The objective of this thesis is to study and improve the working methods and the production planning in producing ride-on toys and steel furniture for a factory run as a family business. Five items of the products which have high sales-turnover are studied in order to establish a guide-line for problem solving in any factory which produces similar products or has similar production lines. The standard time for production is set for each of the five items in this study to determine a guide-line for setting a standard time for production of other products as well. Work study is also used to reduce idle time. Plant layout is established in order to reduce the time and loss caused by the transportation. A quality control system is established, job sequency and assignment are set to suit the machine so that production time can be reduced. Material requirement planning as well as a management information system in the factory are set to help speed-up the process in the production. The result shows that work study can reduce the production time as well as the defect of the production. The production planning makes it possible to produce the product to meet the delivery schedule of customers and to determine whether an order should be accepted. A concrete and updating primary information is needed to establish a production planning effectively. It is crucial that all the information needed to establish a production planning must correspond to the real situation of the plant or possible conditions. Besides, the cooperation of the workers is needed to create a new idea or new approach to solve any problem in the production effectively.