

Introduction to Operations and Supply Chain Management

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Operations Management

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What is this course all about?

The design, operation, and improvement of the systems that create and deliver the firm's primary products and services.

Science and art of ensuring that goods and services are created and delivered successfully to customers.


Transforming resources to value to customers

Matching supply with demand

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Key Role of an Operations Manager

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Role of Operations Manager



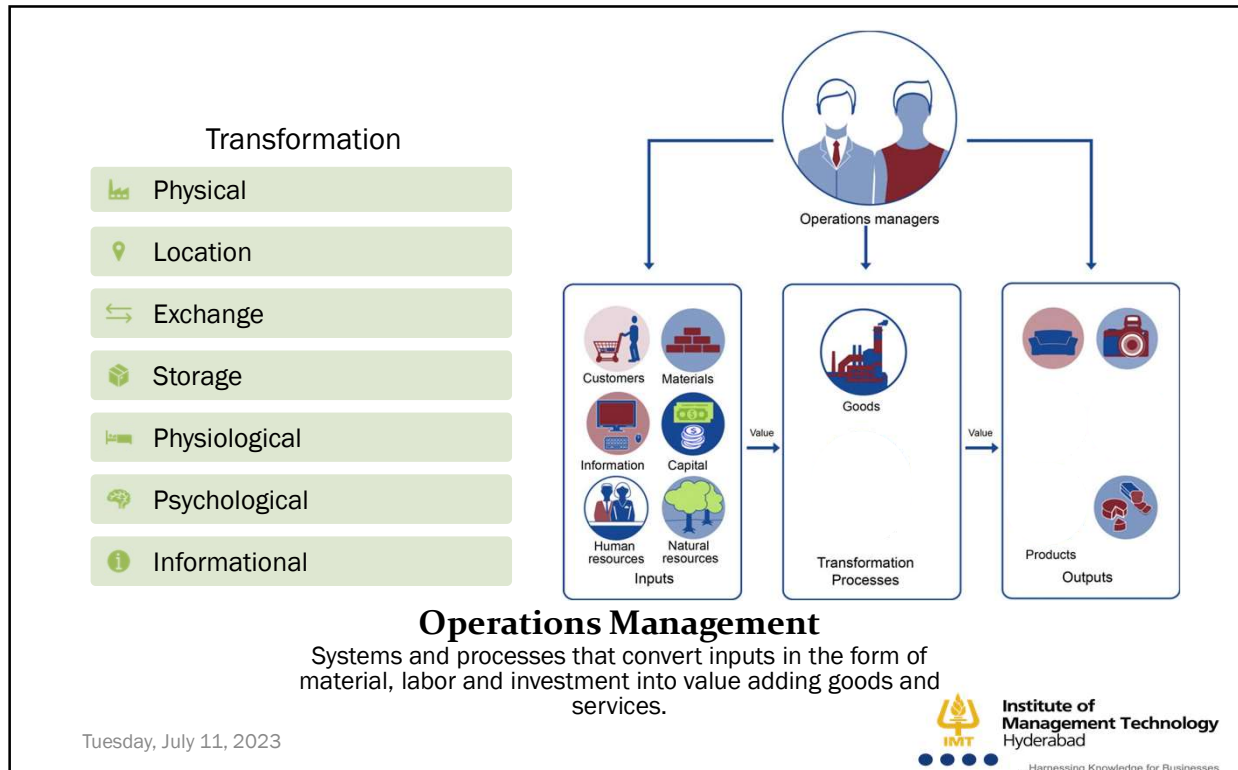
PLANNING SOURCING MAKING

DELIVERING RETURNING

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Customer Benefit Packages (CBP)

Primary good or service

- Core offering that attracts customers and responds to their basic needs

Peripheral goods or services

- Offerings that are not essential to the primary good or service, but enhance it

Variant

- CBP attribute that departs from the standard CBP and is location- or firm-specific

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exhibit 1.4

The Goods–Services Continuum

Pure Goods	Core Goods	Core Services	Pure Services
Food products	Appliances	Hotels	Teaching
Chemicals	Data storage systems	Airlines	Medical advice
Book publishing	Automobiles	Internet service providers	Financial consulting

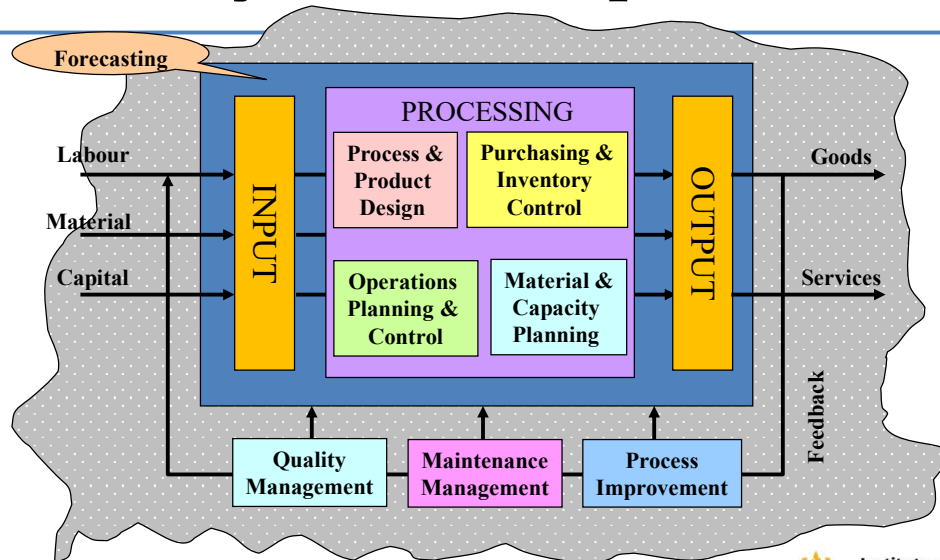
Goods ← ————— → Services

Source: Anders Gustafsson and Michael D. Johnson, *Competing in a Service Economy* (San Francisco: Jossey-Bass, 2003), p. 7. Copyright © 2003 Jossey-Bass. Reproduced with permission of John Wiley & Sons, Inc.

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A Systems Perspective



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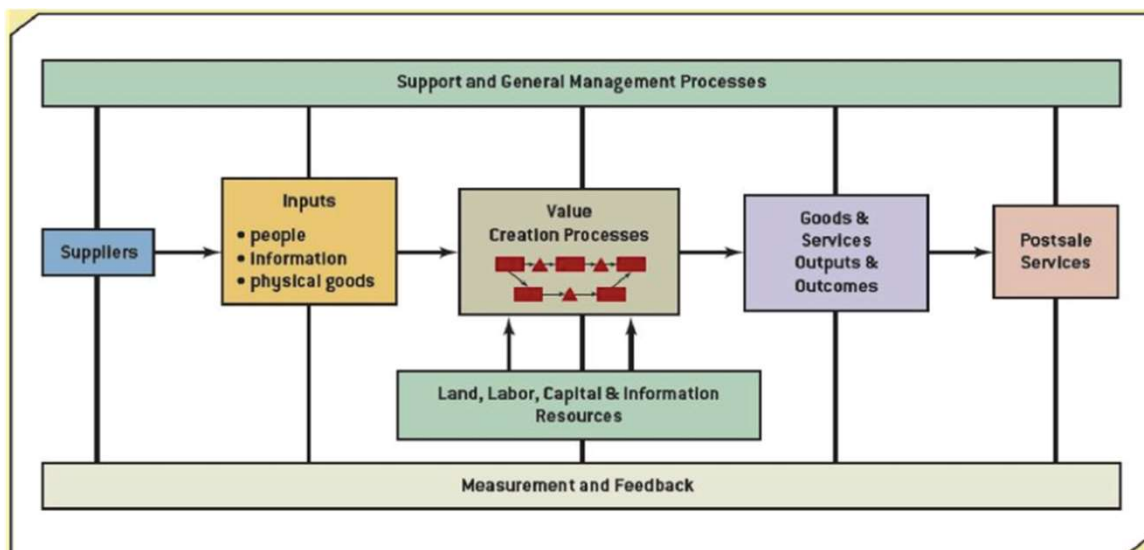
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Value

- Perception of the benefits associated with a good, service, or bundle of goods and services in relation to what a buyer pays
 - Goods or services are perceived favorably by customers if the ratio of perceived benefits to price to the customer is high

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Input-Output Perspective

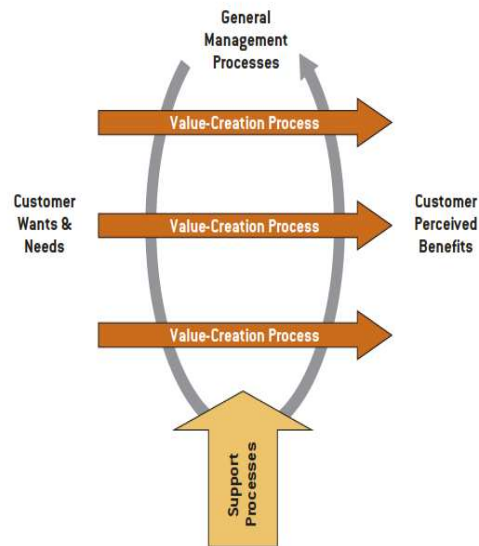


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How Primary, Support, Supplier and Management Processes are Related

EXHIBIT 1.4 How Primary, Support, Supplier, and Management Processes Are Related



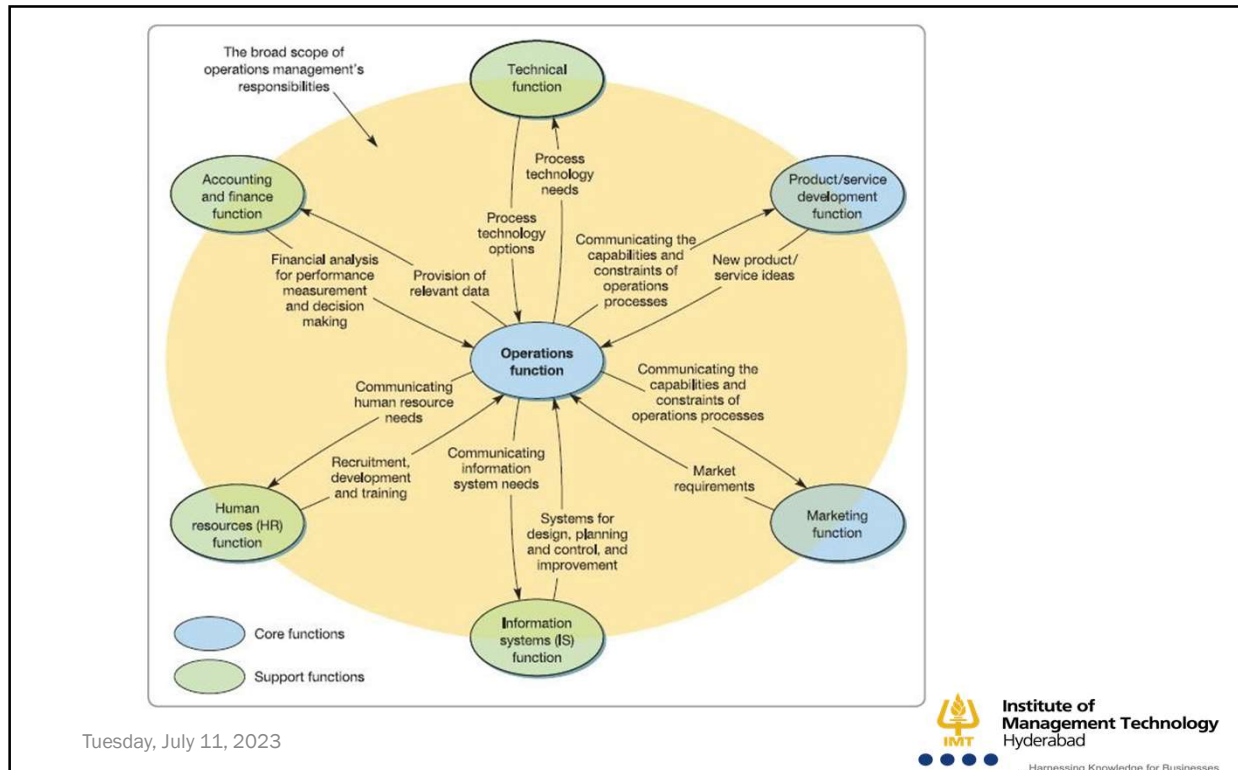
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Operations Management Tasks

Design tasks	Planning and control	Improvement
Product/service design Layout and flow, especially detailed layout	Workforce planning Shift patterns Work allocation Scheduling of orders Capacity plans Stock control Quality planning and control Error correction	New product introduction Continuous improvement 'Lean thinking' Team-based quality improvement

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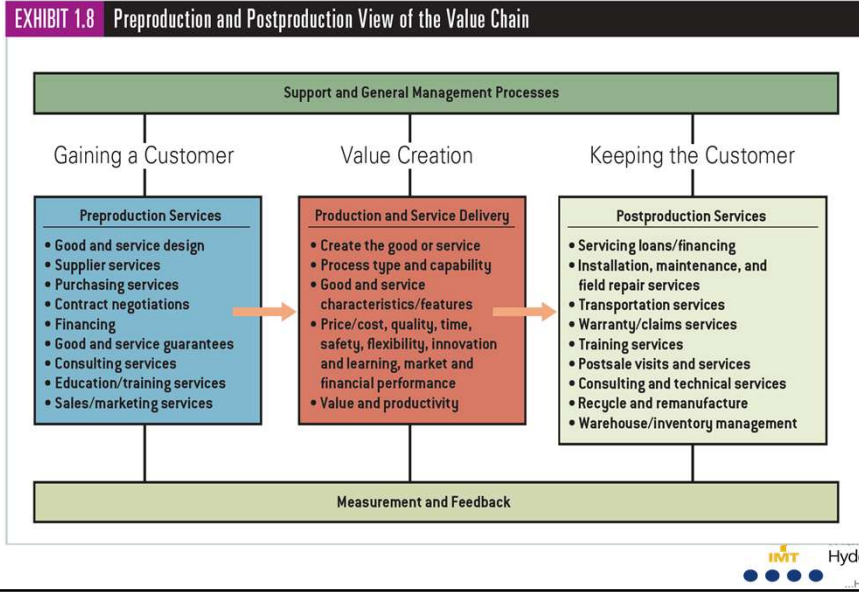
Further on systems perspective

- Transformational process is integral to all verticals of the organization
- What is the transformational process in
 - Finance
 - Marketing
 - HR
- Organizational sub-process could be viewed as systems in themselves and OM logic applied
- Systems are a point of analysis in OM

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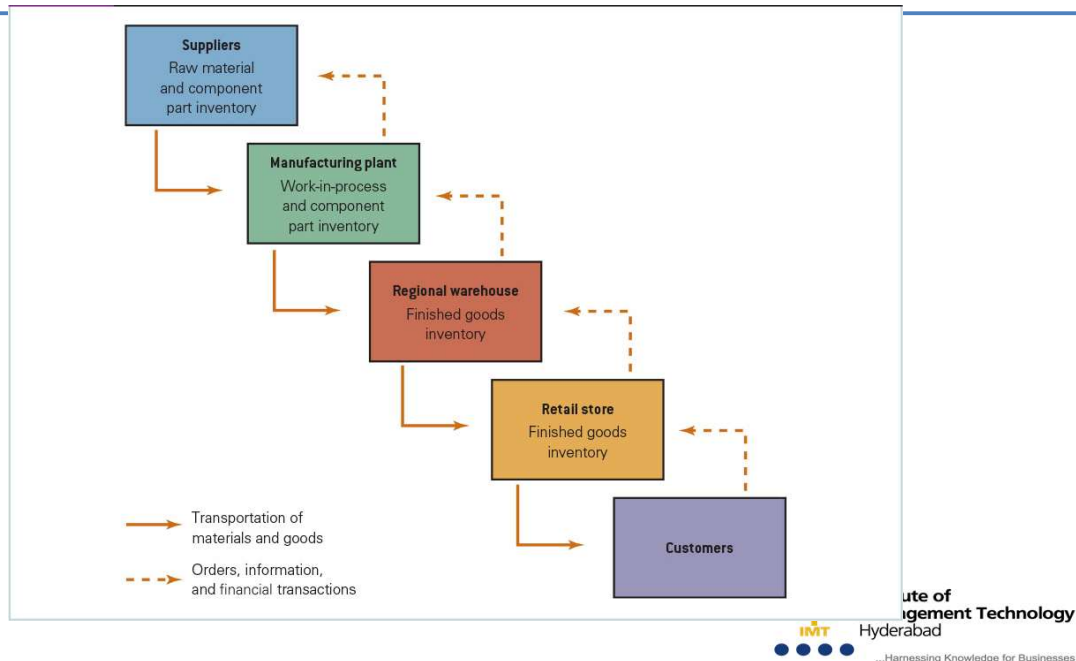
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Pre- and Postservice View of the Value Chain

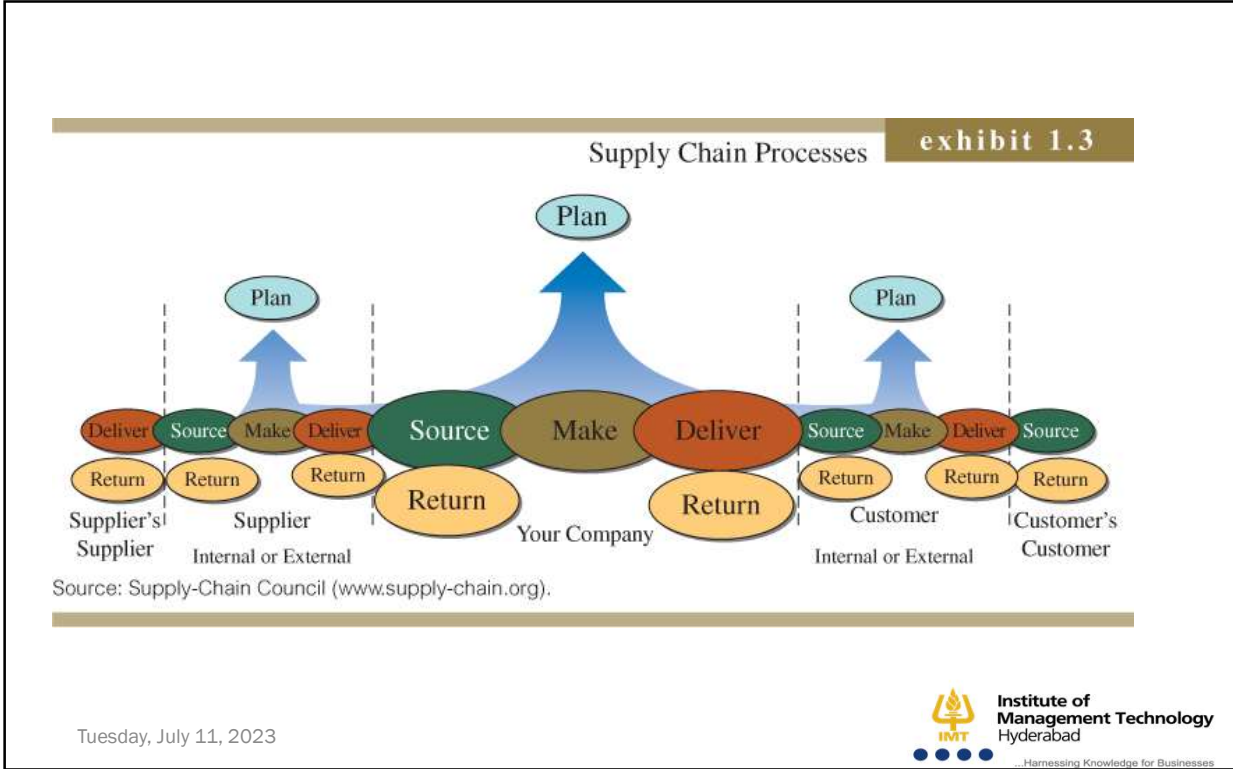


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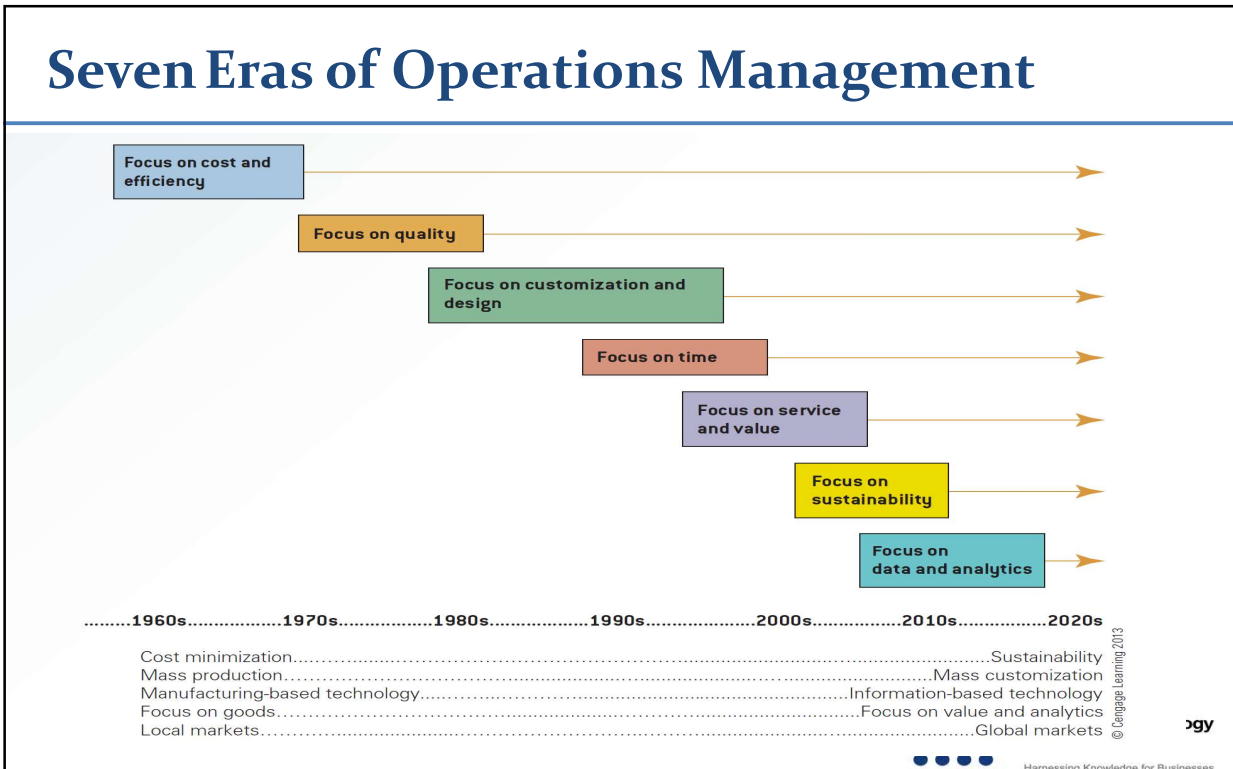
Typical Goods-Producing Supply Chain Structure



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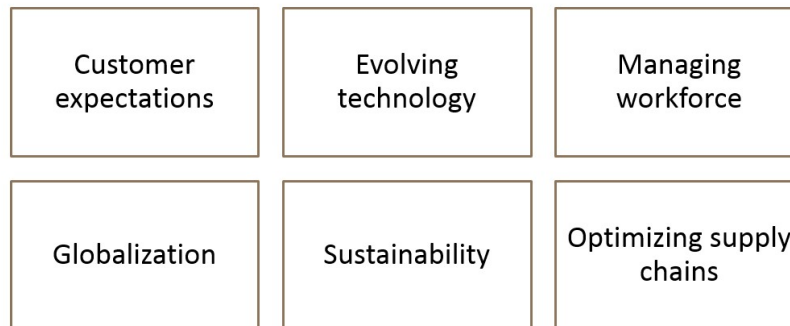


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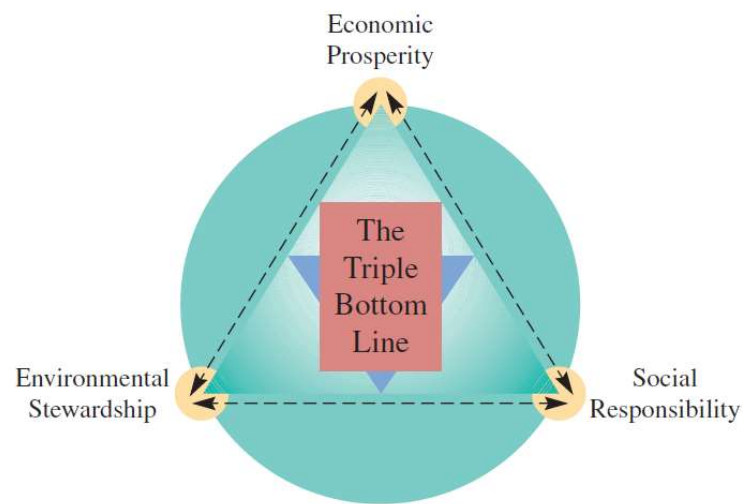
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Current Challenges in OM



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Triple Bottom Line



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