

cost leadership	an aim to have the lowest costs or to be the most price-competitive in the market
customised goods	goods that are varied according to the needs of customers
economies of scale	cost advantages that can be created through an increase in scale of business operations
interdependence	where each business function area depends on the support of the others if it is to perform at capacity
lean production	an aim to eliminate waste at every stage of production

operations

the business processes  
that involve  
transformation or  
production

product  
differentiation

the distinguishing of  
products (goods or  
services) in some way  
from its competitors

self-service

where customers  
are encouraged to  
help themselves

standardised goods

goods that are mass  
produced, usually on  
an assembly line

strategic

affecting all key  
business areas

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transformation

the conversion of inputs  
(resources) into outputs  
(goods and services)

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value adding

the creation of extra or  
added value as inputs  
are transformed into  
outputs

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