TIME-BASED COMPETITION

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Reference this article


Abstract / Definition

Time-based competition can be defined as the strategic advantage derived from making the order-to-delivery cycle more compact, efficient and cost effective. This requires the redesign of processes, information and decision flows from engineering, procurement, manufacturing, order cycles, distribution and customer processes. Time-based competition depends on the operational variables of responsiveness, cost and quality. Managing responsiveness would entail measuring the performance of various processing in terms of time. Companies that compress time out of their business cycle or pipeline understand that, throughout it, materials, direct labour, handling and transportation, interest, and overheads contribute to overall costs. Time compression management may mean deliberately taking longer on sensitive processes that determine a product’s quality and the effect on customer satisfaction.

Some approaches to shortening cycle times may have a negative impact on a company’s competitive advantage. The relocation of multinational production firms has created supply chains with lengthier response times. Supply chains have encountered operational boundaries to time-based competition, where the cost of rapid production and faster delivery is not always justified by the savings in inventory and the increase in sales.

Keywords
Time based competition, delivery cycle, lead-time

Link to publication