Management and Operations

Parting Words

One more time ...
what is management?

the systematic, ongoing exercise of four activities or functions in the attempt to achieve personal and/or organizational goals. The four functions are planning, organizing, leading, and control.

One more time ...
what is operations management?

the systematic design, direction, and control (i.e., management) of processes that transform inputs into services and products for customers (both internal and external).

Operations tells us...

- Processes must add value as seen through the customer’s eyes
- Processes overlap, interact, and cause all kinds of mischief
- We must understand the system before we can exploit it or improve it
- Processes must be both capable and stable before we attempt improvements
- Using our capacity (resources and capabilities) to full effect requires a knowledge of the system
- Every system has a constraint! (TOC/Bottleneck)
We have learned that ...
- Decisions without facts are possible, and sometimes even essential.
- Uncertainty and risk attend us in all things.
- Processes can be defined, documented and improved.
- Projects can be well planned even with probabilistic time estimates.
- Variability generally degrades any system’s performance.
- ... and much more

We have learned how to ...
- Perform break-even and sensitivity analysis
- Calculate productivity and efficiency
- Find the bottleneck of a system
- Relate capacity and sales issues
- Determine a project’s critical paths
- Use spreadsheet models
- Deal with many forms of variability
- ... and much more

We have learned how to ...
- Use many tools and models, for example:
  - Project management
  - Break-even and capacity
  - Serial flow lines
  - Inventory management
  - Process and quality assessment (e.g., fishbone)
  - Basic Monte Carlo simulation
- Excel!

For success in Management and Operations you need ...
- Goals that are simple, consistent, and compatible with long term strategy
- Profound understanding of the workings of the system and its competitive environment
- Objective appraisal of resources
- Highly effective implementation and execution
May you be a great Operations Manager

May you achieve success!