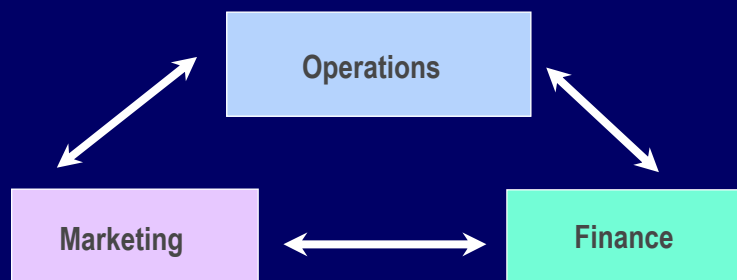


Operations As A Competitive Weapon

1

Operations As A Basic Function



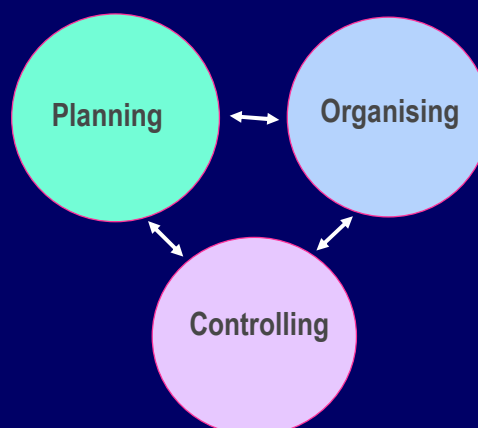
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Definition of Operations Management

Operations Management is the process of planning, organising and controlling value added transformation process to meet the goals of an organisation.

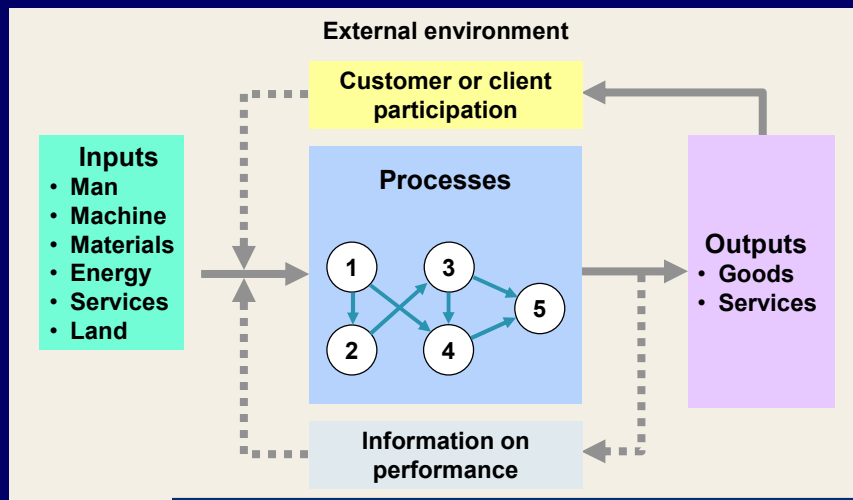
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General Model of Managing Operations



4

Managing Transformation



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Transformation Processes

- Physical (manufacturing)
- Locational (transport/storage)
- Exchange (retail)
- Physiological (healthcare)
- Psychological (entertainment)
- Informational (communications)

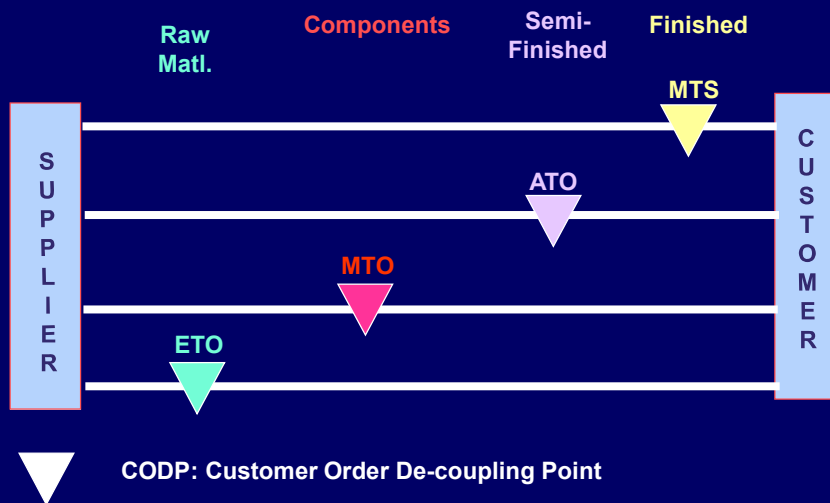
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Manufacturing Strategies

- Make to Stock (MTS)
- Assemble to Order (ATO)
- Make to Order (MTO)
- Engineer to Order (ETO)

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Manufacturing Strategies



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Skill needed by Operations Managers

- Technical Competence
- Behavioural Competence

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Activities of Operations Managers to Support Company Success

- To Company
 - higher profitability
 - higher productivity
 - higher quality, safety & environment care
- To Customer
 - **cost, quality, delivery and flexibility (service)**

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Challenges of Service Operations

- Productivity Measurement- easy in manufacturing operations
- Quality Standards- difficult to establish in service operations
- Service- contact with customers (generally)
- Manufacturing- seldom see the customer of the product
- manufacturing Operation can accumulate or decrease inventory

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Current Issues

- Speeding up the time it takes to get new products into production.
- Developing flexible production systems to enable mass customisation of products and services.
- Managing global production networks.
- Developing and integrating new production technologies into existing production systems.

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Current Issues

- Achieving high quality quickly and keeping it up in the face of restructuring.
- Managing a diverse workforce.
- Conforming to environmental constraints, ethical standards, and government regulations.

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Operations Strategy

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