



P-Glossary



Just-In-Time

Just in Time or JIT is one of important components of Toyota Production System. JIT is a production technology system which promotes economic efficiency, with a central principle of "produce appropriately what is necessary, just as much as needed, when needed". The main goal of JIT is to keep the stock at the necessary minimum during the production process, that is to say, a complete balance between order and production. Generally speaking, there are various production processes between receiving orders and shipment of products, and as a result, prolonged lead-time is often unavoidable. Prolonged lead-time can lead to opportunity loss especially for general mass produced products. JIT can be also understood as an inventory strategy for improving the return on investment of a business by reducing in-process inventory and its associated costs.

See also: Toyota Production System
