



Factory Manager

June 2026

Introduction

The Core Philosophy: The 3 Pillars of Factory Management

Your success rests on balancing these three, often competing, priorities:

1. **Quality:** Producing products that meet or exceed customer specifications and expectations.
2. **Cost:** Managing expenses (labor, materials, overhead) to ensure profitability.
3. **Delivery:** Getting the right products to the right place at the right time (On-Time, In-Full - OTIF).

A change in one almost always affects the others. Your job is to optimize the entire system, not just one pillar.



1

Safety

1. Safety: The Non-Negotiable Foundation



Safety isn't just a priority (which can change); it's a **core value**.

- **Culture:** You must build and champion a culture where safety is everyone's responsibility. "Safety First" must be demonstrated, not just stated.
- **Compliance:** Know OSHA (or your local equivalent) regulations inside and out. Ensure all practices are compliant.
- **Processes:** Implement and rigorously maintain processes for Lockout-Tagout (LOTO), Hazard Communication, Incident Reporting and Investigation, and Emergency Action Plans.
- **Metrics:** Track leading indicators (near-misses, safety audits completed) not just lagging indicators (recordable incident rate).



2

People Management

2. People Management: Your Most Important Asset

You manage processes through people. Your leadership skills are critical.



- **Communication:** Be clear, consistent, and transparent. Communicate goals, performance, changes effectively to all shifts and levels.
- **Motivation & Morale:** Understand what drives your team. Recognize good work. A motivated team is a productive team.
- **Training & Development:** Ensure every employee is properly trained for their role. Cross-training is key for flexibility and redundancy.
- **Conflict Resolution:** Address issues quickly and fairly. Be a leader, not just a boss.
- **Union Relations (if applicable):** Understand the collective bargaining agreement and build a professional relationship with union representatives.



3

Operations & Production Management

3. Operations & Production Management:

This is the core engine of the factory.

- **Production Planning & Scheduling:** Understand capacity, lead times, and how to create a feasible production schedule that meets demand.
- **Lean Manufacturing & Continuous Improvement:**
 - **5S:** A methodology for workplace organization (Sort, Set in order, Shine, Standardize, Sustain). It's the foundation of efficiency.
 - **Kaizen:** The practice of continuous, incremental improvement involving everyone.
 - **Value Stream Mapping:** Identify and eliminate waste (transport, inventory, motion, waiting, over-processing, over-production, defects).
 - **TPM (Total Productive Maintenance):** Shift from reactive "fix-it-when-it-breaks" to proactive and preventive maintenance. Operator involvement is key.
- **Inventory Management:** Master the balance between too much inventory (tying up cash) and too little (stopping production). Understand concepts like Raw Materials, Work-in-Progress (WIP), and Finished Goods.
- **Standard Work:** Documented best practices for performing a task. This is the baseline for all improvement.





4

Quality Management

4. Quality Management

Quality cannot be inspected into a product; it must be built into the process.

- **Quality Management System (QMS):** Implement and maintain a system like ISO 9001. It provides a framework for consistent quality.
- **SPC (Statistical Process Control):** Use data and control charts to monitor processes and detect variations *before* they create defects.
- **Root Cause Analysis (RCA):** Use tools like the "5 Whys" and Fishbone Diagrams to find the fundamental cause of a problem, not just treat the symptoms.
- **First-Pass Yield (FPY):** Measure the percentage of products made correctly the first time without rework.



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5

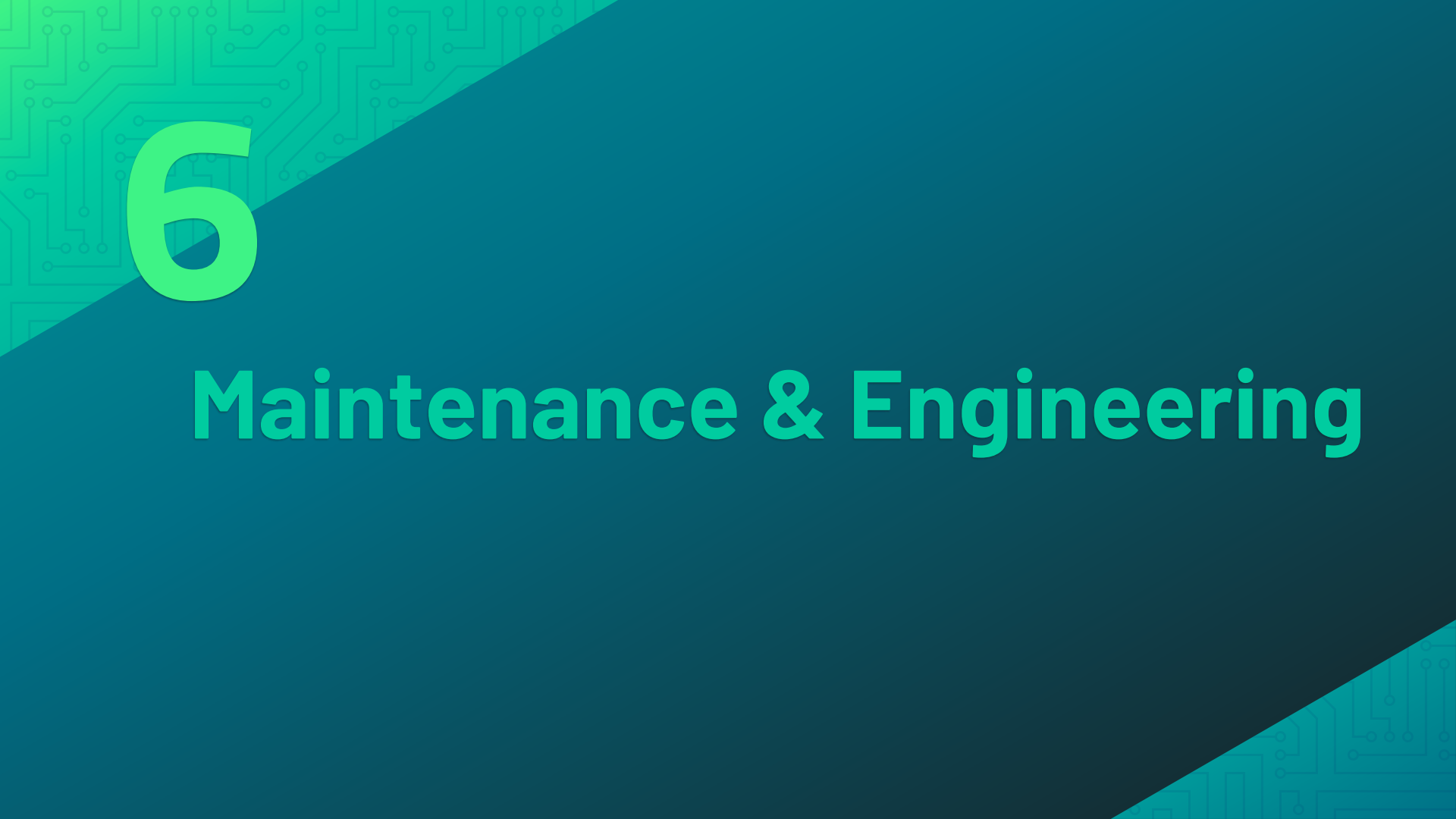
Financial & Cost Control

5. Financial & Cost Control

You are responsible for the plant's budget and profitability.

- **Understanding Costs:** Be deeply familiar with key cost drivers: Direct Labor, Direct Materials and Overhead.
- **Key Performance Indicators (KPIs):** You must track, understand, and act on data.
 - **OEE (Overall Equipment Effectiveness):** The gold standard for measuring manufacturing productivity. It's the combination of Availability x Performance x Quality. An OEE of 100% is perfect production.
 - **Throughput:** The rate at which products are produced.
 - **Schedule Adherence:** Are you producing to the plan?
 - **Cost per Unit**
 - **Inventory Turnover**
- **Budgeting & Forecasting:** Manage the operational budget and forecast future needs for labor, materials, and capital expenditures.





6

Maintenance & Engineering

6. Maintenance & Engineering



- **Asset Management:** Know the critical equipment in your plant. Understand their maintenance schedules and lifespans.
- **Downtime Management:** Track all downtime (planned and unplanned). Relentlessly attack unplanned downtime, as it is a major killer of efficiency and delivery.
- **Capital Projects:** Be able to justify and manage capital investments for new equipment or facility upgrades (ROI calculations, project management).



7

Supply Chain & Logistics

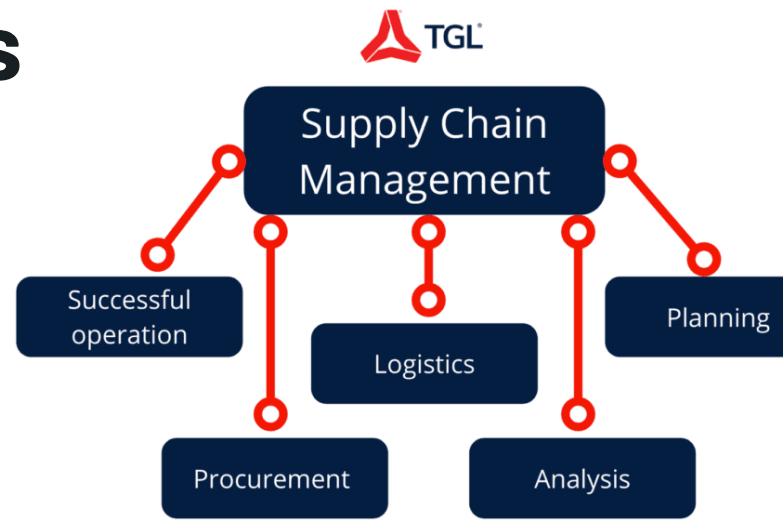
7. Supply Chain & Logistics



The factory does not exist in a vacuum.

- **Supplier Management:** Build strong relationships with key suppliers. Manage their performance on quality, delivery, and cost.
- **Material Flow:** Optimize the flow of materials from receiving, through production, to shipping.
- **Shipping & Logistics:** Ensure finished goods are shipped efficiently and on time to customers or distribution centers.

7. Supply Chain & Logistics



- **Logistics is a part of Supply Chain.**
- **Supply Chain is the entire, interconnected system.**

Think of it like this: If the **Supply Chain** is the human body, **Logistics** is the circulatory system that moves the blood.

Let's break it down in more detail.

You cannot have an effective supply chain without excellent logistics. Logistics is the critical execution arm that makes the supply chain's strategic plans a reality.

7. Supply Chain & Logistics

What is Logistics?

Logistics is the function responsible for the **movement and storage** of goods. It's about getting the right product, to the right place, at the right time, in the right condition, and at the right tactical and execution-oriented.

Key Activities of Logistics:

- **Transportation:** Managing trucks, ships, planes, and trains (inbound and outbound).
- **Warehousing & Storage:** Operating distribution centers and warehouses.
- **Inventory Management:** Within the warehouse (stock levels, SKU management).
- **Order Fulfillment:** Picking, packing, and shipping customer orders.
- **Fleet Management:** Managing the vehicles used for transportation.
- **Last-Mile Delivery:** The final step of delivering the product to the end customer.

The Focus of Logistics: Efficiency and Cost-Effectiveness in movement and storage.



7. Supply Chain & Logistics

What is Supply Chain Management (SCM)?

Supply Chain Management is the **broader coordination and strategic management** of all the activities involved in sourcing, procurement, conversion, and logistics. It encompasses the entire journey of a product from raw material to the end consumer. It's strategic and relationship-oriented.

Key Activities of Supply Chain Management:

- **Sourcing & Procurement:** Finding and managing suppliers of raw materials.
- **Demand Planning & Forecasting:** Predicting what customers will buy and in what quantity.
- **Production Planning & Scheduling:** Managing the manufacturing process.
- **Supplier Relationship Management (SRM):** Building and maintaining partnerships with suppliers.
- **Customer Relationship Management (CRM):** Integrating with sales and customer service.
- **Integrated Logistics Management:** Overseeing all the logistics functions.
- **Supply Chain Finance:** Managing the financial flows across the entire chain.
- **Risk Management:** Identifying and mitigating disruptions across the global network.

The Focus of SCM: Effectiveness, Collaboration, and Value Creation across the entire network.



THANKS!

Any questions?

You can find me at:

📧 Ehsan.jafari2000@Gmail.COM

📞 +989353335108

