Just in Time

Business & Management

Producing only what is needed, when it is needed — and what it costs.

What it delivers

- Low inventory, low carrying cost
- Problems surface immediately
- Less space, less obsolescence
- Faster response to demand change
- Forces process discipline

What it requires

- Highly reliable suppliers
- Short, predictable lead times
- Low defect rates
- Level demand, or the ability to flex
- Close supplier relationships

THE DIFFERENCE THAT MATTERS

Inventory hides problems. JIT removes the hiding place, which is both its benefit and its risk.

The 2020–22 disruptions exposed how thin JIT supply chains had become. Many firms have since shifted toward just-in-case buffers.