability to introduce new products or services into the market to maximize profits. Apple is a good example of this with their iPhone and iPad products.

Modified product flexibility: The ability to modify existing products or services. In computer assembly the use of mass customization has helped to give individual choice at mass production prices.

Deliverability: The ability to react to changes in delivery times requested by customers. In the automotive industry for example where inventory levels are kept low it is important for suppliers to react to orders on a just in time basis.

Volume flexibility: The ability to increase or decrease output to meet demand. This could be important in many manufactured consumer items, such as foodstuffs or toiletries.

Mix flexibility: To be able to provide a wide range of products and services can help to avoid seasonality. Companies such as Halfords for example sell large amounts of antifreeze and de-icer spray in the winter and also camping and cycle accessories in the summer months.

Resource mix flexibility: Having a mix of resources (machinery, manpower and time) a company may be able to offer product flexibility. A good example of this is in the printing industry where a variety of materials can be printed, such as leaflets brochures and magazines in a wide range of volumes (or 'print runs').

Value for money: Customers may be willing to accept a lower specification for a product or service offered at a lower price. A good example of this is in the low cost airline business.