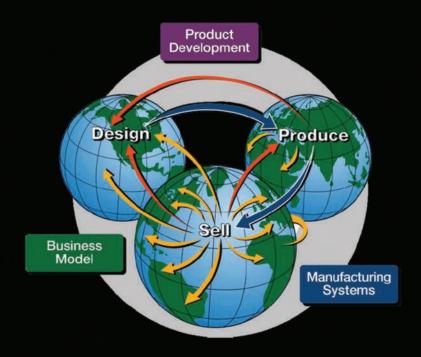
## The Global Manufacturing Revolution

PRODUCT-PROCESS-BUSINESS INTEGRATION AND RECONFIGURABLE SYSTEMS



Yoram Koren



## **Contents**

re	tace		XIII
Acknowledgments		xvii	
1	Glol	palization and Manufacturing Paradigms	1
	1.1	The Importance of Manufacturing to Society	2
	1.2	The Basics of Manufacturing in Large Quantities	5
	1.3	The 1990s: A Decade of Intensified Globalization	9
	1.4	The Global Manufacturing Revolution	12
	1.5	The Manufacturing Paradigm Model	22
	1.6	Four Major Manufacturing Paradigms	24
	1.7	Paradigm Transitions Over Time	32
		Problems	39
		References	39
2	Prod	luct Invention Strategy	41
	2.1	Technology-Driven Products	42
	2.2	Customer-Driven Products	51
	2.3	Competition-Driven Products	55
	2.4	Classification of Product Inventions	57
	2.5	Product Development for Globalization	59
	2.6	The Product Development Process	62

	2.7	Head in the Sky, Feet on the Ground-Be	60
		a Dreamer on a Solid Foundation	68
		Problems	69
		References	71
3	Custo	omized, Personalized and Reconfigurable Products	72
	3.1	Introduction to Customization	72
	3.2	Design for Mass Customization	75
	3.3	Personalized Products	77
	3.4	Product Modularity	88
	3.5	Reconfigurable Products	96
	3.6	Design of Customized and Reconfigurable Products	98
		Problems	101
		References	102
4	Mass Production and Lean Manufacturing		103
	4.1	The Principles of Mass Production	104
	4.2	Supply and Demand	108
	4.3	The Mathematical Model of Mass Production	110
	4.4	Lean Production—Goals and Benefits	114
	4.5	The Principles of Lean Production	117
	3.777	Problems	124
		References	125
5	Analysis of Mass Customization		126
	5.1	Introduction to Mass Customization	126
	5.2	Business Strategies of Mass Customization	129
	5.3	Manufacturing System Characteristics	134
	5.4	Economics of Product Variation	136
	5.5	Mathematical Analysis of Mass Customization	142
	5.6	Summary	145
		Problems	146
6	Traditional Manufacturing Systems		148
	6.1	Manufacturing Systems	148
	6.2	Production of Complex Products	150
	6.3		154
	6.4	Assembly Systems	167

		CONTENTS	ix
	6.5	Industry Experience with FMS—A Survey	170
		Problems	173
		References	174
7	Econo	mics of System Design	175
	7.1	Life-Cycle Economics	176
	7.2	Capacity Planning Strategies	178
	7.3	Economics of System Configurations	186
	7.4	The Economics of Buffers	188
	7.5	Batch Production	192
	7.6	Optimal Cutting Speeds	199
		Problems	201
		References	203
8	Recor	nfigurable Machines	205
	8.1	The Rationale for Reconfigurable Machines	206
	8.2	Characteristics and Principles of Reconfigurable Machines	210
	8.3	Reconfigurable Machine Tools	211
	8.4	Reconfigurable Fixtures	218
	8.5	Reconfigurable Inspection Machines	220
	8.6	Open-Architecture Controllers	224
	0.0	Problems	225
		References	226
9	Reco	nfigurable Manufacturing Systems	227
	9.1	The Challenges of Globalization	227
	9.2	RMS—A New Class of Systems	232
	9.3	Characteristics and Principles of Reconfiguration	235
	9.4	Integrated RMS Configurations	240
	9.5	System Rapid Ramp-Up	243
	9.6	Hexagonal RMS Configurations	246
		Problems	250
		References	252
10	Syste	em Configuration Analysis	253
	10.1	Classification of Configurations	253
	10.1	Comparing RMS with Cell Configurations	257
	10.2	Calculating the Number of RMS Configurations	260
	10.4		261
	20.1		

## X CONTENTS

	10.5	r on retroimance	266
		Problems	278
		References	280
11	Bus	iness Models for Global Manufacturing Enterprises	281
	11.1		
	11.2		281
	11.3	Competitive Advantage	285
	11.4	5	289
	11.5		293
	11.6		297
	11.7		304
		Problems	307
			309
		Case Study I—The Rise and Fail of FriendlyRobotics Case Study II—He Bet on Botox and Won	310
		References	312
			313
12	IT-Ba	sed Enterprise Organizational Structure	315
	12.1	Twentieth-Century Organizational Structure	316
	12.2	Twenty-First Century IT-Based Organizational Structure	
	12.3	Information Transfer in Manufacturing Systems	318
	12.4	IT-Based Maintenance of Large Systems	323
		Problems	327
		References	330 330
13	Enter	prise Globalization Strategies	224
	13.1		331
	13.2	Why Enterprises Become Global Countries of Potential New Markets	332
	13.3	Product Design for Globalization	336
	13.4	Location of Manufacturing Plants	338
	13.5	Global Business Strategies	340
		Global Strategic Alliances	343
		Problems	349
		References	357
			358

		Q.	CONTENTS	xi
14	The	Twenty-first Century Global Manufacturing Enterprise		360
	14.1	P—Productivity		361
	14.2	R-Responsiveness and Reconfiguration		363
	14.3	I-Integration of Product, Process, and Business		364
	14.4	D-Design for the Global Manufacturing Paradigm		368
	14.5	E-Empowerment of the Workforce		369
	14.6	The Dilemma of Globalization		370
	14.7	Where are Manufacturing Enterprises Headed?		375
		References		380
App	endic	es		
App	endix	A: Computer Controlled Milling Machine in 1973		381
App	Appendix B: Three Types of Manufacturing Systems		383	
Appendix C: Business Cycles		384		
App	endix	D: Term Project: Project Description and Requirements		386
Aut	hor Bi	ography		391
Author Index		393		
Suh	iect In	dev		395

## THE CONCRETE TOOLS MANUFACTURING ENTERPRISES NEED TO THRIVE IN TODAY'S GLOBAL ENVIRONMENT

For a manufacturing enterprise to succeed in this current volatile economic environment, a revolution is needed in restructuring its three main components: product design, manufacturing, and business model. *The Global Manufacturing Revolution* is the first book to focus on these issues. Based on the author's long-standing course work at the University of Michigan, this unique volume proposes new technologies and new business strategies that can increase an enterprise's speed of responsiveness to volatile markets, as well as enhance the integration of its own engineering and business.

Introduced here are innovations to the entire manufacturing culture:

- An original approach to the analysis of manufacturing paradigms
- Suggested methods for developing creativity in product design
- A quantitative analysis of manufacturing system configurations
- A new manufacturing "reconfigurable" paradigm, in which the speed of responsiveness is the prime business goal
- An original approach to using information technology for workforce empowerment

The book also offers analysis and original models of previous manufacturing paradigms' technical and business dimensions—including mass production and mass customization—in order to fully explain the current revolution in global manufacturing enterprises. In addition, 200 original illustrations and pictures help to clarify the topics.

Globalization is creating both opportunities and challenges for companies that manufacture durable goods. The tools, theories, and case studies in this volume will be invaluable to engineers pursuing leadership careers in the manufacturing industry, as well as to leaders of global enterprises and business students who are motivated to lead manufacturing enterprises and ensure their growth.

YORAM KOREN is a member of the National Academy of Engineering and the Paul G. Goebel Professor of Engineering in the Department of Mechanical Engineering at the University of Michigan, as well as the Director of the NSF Engineering Research Center for Reconfigurable Manufacturing Systems. He has won many awards, including, most recently, the Stephen S. Attwood Award from the University of Michigan College of Engineering, 2008, and the Gold Medal from the Society of Manufacturing Engineers, 2007.

Subscribe to our free Engineering eNewsletter at wiley.com/enewsletters

Visit wiley.com/engineering



