

Chapter 1 : Production and Operations Management - Meaning and Important Concepts

RAMANUJAN Why Operations Management is Important for a Company A White Paper Education Operations Management is a fundamental part of any.

Uncategorized admin Operation management is a process that involves planning, organizing, managing, controlling and supervising the production and manufacturing processes. The major aim of an operation manager is to ensure timely delivery of the products and to successfully turn the raw materials into the finished products input to output. Operations Management plays a vital role to run any project successfully. Operation management involves similar management for every industry or business irrespective of their nature of the operation. Planning, organizing, staffing, monitoring controlling, directing and motivating are its significant elements. Operation management is obligatory for organizations to manage the daily activities seamlessly. With its help, an organization is able to make good use of its resources like labor, raw material, money and other resources. Operation Management is important to improve the overall productivity. The ratio of input to output is termed as productivity. It gives a measure of the efficiency of the manager as well as the employees. Since the discipline focuses on using the available resources in the best possible way to achieve end goals, so it improves the overall productivity. Under operation management, there is the optimum utilization of resources leading to enormous profits of the organization. The efforts of the employees and the various raw materials are efficiently utilized and converted into the services and goods required by the organization. Operation management plays a crucial role in an organization as it handles issues like design, operations, and maintenance of the system used for the production of goods. Earlier everyone believed that the operation management was not that important for the organization, but later on, it was discovered that it is actually important for the functioning of the organization. It was found that the manufacturing of raw materials to make the goods and selling them along with management of sales is necessary, and this is done efficiently by managing the operations. It is a complicated process to manage the operations, so in-depth knowledge is required to take on the position of an operation manager. The aspiring candidates are required to pursue specialization courses in operation management that provides them profound knowledge and requisite skills pertaining to the sector. The course imparts field-specific knowledge and educates the candidates about various trends in the industry. The course material is prepared by experienced professionals who have been in the industry for several decades. The working professionals can pursue this course to witness speedy promotions and enormous hike in their salary.

Chapter 2 : Operations Management

Operations management is a fundamental part of any organization. In fact, Forbes magazine reported in that about three quarters of all CEOs came from an operations background. Not all these CEOs studied operations in school; only some of them did. Many majored in finance, marketing, information.

At one time, operations management was considered the backwater of management activities – a dirty, drab necessity. Operations management also includes something seemingly as mundane as mailing. Many, many companies spend millions annually on mailing costs. With rising Postal Service rates and widening global business operations, managers pay very close attention to mailing costs and alternatives. Indeed, a whole new industry has emerged in competition with the Postal Service as managers take mailing operations. The higher the numerical value of this ratio, the greater the efficiency. They seek to cut inputs space cost and to boost the output of traveling accountants. A total Quality approach to operations improvement: The quality movement, with such approaches as small scale continuous improvement processes and the large scale radical redesign of processes, is directly affecting productivity and measures of efficiency. PBCS was long sheltered by import barriers and captive government contracts. Recently it has found itself in a competitive global economy and a deregulated, privatized network where customers shop around for services. When David Kynaston became managing director of the company in he found much in need of change: Poor service had damaged sales, and profits had declined to the point where the parent company, Philips Electronics, could no longer support the company. The focus was on the supply chain, partly because that was where a great amount of working capital was being wasted and partly because to provide the catalyst for reviewing all components of the operation. Calculations showed that logistics improvements changes in how material and goods are procured, transported and stored could reduce stocks by 30 percent and raise the speed and quality of service by more than 20 percent. Improvement has advanced primarily through more efficient order processing. The financial health of the company has improved dramatically. Changes arising from increased employee involvement are anticipated to deliver another percent savings in working capital. Kynaston and the team also believe that reengineering approaches will yield additional savings from increased efficiency and other improvements. In filling a customer order, for example strategic control points would occur when the purchase order becomes an invoice, when an inventory item becomes an item to be shipped, and when an item to be shipped becomes part of a truckload of goods to be delivered. Any of these strategic control points is potential sources of confusion and inefficiency, as work is passed from one set of workers to another. An unclear form or a confusing policy say, for handling out-of-stock items creates the risk that orders will be lost or mishandled, wasting valuable time, money, or energy. From this vantage point, the operations system looks like a sieve that can leak valuable resources unless it is managed efficiently. Productivity offers one measure of this efficiency.

Chapter 3 : Importance of operations management – MIT School of Distance Education

To understand the importance of operations management IKEA is taken as an example. IKEA is a Swedish company which sells ready to assemble furniture, appliances and home accessories. With net income of Euros in the year , IKEA is one of the biggest businesses in the world.

Operations management refers to a focus on the practices designed to monitor and manage all of the processes within the production and the distribution of products and services. The largest activities that operations management focuses on are product creation and service development, and the efficiency with which both are distributed. Managing purchases, monitoring inventory and preserving quality are the primary goals. Ultimately, the way that an organization carries out operations management depends upon the nature of products or services that it offers. Health care is an extremely diverse industry. It primarily includes institutions and practitioners that offer services for the diagnosis, treatment and prevention of injury, illness, disease, and other physical and mental impairments. There are a wide variety of specialties that focus on specific treatments. Health care refers to primary, secondary and tertiary care, as well as to public health. Social and economic conditions largely affect access to health care, as do the policies and management of services. For a health care system to function efficiently, necessary aspects include generous financing , a well-trained and well-paid workforce, credible information on which policies can be structured, and health facilities that are well-maintained and reliably managed. Operations management is essential for the efficient functionality and provision of health services. Because the health care sector is currently undergoing a considerable amount of reform, the jobs of those who manage health care operations are changing as well. Some of the most prominent examples of operations management in health care include controlling costs and improving the quality of service provided to patients. Controlling Costs One of the first areas of focus for operations managers is cost control. The current health care system overuses expensive, technological and emergency-based treatment. High costs from care often remains uncompensated due to patients being uninsured. A prevalence of services in expensive settings creates a burden on taxpayers , health insurance holders and health care institutions themselves. The goal for operations managers is to help strike a balance between necessary high-tech treatment and community centers that offer preventative services. Primary care institutions are also a part of keeping patients from needing expensive emergency services. Cost control also affects the levels and quality of services that are provided to clients. Inefficiently managed costs cut down on budgets, limiting the technology and equipment that can be purchased and used to provide necessary services. For operations managers, the goal is to streamline costs and to create necessary funding to maintain adequate levels and quality of services offered. The Bottom Line Operations management plays a vital role in the health care industry. It is responsible for the oversight of health care facility operations , how efficiently they function, and how capable they are of providing adequate and reliable treatment to the community they serve.

Chapter 4 : Operations management - Wikipedia

Operations management refers to the complex set of management activities involved in planning organizing leading, and controlling an organization's operations. At one time, operations management was considered the backwater of management activities - a dirty, drab necessity.

The typical company carries out various functions as a part of its operation. Most companies make a product of some kind or produce a salable service. They must also carry out a sales and marketing function, an accounting function, and an administrative function to manage employees and the business as a whole. Operations management focuses on the function of providing the product or service. They apply ideas and technologies to increase productivity and reduce costs, improve flexibility to meet rapidly changing customer needs, assure a safe workplace for all employees, and when possible assist in assuring high-quality customer service. For the most part, the title "Operations Manager" is used in companies that produce a tangible goodâ€”manufacturers on the whole. In service-oriented businesses, the person responsible for the operations manager role is often called by another name, one that addresses the service being offered. Examples include project manager, consultant, lawyer, accountant, office manager, datacenter manager, etc. Designing the System Designing the system begins with product development. Product development involves determining the characteristics and features of the product or service to be sold. It should begin with an assessment of customer needs and eventually grow into a detailed product design. The facilities and equipment used in production, as well as the information systems needed to monitor and control performance, are all a part of this system design process. In fact, manufacturing process decisions are integral to the ultimate success or failure of the system. This decision answers the basic question: How will the product be made? Product design is a critical task because it helps to determine the characteristics and features of the product, as well as how the product functions. These are important factors on which customers make purchasing decisions. In recent years, new design models such as Design for Manufacturing and Assembly DFMA have been implemented to improve product quality and lower costs. DFMA focuses on operating issues during product design. QFD is a set of planning and communication routines that are used to improve product design by focusing design efforts on customer needs. Process design describes how the product will be made. The process design decision has two major components: The technical component includes selecting equipment and selecting a sequence for various phases of operational production. Facility design involves determining the capacity, location, and layout for the production facility. Facility location is the placement of a facility with respect to its customers and suppliers. Facility location is a strategic decision because it is a long-term commitment of resources that cannot easily or inexpensively be changed. When evaluating a location, management should consider customer convenience, initial investment necessary to secure land and facilities, government incentives, and operating transportation costs. In addition, qualitative factors such as quality of life for employees, transportation infrastructure, and labor environment should also be taken under consideration. Facility layout is the arrangement of the workspace within a facility. It considers which departments or work areas should be adjacent to one another so that the flow of product, information, and people can move quickly and efficiently through the production system. Implementation Once a product is developed and the manufacturing system is designed, it must be implemented, a task often more easily discussed than carried out. IF the system design function was done thoroughly, it will have rendered an implementation plan which will guide activities during implementation. Nonetheless, there will inevitably be changes needed. Decisions will have to be made throughout this implementation period about tradeoffs. For example, the cost of the originally planned conveyor belt may have risen. This change will make it necessary to consider changing the specified conveyor belt for another model. This, of course, will impact upon other systems linked to the conveyor belt and the full implications of all these changes will have to be assessed and compared to the cost of the price increase on the original conveyor belt. Planning and Forecasting Running an efficient production system requires a great deal of planning. Long-range decisions could include the number of facilities required to meet customer needs or studying how technological change might affect the methods used to produce services and goods. The time

horizon for long-term planning varies with the industry and is dependent on both complexity and size of proposed changes. Typically, however, long-term planning may involve determining work force size, developing training programs, working with suppliers to improve product quality and improve delivery systems, and determining the amount of material to order on an aggregate basis. Short-term scheduling, on the other hand, is concerned with production planning for specific job orders who will do the work, what equipment will be used, which materials will be consumed, when the work will begin and end, and what mode of transportation will be used to deliver the product when the order is completed. Managing the System

Managing the system involves working with people to encourage participation and improve organizational performance. Participative management and teamwork are an essential part of successful operations, as are leadership, training, and culture. In addition, material management and quality are two key areas of concern. Material management includes decisions regarding the procurement, control, handling, storage, and distribution of materials. Material management is becoming more important because, in many organizations, the costs of purchased materials comprise more than 50 percent of the total production cost. Questions regarding quantities and timing of material orders need to be addressed here as well when companies weigh the qualities of various suppliers. What factors influence buying decisions for these entities? For most services and goods, price, quality, product performance and features, product variety, and availability of the product are critical. All these factors are substantially influenced by actions taken in operations. For example, when productivity increases, product costs decline and product price can be reduced. Similarly, as better production methods are developed, quality and variety may increase. By linking operations and operating strategies with the overall strategy of the organization including engineering, financial, marketing, and information system strategy synergy can result. Operations become a positive factor when facilities, equipment, and employee training are viewed as a means to achieve organizational objectives, rather than as narrowly focused departmental objectives. In recognition of this evolving viewpoint, the criteria for judging operations are changing from cost control a narrowly defined operating objective to global performance measurements in such areas as product performance and variety, product quality, delivery time, customer service, and operational flexibility. Advances in technology make it possible to build better products using fewer resources. As technology fundamentally changes a product, its performance and quality often increases dramatically, making it a more highly valued commodity in the marketplace. But the growth in high-tech business applications has created new competitors as well, making it important for businesses to try to register advantages in any and all areas of operations management. Over time, operations management has grown in scope and increased in importance. As operations management continues to develop, it will increasingly interact with other functional areas within the organization to develop integrated answers to complex interdisciplinary problems. Indeed, such interaction is widely regarded as essential to long-term business success for small business establishments and multinational corporations alike. Universal Publishers, March Sharma, Anand, and Patricia E. Simon and Schuster, Productivity Press, October

Chapter 5 : Operation management in healthcare | Investopedia

Operation management ensures that an organization is conducting business at peak efficiency and ability. Operation management includes the development and use of resources that are necessary for a company to deliver goods and services to its customers.

Understanding Production and Operations Management

Introduction The very essence of any business is to cater needs of customer by providing services and goods, and in process create value for customers and solve their problems. Production and operations management talks about applying business organization and management concepts in creation of goods and services. Production is a scientific process which involves transformation of raw material input into desired product or service output by adding economic value. Production can broadly categorize into following based on technique: It involves desired output is achieved through separation or extraction from raw materials. A classic example of separation or extraction is Oil into various fuel products. Production by modification or improvement: It involves change in chemical and mechanical parameters of the raw material without altering physical attributes of the raw material. Annealing process heating at high temperatures and then cooling , is example of production by modification or improvement. Car production and computer are example of production by assembly. Importance of Production Function and Production Management Successful organizations have well defined and efficient line function and support function. Production comes under the category of line function which directly affects customer experience and there by future of organization itself. Aim of production function is to add value to product or service which will create a strong and long lasting customer relationship or association. And this can be achieved by healthy and productive association between Marketing and Production people. Marketing function people are frontline representative of the company and provide insights to real product needs of customers. An effective planning and control on production parameters to achieve or create value for customers is called production management. Operations Management As to deliver value for customers in products and services, it is essential for the company to do the following: Operations management captures above identified 3 points. Production management deals with manufacturing of products like computer, car, etc while operations management cover both products and services. There is no participation of customer during production whereas for services a constant contact with customer is required. Production management and operations management both are very essential in meeting objective of an organization.

Chapter 6 : Why is operations management important in all types of organization? - theinnatdunvilla.com S

Operations management is very important in business operations since it forms the heart of the organisation by controlling the system of operation. Operations management deals with the design, operation, and improvement of the systems that create and deliver a firm's primary products and services.

History[edit] The history of production and operation systems began around B. The next major historical application of operation systems occurred in B. It was during this time that the Egyptians started using planning , organization , and control in large projects such as the construction of the pyramids. In large cities, on the other hand, inasmuch as many people have demands to make upon each branch of industry, one trade alone, and very often even less than a whole trade, is enough to support a man: It follows, therefore, as a matter of course, that he who devotes himself to a very highly specialized line of work is bound to do it in the best possible manner. This hierarchical organization in which people were divided into classes based on social position and wealth became known as the feudal system. Although a large part of labor was employed in agriculture, artisans contributed to economic output and formed guilds. The guild system, operating mainly between and , consisted of two types: Although guilds were regulated as to the quality of work performed, the resulting system was rather rigid, shoemakers , for example, were prohibited from tanning hides. They provided service to the nobility for cooking, cleaning and entertainment. Court jesters were service providers. The medieval army could also be considered a service since they defended the nobility. The industrial revolution was facilitated by two elements: Division of labor has always been a feature from the beginning of civilization , the extent to which the division is carried out varied considerably depending on period and location. Compared to the Middle Ages, the Renaissance and the Age of Discovery were characterized by a greater specialization in labor, one of the characteristics of growing European cities and trade. It was in the late eighteenth century that Eli Whitney popularized the concept of interchangeability of parts when he manufactured 10, muskets. Up to this point in the history of manufacturing, each product e. Interchangeability of parts allowed the mass production of parts independent of the final products in which they would be used. In , Frederick Winslow Taylor introduced the stopwatch method for accurately measuring the time to perform each single task of a complicated job. He developed the scientific study of productivity and identifying how to coordinate different tasks to eliminate wasting of time and increase the quality of work. The next generation of scientific study occurred with the development of work sampling and predetermined motion time systems PMTS. Work sampling is used to measure the random variable associated with the time of each task. PMTS allows the use of standard predetermined tables of the smallest body movements e. PMTS has gained substantial importance due to the fact that it can predict work measurements without observing the actual work. The Gilbreths took advantage of taking motion pictures at known time intervals while operators were performing the given task. At the turn of the twentieth century, the services industries were already developed, but largely fragmented. In the U. Services were largely local in nature except for railroads and telegraph and owned by entrepreneurs and families. Ransom Olds was the first to manufacture cars using the assembly line system, but Henry Ford developed the first auto assembly system where a car chassis was moved through the assembly line by a conveyor belt while workers added components to it until the car was completed. During World War II, the growth of computing power led to further development of efficient manufacturing methods and the use of advanced mathematical and statistical tools. This was supported by the development of academic programs in industrial and systems engineering disciplines, as well as fields of operations research and management science as multi-disciplinary fields of problem solving. While systems engineering concentrated on the broad characteristics of the relationships between inputs and outputs of generic systems, operations researchers concentrated on solving specific and focused problems. The synergy of operations research and systems engineering allowed for the realization of solving large scale and complex problems in the modern era. Recently, the development of faster and smaller computers, intelligent systems , and the World Wide Web has opened new opportunities for operations, manufacturing, production, and service systems. The textile industry is the prototypical example of the English industrial revolution. Industrial

Revolution and Productivity improving technologies historical Before the First industrial revolution work was mainly done through two systems: In the domestic system merchants took materials to homes where artisans performed the necessary work, craft guilds on the other hand were associations of artisans which passed work from one shop to another, for example: The beginning of the industrial revolution is usually associated with 18th century English textile industry , with the invention of flying shuttle by John Kay in , the spinning jenny by James Hargreaves in , the water frame by Richard Arkwright in and the steam engine by James Watt in In at the Crystal Palace Exhibition the term American system of manufacturing was used to describe the new approach that was evolving in the United States of America which was based on two central features: The model T car was introduced in , however it was not until Ford implemented the assembly line concept, that his vision of making a popular car affordable by every middle-class American citizen would be realized. The first factory in which Henry Ford used the concept of the assembly line was Highland Park , he characterized the system as follows: That is the real principle of our production, and conveyors are only one of many means to an end" [9] This became one the central ideas that led to mass production , one of the main elements of the Second Industrial Revolution , along with emergence of the electrical industry and petroleum industry. The post-industrial economy was noted in by Daniel Bell. Since all sectors are highly interconnected, this did not reflect less importance for manufacturing, agriculture, and mining but just a shift in the type of economic activity. Operations management[edit] Although productivity benefited considerably from technological inventions and division of labor, the problem of systematic measurement of performances and the calculation of these by the use of formulas remained somewhat unexplored until Frederick Taylor, whose early work focused on developing what he called a "differential piece-rate system" [11] and a series of experiments, measurements and formulas dealing with cutting metals [12] and manual labor. One of the problems Taylor believed could be solved with this system, was the problem of soldiering: In Taylor published his "The Principles of Scientific Management", [14] in which he characterized scientific management also known as Taylorism as: The development of a true science ; The scientific selection of the worker ; The scientific education and development of the worker; Intimate friendly cooperation between the management and the workers. Taylor is also credited for developing stopwatch time study, this combined with Frank and Lillian Gilbreth motion study gave way to time and motion study which is centered on the concepts of standard method and standard time. Frank Gilbreth is also responsible for introducing the flow process chart in Also in Hugo Diemer published the first industrial engineering book: Factory Organization and Administration. In Ford Whitman Harris published his "How many parts to make at once" in which he presented the idea of the economic order quantity model. He described the problem as follows: Experience has shown one manager a way to determine the economical size of lots" [16] This paper inspired a large body of mathematical literature focusing on the problem of production planning and inventory control. In Walter Shewhart introduced the control chart through a technical memorandum while working at Bell Labs , central to his method was the distinction between common cause and special cause of variation. In the s methods-time measurement MTM was developed by H. MTM was the first of a series of predetermined motion time systems , predetermined in the sense that estimates of time are not determined in loco but are derived from an industry standard. This was explained by its originators in a book they published in called "Method-Time Measurement". Harris to the more elaborate techniques of the calculus of variations developed by Euler in or the multipliers employed by Lagrange in , and computers were slowly being developed, first as analog computers by Sir William Thomson and James Thomson moving to the eletromechanical computers of Konrad Zuse and During World War II however, the development of mathematical optimization went through a major boost with the development of the Colossus computer , the first electronic digital computer that was all programmable, and the possibility to computationally solve large linear programming problems, first by Kantorovich [20] in working for the Soviet government and latter on in with the simplex method of Dantzig. These methods are known today as belonging to the field of operations research. From this point on a curious development took place: Toyota evolved a unique manufacturing system centered on two complementary notions: SPC and worker responsibility over quality Easy able -to-see quality: Plossl and Oliver W. One of the key insights of this management system was the distinction between dependent demand and independent demand. Independent

demand is demand which originates outside of the production system, therefore not directly controllable, and dependent demand is demand for components of final products, therefore subject to being directly controllable by management through the bill of materials, via product design. Orlicky wrote "Materials Requirement Planning" in [26] the first hard cover book on the subject. Enterprise resource planning ERP is the modern software architecture, which addresses, besides production operations, distribution, accounting, human resources and procurement. Dramatic changes were occurring in the service industries, as well. While modeled after manufacturing in the production of the food in the back-room, the service in the front-room was defined and oriented to the customer. This was based on the innovative idea of flying all packages into the single airport in Memphis Tenn by midnight each day, resorting the packages for delivery to destinations and then flying them back out the next morning for delivery to numerous locations. This concept of a fast package delivery system created a whole new industry, and eventually allowed fast delivery of online orders by Amazon and other retailers. This was accomplished by adhering to their system of delivering the goods and the service to the customers at the lowest possible cost. The operations system included careful selection of merchandise, low cost sourcing, ownership of transportation, cross-docking, efficient location of stores and friendly home-town service to the customer. These standards apply to both manufacturing and service organizations. There has been some controversy regarding the proper procedures to follow and the amount of paperwork involved, but much of that has improved in current ISO revisions. With the coming of the Internet, Amazon devised a service system of on-line retailing and distribution. With this innovative system customers were able to search for products they might like to buy, enter the order for the product, pay online, and track delivery of the product to their location, all in two days. This required not only very large computer operations, but dispersed warehouses, and an efficient transportation system. Service to customers including a high merchandise assortment, return services of purchases, and fast delivery is at the forefront of this business. Recent trends in the field revolve around concepts such as: Business Process Re-engineering launched by Michael Hammer in [32]: BPR seeks to help companies radically restructure their organizations by focusing on the ground-up design of their business processes. Lean systems is a systemic method for the elimination of waste "Muda" within a manufacturing or service process. Lean also takes into account waste created through overburden "Muri" and waste created through unevenness in work loads "Mura". The term lean manufacturing was coined in the book *The Machine that Changed the World*. Six Sigma an approach to quality developed at Motorola between 1986 and 1995. Six Sigma refers to control limits placed at six 6 standard deviations from the mean of a normal distribution, this became very famous after Jack Welch of General Electric launched a company-wide initiative in 1995 to adopt this set of methods to all manufacturing, service and administrative processes. Production systems[edit] In a job shop machines are grouped by technological similarities regarding transformation processes, therefore a single shop can work very different products in this picture four colors. Also notice that in this drawing each shop contains a single machine. Usually in the back there is a similar system for managing the set of tools required for different machining operations. A production system comprises both the technological elements machines and tools and organizational behavior division of labor and information flow. A first possible distinction in production systems technological classification is between continuous process production and discrete part production manufacturing. Another possible classification [36] is one based on Lead Time manufacturing lead time vs delivery lead time: According to this classification different kinds of systems will have different customer order decoupling points CODP, meaning that work in progress WIP cycle stock levels are practically nonexistent regarding operations located after the CODP except for WIP due to queues. See Order fulfillment The concept of production systems can be expanded to the service sector world keeping in mind that services have some fundamental differences in respect to material goods: Services can be classified according to a service process matrix:

Chapter 7 : Operations Management Defined | Defining Operations Management | InformIT

Operation management is a process that involves planning, organizing, managing, controlling and supervising the production and manufacturing processes. The major aim of an operation manager is to ensure timely delivery of the products and to successfully turn the raw materials into the finished products (input to output).

Based on the above definition, we can distinguish three chief functions of the organization: This very broad definition indicates a vast range of operational management, including elements such as resources and planning, organizing, allocating resources, etc. The tasks manager The main task manager, regardless of the area in which they work, are: Planowanie - setting objectives and methods and deadlines to achieve them; 2. Organizowanie - build the best structures to achieve its objectives; 3. Zatrudnianie - ensuring adequate staff to perform assigned tasks; 4. Motywowanie - encouraging employees to the good performance of assigned tasks; 6. Alokowanie - assigning resources to the work; 7. Monitorowanie - current checking whether processes lead to specific goals; 8. Kontrola - taking corrective action; 9. Informowanie - notification about the progress of the organization. Process definition of operational management Defining concepts by defining what and in what order is executed, we define as the recognition process. Management is thus to solve problems within the following process: Obserwowanie - awareness of the problem; 2. Analizowanie - the incidence of parameters and alternatives, the decision on the selection of a particular solution; 4. Zastosowanie - take the final decision, the implementation of solutions and control results. Actions in the provision of services Operational management is applicable in both the service and production. Despite significant differences between material goods and services management processes operating in these areas have much in common. The development of this issue, see the manual on page46 Few products are only material form and few services are completely devoid of physical emanations. Different views on the operational management Operational management is perceived in different ways. You can treat it as a profession, as evidenced by appearing more and more frequently, even in the Polish press, the notice of employment. You can treat the operational management as a way of solving problems, or even - as is the case in grotesque paintings of Quentin Tarantino - as an orderly way of life, or treated as a decision-making tool in certain areas of human activity. Principles of forming the basis of operational management: Made decisions, are reflected in many areas of life, including the American Armed Forces, which use the principle of "Think, improvise, strike, conquer. The presentation of additional case studies is to update the descriptions contained in this manual, as well as the presentation of Polish companies closer to the reader. Tips for the teacher In the second chapter, pay attention to: The Basic functions of the organization, including the operational management of the place; 2. Basic managerial tasks; 3. Cechy common and differences in operational management in the sphere of production and services; 4. All organization in one way or other run operations. And management is key to success of operation. It considers the acquisition, development, and utilization of resources that firms need to deliver the goods and services their clients want. It is the area of management which is concerned with creation of all the products and services of a company. The field is important as well as challenging and vital for all types of organizations ranging from manufacturing to retailing to services. The concepts of efficiency and effectiveness of any organization revolve around the operations management. Managing operations is all about making the processes work right! Running the processes involves great degree of integration of organizational resources to the capabilities of workforce and supply chain management issues of the resulting output to get the product in the right place in the right way, keeping in view the cost and time considerations. In the broader context, operations management is a crucial process of planning, organizing, leading and controlling the production or services right from the manufacturing to the supply chain management issues. Operations management plays a vital role in the success of any organization. Any business that produces something, whether tangible or not, must use resources to do so, and so must have an operations activity.

Chapter 8 : Importance Of Operations Management Essay

Operations management (OM) applies to each type of organization. OM includes each part of production, from inspiration to implementation. It is the "who, what, where, when and why" that goes into each completed item and gave benefit.

Operations management OM applies to each type of organization. OM includes each part of production, from inspiration to implementation. It is the "who, what, where, when and why" that goes into each completed item and gave benefit. Pexels What is Operations Management? The definition of operations management is the exercises that relate to the creation of goods and services through the transformation of contributions to yields. One of the key elements of OM is production, or the creation of goods and services. On account of assembling, the yield is exceptionally self-evident, in light of the fact that it creates an item. You know the finished result in a Harley fabricating plant will be a Harley Davidson cruiser. The production of less tangible products, for example, booking an inn room, is services. These products are more subtle or "covered up" from people in general or even the client. Despite substantial quality, any movement that goes into production is a function of operations management. Operations management is one of the three functions each organization performs to accomplish its objectives. These are for production, as well as for survival in the commercial center. What Operations Managers Do The reason every single great chief study operations management is to viably finish the following layer of fundamental functions in the management procedure. To do any of those things, operations managers need to assess all the current information and settle on a strategy. There are seven noteworthy decisions in which operations managers have a fundamental impact. Each are abridged here: Item and Service Management. What great or administration do we offer, and what is its outline? Operations and Supply Chain Management. Would it be advisable for us to make - or purchase - what we have to deliver our great or administration? On the off chance that we buy it, who can supply it? What amount would it be a good idea for us to continue hand? At the point when do we re-arrange? Determining and Capacity Planning. What does the here and now and long-term plan resemble? What amount would we be able to make in what timeframe? What do we requirement for materials? What quality framework would it be a good idea for us to utilize? What affect does quality have on our organization? Offices Planning and Management. How is the office utilized as a part of production? What is its relationship to different assets? By what method would it be a good idea for it to be organized? Productivity What does make a difference to production of the two goods and services is a high level of profitability. This requires converting assets into goods and services as productively as could reasonably be expected. The activity of an operations chief is to deal with those assets and those yields to the advantage of the company.

Chapter 9 : Know How Important is Operation Management For Business / MunPlanet

While operations management is focused on the production of goods and/or services in an organization, its importance to the overall organization cannot be underestimated.

Definition, Principles, Activities, Trends Since all companies have operations, i. Especially as mastering these basics can directly support your business goals. We will also give you an outlook on some of the recent trends that have an impact on this discipline. Operations management involves planning, organizing, and supervising processes, and make necessary improvements for higher profitability. Historical background Operations management was previously called production management, clearly showing its origins in manufacturing. Historically, it all began with the division of production, starting as early as the times of ancient craftsmen, but spreading more widely only by adding the concept of interchangeability of parts in the eighteenth century, ultimately sparking the industrial revolution. As the economies in the developed world were gradually shifting to be service-based, all the corporate functions, including product management, started to integrate them. The service side also began its approach by applying product management principles to the planning and organizing of processes, to the point where it made more sense to call it operations management. Multidisciplinary nature Operations management is now a multidisciplinary functional area in a company, along with finance and marketing. It makes sure the materials and labor, or any other input, is used in the most effective and efficient way possible within an organization – thus maximizing the output. Operations management requires being familiar with a wide range of disciplines. It incorporates general management, factory- and equipment maintenance management by tradition. The operations manager has to know about the common strategic policies, basic material planning, manufacturing and production systems, and their analysis. Production and cost control principles are also of importance. Interested in a deep dive into operations management? Read the following slides. Required skills The skills required to perform such work are as diverse as the function itself. The most important skills are: Organizing processes in an organization requires a set of skills from planning and prioritizing through execution to monitoring. These abilities together help the manager achieve productivity and efficiency. The capability to understand processes in your area often includes a broad understanding of other functions, too. An attention to detail is often helpful to go deeper in the analysis. Once processes are analyzed and understood, they can be optimized for maximum efficiency. Quick decision-making is a real advantage here, as well as a clear focus problem-solving. Flaws in the interactions with employees or member of senior management can seriously harm productivity, so an operation manager has to have people skills to properly navigate the fine lines with their colleagues. Furthermore, clear communication of the tasks and goals serves as great motivation and to give a purpose for everyone. When they do, creativity helps find new ways to improve corporate performance. Operations managers have to be familiar with the most common technologies used in their industries, and have an even deeper understanding of the specific operation technology at their organizations. Below you will find two major approaches that are important to understand the driving forces behind the decisions about planning, designing and organizing processes. They are both embracing the idea of focusing on the delivery: The ten principles of OM by Randall Schaeffer Randall Schaeffer is an experienced manufacturing and operations management professional, an industrial philosopher, and regular speaker at conferences organized by APICS , the leading US association of supply chain and operations management. He presented his list of 10 principles of operations management at an APICS conference in , saying the violation of these principles had caused the struggle US manufacturing companies were experiencing. Operations management should focus on the problem, instead of the techniques, because no tool in itself would present a universal solution. Processes in manufacturing are interconnected. All elements have to be predictable and consistent, in order to achieve a similar outcome in profits. The Pareto rule is also applicable to operations: Managers are expected to set the rules and the metrics, and define responsibilities of their subordinates, as well as regularly check if the goals are met. Only this way would the workers put in the necessary efforts. Variance of processes has to be encouraged, because if managed well, they can be sources of creativity. Unless the causes are attacked, the

same problems will appear again. The passion of employees can be a major driver of company growth, and it can be instilled by the managers if not coming naturally. What is considered success will change over time, but always consider the interest of the customer. In order to keep them, all the other principles have to be revised occasionally. There will always be new theories and solutions, so you should not stick to one or the other, but embrace the change, and manage for stability in the long term. The 16 principles of operations management by Dr. Team up with customers. Know what they buy and use, and organize product families accordingly. Aim for non-stop improvement to always deliver the best quality, aim for a quicker response to customer demand, and always offer maximum flexibility. Thus, it gives more value, in a more flexible way. Involve frontline employees in strategic discussions to make sure they understand the purpose of their work and have their say in what to change. Know their customers, their best practices, and their competitive edges. Set priorities in organizing resources in a way the operations are close to the customer rate of use or demand. Offer cross-training options, job rotation, and improvements in work safety and health. Also offer more rewards and recognitions. Always think of improvement of current assets first, instead of a new purchase. Keep the equipment as simple and flexible as possible, at a reasonable cost. Improve the equipment and keep frontline workers accountable. Shorten product path to customer by making processes and delivery faster. Be prepared to support different processes and get all information and tools ready for on-demand production. Improve the workflow and cut the waste by producing on demand. Use only the best materials, processes, and partners. Focus on controlling the root causes that really affect cost and performance. Promote corporate achievements, let the market know about your improvements in competence or productivity. All activities involve considering assets, costs, and human resources, and are preceded by a thorough analysis of processes. Design Before planning processes or designing products, operations management should be busy analyzing the market to test the demands. If it delivers promising results, e. In most cases, planning involves designing a new product, from the initial concept to the actual launch, with several testing phases involved. During planning, you will have to consider both technical and business requirements. Sometimes the processes need to be updated: If your product is a service, process design aims for a variety of requirements and customer contact levels. Plans should always support the business objectives: Therefore, it is important to set proper measures in the planning phase, to know if the actual performance meets them, or there is need for adjustments. Capacity is one of these measures, as is product quality, or delivery times. The initial figures are usually estimates based on the market analysis conducted beforehand. One thing operation managers should be good at is critical path analysis. Learn more about that in the following video. This is a solid starting base for maximizing the efficiency of your operations. Still, you will need constant and competent management to correct the accidental mistakes in planning, to adjust production to changing costs or regulations, and keep them efficient on many levels. The operations manager selects and schedules the processes for an optimal result and does the same with materials for an ideal quality and capacity. Organizing the maintenance of the equipment is also part of the quality management activities. Furthermore, the inventory and the whole supply chain has to be managed in order to produce more efficiently. As in all management functions, the management of human resources is an essential activity. In operations management, the planning of actual employment levels can have a great impact on whether an organization can operate effectively. Improve There is always room to improve when it comes to the processes used, the quality and capacity achieved, or as far as the level of inventory and human resources are concerned. But remember, changes made according to these plans are only as good as the improvement they bring in business terms. A better way to forecast demand gets you closer to an improvement of processes, as savings on costs and delivery times occur. The quality of a product will be higher if you have Total Quality Control established and assess the operational risks correctly. Inventory control accounts for a better use of supplies. With Just-In-Time manufacturing, the capacity issues can be solved. Collaboration is a common go-to strategy that you can use to improve the effectiveness of your human resources. As a general advice, you can always consider adding some technology in the mix. The best way to do that is to develop a technology plan: Some of the trends that have a significant impact on the discipline today are: With Business Process Reengineering, you can foster innovation and improve any selected measures dramatically. If you want to do it well, focus on how you can add more value to the

customer. Lean and agile manufacturing Established by the Toyota Corporation, the term lean manufacturing has become a mainstream trend in the industry, and it is used interchangeable with Just-In-Time production. The concept behind is a constant improvement of processes in order to reduce waste and inventory, and maximize the output of high-quality, low-cost products and services. The reason it came to life was the growing complexity of processes, and it is characterized by product development done in small increments and super-fast decision-making. These together ensure the necessary flexibility and interactivity, proven remedies for unpredictable changes in market demand.