

Chapter 1 : Functions of Management – Planning, Organizing, Staffing and More

"Operations management is a multi-disciplinary field that focusing on manage all the aspects of the business's operations. And a typical organisation has integrated with many operational activities wrote by Howard J. Weiss and Mark E. Gershon in Production and Operations Management".

Fayol originally set forth five management functions, but management book authors have condensed them to four: The fifth function was staffing. Planning Planning involves deciding where to take a company and selecting steps to get there. It first requires managers to be aware of challenges facing their businesses, and it then it requires managers to forecast future business and economic conditions. They then formulate objectives to reach by certain deadlines and decide on steps to reach them. They re-evaluate their plans as conditions change and make adjustments as necessary. Planning helps allocate resources and reduce waste as well. Organizing Managers organize by bringing together physical, human and financial resources to achieve objectives. They identify activities to be accomplished, classify activities, assign activities to groups or individuals, create responsibility and delegate authority. They then coordinate the relationships of responsibility and authority. Leading Leading requires managers to motivate employees to achieve business objectives and goals. It requires the use of authority to achieve those ends as well as the ability to communicate effectively. Effective leaders are students of human personalities, motivation and communication. They can influence their personnel to view situations from their perspectives. Leading also involves supervision of employees and their work. Controlling Controlling is a function of management that involves measuring achievement against established objectives and goals. It also requires managers to be able to identify sources of deviation from successful accomplishment and to provide a corrective course of action. Managers first establish objectives and goals, then measure achievement of them, identify anything that is keeping the company from achieving them, and provide means of correction if necessary. Controlling does not necessarily involve achieving only monetary goals and objectives. It can also relate to nontangible goals and objectives like meeting a production quota or reducing customer complaints by a certain amount.

Chapter 2 : Operations management - Wikipedia

Operations management is a multi-disciplinary field that focuses on managing all aspects of an organization's operations. The typical company carries out various functions as a part of its.

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 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 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 3 : Operations Management

Operation management » ¿OPERATION MANAGEMENT Question 1 Briefly explain the activities in Operation Management Operations management refers to the activities, decisions and responsibilities of managing the resources which are dedicated to the production and delivery of products and calendrierdelascience.com part of an organisation that is responsible for this activity is called the operations function and.

Operations Management Operations Management admin Operations Management is a branch that deals with managing operations and processes within the organisation. Efficacious management of operations ensures successful delivery of the project. The operation managers optimises the operations by making judicious use of resources and capital. They manage all the aspects related to the operations that take place in businesses. They are required to perform various functions as a part of their job responsibilities. Finance Finance plays a chief role in operations management. Operation This function in operation management is mainly concerned with planning, organising, directing and controlling all the activities of an organisation which helps in converting the raw materials and human efforts into valuable goods and services for satisfying customer needs. Strategy Strategy in operation management refers to planning tactics that could help them to optimise the resources and have a competitive edge over others. Business strategies imply to supply chain configuration, sales, capacity to hold money, optimum utilisation of human resources and many more. Design of the product Incorporating innovative technologies play a crucial role in the selling of a product. Thus it is the duty of operations manager to ensure that the product is designed catering to the market trends and needs of the customers. The modern-day customers are more concerned about the quality of the product than its quantity. So, the operation managers focus on producing top-notch quality products. Forecasting Forecasting refers to the process of making an estimation regarding certain events that might occur in the future. Supply Chain Configuration The main motive of Supply Chain Configuration is to ensure effective management, monitoring and controlling of all the main activities that are held in a firm. The supply chain configuration starts from the supply of the raw materials and continues till the production of the final product and then their selling to the customers which will satisfy their needs and wants. Managing the Quality Quality management plays an imperative role in selling a product. The operation managers allocate the task of quality management to a team and then supervise their task. The managers identify project defects and rectify them to ensure quality. For this, certain systems are used that measure and maintain the quality of the product. Proper skills and know-how ensure that all these roles are fulfilled efficaciously. The course provides conceptual learning to the candidates and prepares them to face all the field challenges. It is a correspondence course, so you can pursue the course from anywhere and plan your own study schedule.

Chapter 4 : Operations Management Defined | Defining Operations Management | InformIT

Operations management (OM) is the business function responsible for managing the process of creation of goods and services. It involves planning, organizing, coordinating, and controlling all the resources needed to produce a company's goods and services.

What does it do? No, really, what does it do? IT Operations Management is actually divided into two sub-functions, each performing a slightly different set of activities: A good example would be middleware jobs transferring data between mainframe applications and smaller-scale ERP or Human Resources applications. Nowadays, with distributed printing facilities, their responsibility shifts to various print management solutions maintenance. Backup activities are somewhat easier to perform, but there is still a lot of work around backup: This is an important task of Operations. Operations performs infrastructure maintenance activities requested by the remaining two ITIL functions: Application and Technical management. Operations is usually organized to work in shifts, so it can perform assigned after-hours tasks. It takes care of all the accompanying functions: Also, Facilities management must be in charge of large transitions: IT infrastructure consolidation, various construction projects concerning facilities, work on power supply, etc. I have witnessed a few anecdotes which have almost led to a disaster: Facilities management HAS to be in charge of anything that can influence the infrastructure; otherwise, the IT Service continuity can be seriously endangered. How is it organized? IT Operations Management is a function. It leaves a lot of options open to an IT Organization. In small-size IT organizations, competent Service Desk analysts can perform Operations tasks during their regular shifts, escalating more complex tasks to on-call engineers or tech account managers. If you consider main objectives and purpose of functional units, do what works for you and your organization. Important objectives The main problem of Operations is that it has to reconcile a few objectives, which can sometimes conflict: It implies changes, and it conflicts with the previous one. Diagnosis and resolution of occurred operational failures.

Chapter 5 : Operation management in healthcare | Investopedia

Operations management focuses on carefully managing the processes to produce and distribute products and services. Major, overall activities often include product creation, development, production and distribution. (These activities are also associated with Product and Service Management.) Related.

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.

Chapter 6 : What is IT Operations Management? - Definition from Techopedia

Operations Management is a branch that deals with managing operations and processes within the organisation. Efficacious management of operations ensures successful delivery of the project. The operation managers optimises the operations by making judicious use of resources and capital.

Operations management refers to the administration of business practices to create the highest level of efficiency possible within an organization. Operations management is concerned with converting materials and labor into goods and services as efficiently as possible to maximize the profit of an organization. Operations Management - Explained: Operation refers to the coordination of those activities in a business that are involved in combining inputs for the purpose of producing an output that is valued by consumers. This process is called value adding. For example, a bag of oranges can go through certain procedures to turn it into bottles of orange juice. The bottles of juice will be worth more than the original bag of oranges because, at each stage of production, value was added. The operations department is responsible for acquiring the inputs and devising the best production methods so that value adding occurs in the most efficient and effective way. Thus, the role of operations management and the operations manager is to ensure a smooth production process that contributes to the output of goods and services of an organization. Characteristics of Operation Management: Most businesses are supported by the functions of operations, marketing, and finance. The major functional areas must interact to achieve the organization goals. Role of Operations Management: Cost leaders and differentiation can exist in the same industry. For example, in the car industry. Cost leadership Cost leadership refers to the strategies to produce goods or services at the lowest possible cost whilst they are still acceptable to customers. By reducing the costs of production and distribution, a business will be able to gain an advantage over competitors. However, it is important that customers see that they are gaining value for money, otherwise this strategy will not see long term rewards for the business. If the strategy is successful, the business will become the leading provider of a particular good or service based on their lowered costs. Businesses adopting a cost leadership strategy commonly have standardised products. The car manufacturer Kia is well known for being a cost leader. For example, airlines will try to differentiate their product so as to attract consumers. Businesses can differentiate themselves from others by changing obvious aspects such as price, quality or performance but also in more innovative ways such as changing the technology used in the process, speeding up delivery time and building alliances. Porsche focus on a differentiation strategy to set it apart from other cars in relation to design, marketing and technology. Some businesses make tangible products known as goods. These businesses are usually found in industries in the primary and secondary sectors. For example, a primary producer, such as a sheep farmer, will provide fleece to a wool manufacturer. In these sectors, operations managers will focus on obtaining the materials that go into the making of the product inputs and the actual production processes. Other businesses supply intangible non-physical products to customers. This is called a service and the businesses that provide these are found in industries in the tertiary sector. The tertiary sector is where the output is sold to the customer. For example, the banking industry sells financial services to customers and the retail industry sells retail products. In these industries, the operations manager will focus on customer service and after care. Interdependence with other key business functions The operations department brings together the materials and the activities needed for the production of goods and services to meet consumer demand. It also shares ideas across the business about how to improve processes or achieve cost savings to bring about best practice. The operations manager will liaise with the other department in the following ways: Therefore, it can be seen that the Operations department carries out a coordinating role in the business to ensure that the prime function/main activity of the business is carried out efficiently and effectively so that consumer demand is met. In this way the business will be profitable. Operations management refers to the design, operation and control of the transformation process that converts such resources as labour and raw materials into goods and services that are sold to customers. And just as every organization produces something, every unit in an organization also produces something. Today, every successful organization recognizes the crucial role that operations management plays as part of the overall

organizational strategy to establish and maintain global leadership. The strategic role that operations management plays in successful organizational performance can be seen as more organizations move towards managing their operations from a value chain perspective which means the entire series of organizational work activities that add value at each step beginning with the processing of raw materials and ending with the finished product. There are various reasons which makes operations management important.

Chapter 7 : Operations Management: Definition, Principles, Activities, Trends

The primary functions of an operations department include the design and management of products, services and processes. In addition, the operations department evaluates and allocates resources to effectively deliver products and services. Management of supply chains is also an essential function of.

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 8 : What Are the Four Basic Functions That Make Up the Management Process? | calendrierdelas

Operations Management: Definition, Principles, Activities, Trends Since all companies have operations, i.e. certain ways to create an optimal output from various input sources, whether it be manufacturing physical products or offering services, it is good to be familiar with the basics of managing these operations.

Overall, the quick outlook would hopefully have highlighted the alignment of the functions of management in different management theories. What do these functions entail, why are they important and how to utilize them? Planning The first managerial function involves planning. The function is about creating a detailed plan towards achieving a specific organizational objective. When you are planning, you are identifying the tasks, which are required to achieve the desired goals, outlining how the tasks should be performed, and identifying when and by whom they must be performed. You will need to look both at the short- and long-term success of the organization as part of the plan. You will need to look at the different ways you and the team could achieve this goal. This might include things like creating a new advertisement campaign, reducing prices or speaking to customers about their shopping plans. Your role is to pick the processes that you find the most appropriate and to organize them into a logical pattern. You must also identify the timeline for these processes. As you might realize, planning is an on-going function. Management will regularly have to plan the future tasks and adjust the plans based on the organizational situation and the achievement of previous goals. Furthermore, it requires the whole organization to work together as the different departments or team plans need to link to each other and align with the organizational objective. Henri Fayol called the function the most difficult to achieve! You need a lot of knowledge and flexibility in order to plan activities effectively. Why is planning essential? Why is planning important? Planning provides the organization a better sense of what it wants to achieve and how it can achieve this. You essentially have more focus when you plan for things. Think what would happen if you went into a big job interview without any planning. But if you plan for the interview, you now exactly the points you want to make, you have enough knowledge to respond to specific questions about the company and so on. In effect, planning ensures the proper utilization of the available resources and the ability to understand how these should be used in order to achieve the goal. In the example of the interview, the planning helps you take advantage of information on company websites, research interview questions and to then use this information to outline example answers. A key part of planning is also the vital role it plays in reducing risks. When management plans for the tasks ahead, they are looking at the situation and detailing the possible pitfalls ahead. As with your interview, the risk of not knowing anything about the company or giving an incoherent answer is higher than if you had planned your answers a little. When you need to come engage in planning, you should focus on the following steps: Gain knowledge of the issues “ You need to understand the organizational objectives, the different components they involve, and the available resources you and the team have. You also need to be knowledgeable of the topic at hand. In terms of increasing sales, you need to have an understanding of how the sales industry works and what different methods can effectively boost company sales. Look into the future “ The function is about understanding the short- and long-term objectives the organization wants to achieve. You need to consider not just these different elements, but also be able to make predictions about the future conditions for achieving these. Perhaps you have noticed changes in customer behavior due to the downturn in the economy. When you are planning, you need to take into account these little nuances. Determine the objectives “ Once you are aware of the organizational objective, the resources available, and the future outlook to achieving the objectives, you need to identify the specific processes and detailed goals that are required to achieve the bigger goal. You might want to create a marketing campaign to increase sales, which requires the team to conduct market research and to come up with ideas. The more detailed objectives and processes you can set, the better the plan is. Your management plan must take into account the other departments and their specific organizational goals. Perhaps the financial team has to cut down costs for the sales team and you need to be aware of the impact this would have on your new marketing campaign. Organizing The next function of management follows planning and it is about organizing. If your task were to increase sales, you would look at

the plan and determine how to divide the resources you have in order to put your plan in place. The marketing campaign would be handed out to Becky and you would provide them with the financial resources available and needed to give birth to the campaign. You would also need to ensure the team has access to the customer files in order to utilize vital information. As the example shows, this can be about arranging the finances, ensuring the right equipment is used and appointing the personnel to the specific tasks. Your objective as the manager is to provide your team or department the resources it needs to turn the plan into reality. The organizing function is about the overall structure of the specific managerial level. You are creating the foundations to everyday operations by organizing the resources. This function is closely linked to the hierarchy of management. Depending on your management level, you will have different responsibilities and resources to organize. The top-level managers need to organize the teams below them, while the lower-level managers will be partly taking orders for effective organizing from the managers above. Organizing is a vital part of ensuring the company can function effectively and it concerns the day-to-day activities. Why is organizing essential? While it might be difficult to work without a plan, it can be impossible for an organization to function without organizing. The function is vital because it ensures there is structure to the operations. You are aware of the resources and you ensure they are used in a manner that best helps the company to achieve its targets. By organizing the resources, you ensure operational efficiency and structure. Organizing puts the plan in action. While you might have the team still doing tasks, the tasks might not be the correct ones for the situation. When you organize the team to perform the tasks required to boost coffee sales, you have each person working towards the goal. Jerry might be greeting customers and telling them about the new coffee flavour, while Dina and Jack are working to make the sale and the coffee as quickly as possible. When done efficiently, organizing tends to follow the pattern and steps outlined below: Identify activities and classify them – The step is straightforward enough because you already have a plan. Your objective is to identify the different roles, processes, and activities required to achieve the objectives. These would be the roles for the team members, the different tasks each role would need to perform and the specific processes the tasks would include. You would assign the specific tasks for the persons you feel are the most qualified and provide the resources to the processes, which most need them. In order to get the marketing campaign working properly, you might want to ensure the person in charge of the team has the authority to make decisions. You need devolution of responsibility, as it can ensure the plan works efficiently. Co-ordinate authority and responsibilities – As well as delegating authority, you also need to co-ordinate it to match the overall functionality of the organization and the structure of the objectives. For example, you might want two people to share the responsibility of organizing the price reductions, with each having the ability to respond to supplier queries. Staffing The staffing function is an increasingly important function of management, although it is sometimes left out when the core functions are discussed. It can be seen closely related to organizing, with both focused on ensuring the resources are directed to the right processes and tasks. For staffing, the focus is on people and their labor in relation to the organizational objectives. You would essentially be looking at the tasks ahead of you and determining who should do what and if you have the right manpower to achieve the objectives you want. In terms of hitting your sales targets, you would need to analyze if the current staff is capable of performing the tasks and whether you have enough employees to ensure the integrity of the organization. You might find the marketing team to be too small and consider hiring a temporary or even full-time worker. Technology has also had a huge impact on company structures, requiring new positions and destroying others. Whereas your car sales company might have mainly relied on face-to-face sales in the past, today you might also do business online, which would mean you need people for IT-specific roles and perhaps fewer salespersons. Management has also become more focused on the human behavioral aspect of leadership. Finding the right company fit, ensuring employees are satisfied, and guaranteeing emotional wellbeing as well as physical work safety have emphasized the importance of staffing as a function. Why is staffing essential? Staffing is essential to guarantee the operational functionality of the organization. On the other hand, you might be wasting resources by having too many employees with not enough tasks to perform. The numbers do matter. Staffing also guarantees the staff you have is qualified to perform the tasks and that they are adequately supported in those roles. This will further deepen the organizational efficiency, since people are

motivated and qualified to work towards the common objective. Furthermore, even the most qualified of employees need the occasional help and support. The staffing function helps create these development opportunities. It consists of a number of separate functions, which are: Manpower planning – You need to stay on top of staffing, as manpower requirements can change from season to season. Planning would see you make estimations of the number of employees you need, searching for the right kind of employees, and hiring the perfect employees to the roles in front of you. Recruitment, selection and placement – Another key function is the actual recruitment process, with its various steps. Training and development – Staffing also includes the creation of structures, which ensure the employees are always on top of the latest skills in the position and the industry. You should also consider training programs in terms of succession, as you need to ensure the next generation of managers and leaders is coming through your organization. Remuneration – A big part of the function is the financial aspect. Performance appraisal – You must also create structures of feedback within the organization. Feedback can play a crucial role in motivating and developing employees; with the reward structures ensuring good behavior is supported and noticed. Promotions and transfers of roles – Related to the above two points, promotions are essential for staffing operations. You can reward and motivate the staff by offering enough opportunities to climb up the career ladder. Directing The fourth function is known as directing, sometimes also referred to as the influencing or the leading function of management.

Operations management is the administration of business practices to create the highest level of efficiency possible within an organization. It is concerned with converting materials and labor.

Focusing on People and Process enables Profitability. In short, operations is responsible for getting things done. For the execution of all things. The operations group is typically led by a COO, who partners extensively with the CEO providing leadership and direction for all business activities. One frequent question is how does operations differ from project managers. The main difference is that project managers are focused on the success of their projects while the operations group focuses on the success of the office. Obviously there is much overlap and in a typical agency environment, the project management group reports to the COO. Note that the actual titles vary depending on the organization. The primary responsibilities of the operations group include: The operations group drives flawless execution across all engagements. They are responsible for allocating resources, managing and securing freelancers, working with HR and recruiters to bring on new employees, engaging third party vendors and partners, analyzing and recommending acquisitions, developing operating policies and processes, fostering teamwork, overseeing office management, establishing and measuring KPIs, resolving issues between departments, and taking charge in crisis situations. Simply, they are responsible for driving operational excellence across the organization. The operations group is responsible for developing a framework for cultural change, enabling the organization to do the best that it possibly can. They work under the auspicious to challenge everything as they work to change the status quo. This is one of the most important aspects of the COO and the operations group. The COO and the operations group ensures that the staff is properly aligned to the work. They resolve some questions such as: Do we have the right people in place? Do we have a pool of freelancers or recruiters that we can pull from as needed? How is staff assigned to projects? They identify and track the rising stars and drive out the bottom feeders. Working with Human Resources, they develop a program to build organizational capabilities, ensuring that core competencies and organizational values are instilled. The COO is a key component of the senior management team. They advise the team on strategic business development and key corporate planning issues and make recommendations on major business decisions. They shape and develop department strategy and organization and help identify opportunities and potential threats. One of my favorite books on the art of execution is Execution: The Discipline of Getting Things Done. I recommend picking this up if you want to learn more about what execution really means.