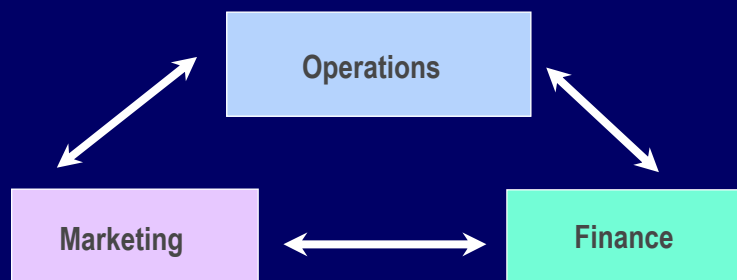


Operations As A Competitive Weapon

1

Operations As A Basic Function



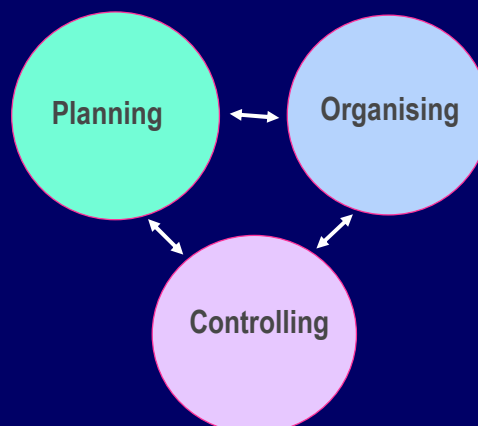
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Definition of Operations Management

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

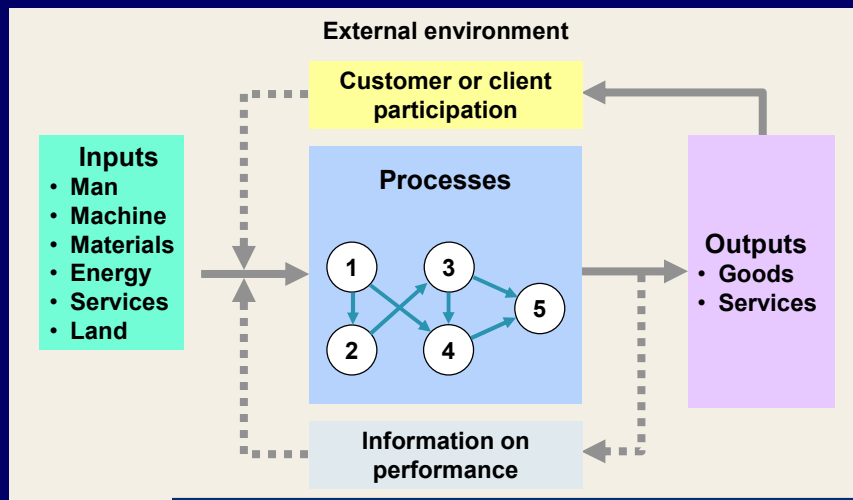
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General Model of Managing Operations



4

Managing Transformation



9

Transformation Processes

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

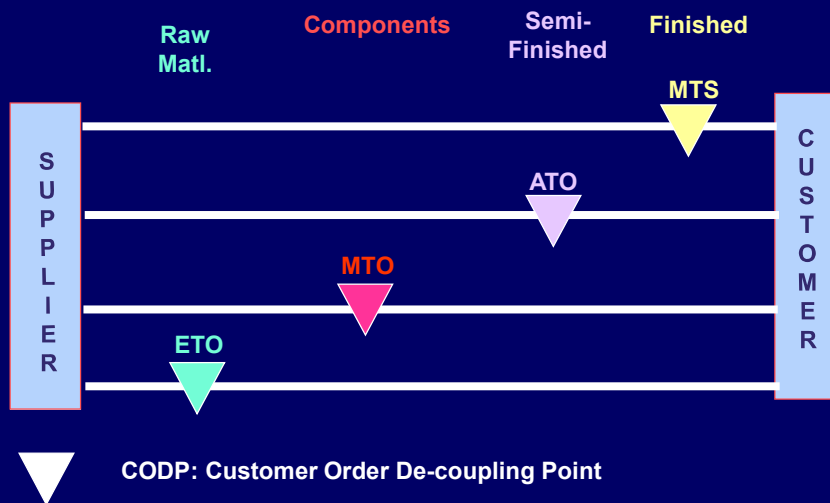
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Manufacturing Strategies

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

11

Manufacturing Strategies



12

Skill needed by Operations Managers

- Technical Competence
- Behavioural Competence

13

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)**

14

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

15

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.

16

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.

17

Operations Strategy

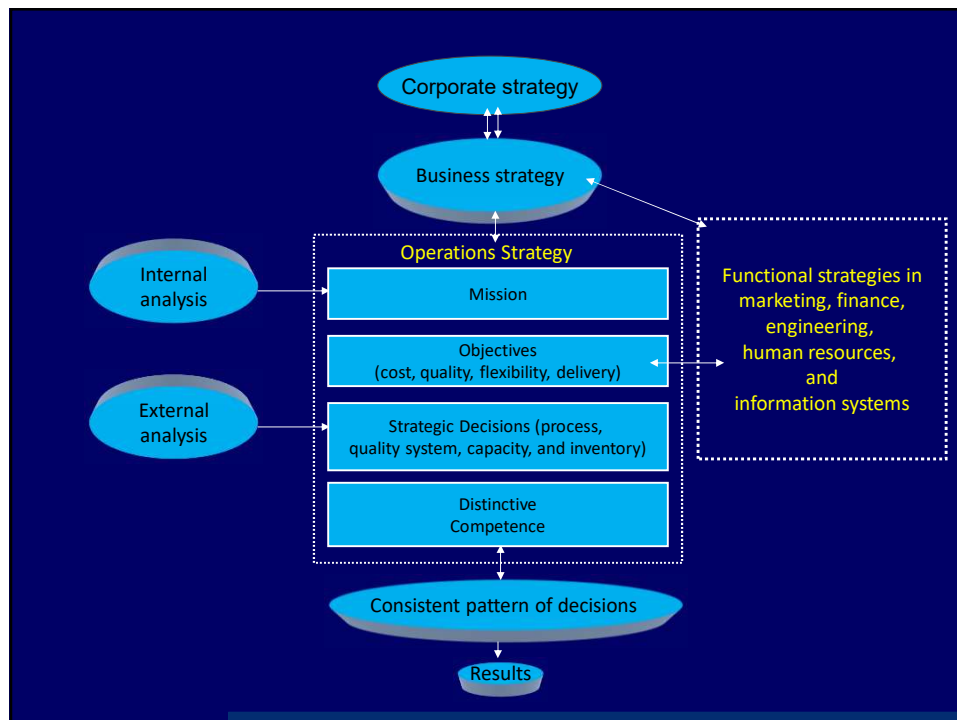
18

Operations Strategy

“A consistent pattern of business decisions for operations and the associated supply chain ...

... that are linked to the business strategy and other functional strategies, leading to a competitive advantage for the firm.”

1



2