

Functional areas of business

Business



Functional Areas of Business: Operations and Project Management Gregory J. Deschapel MGT521/Management February 12, 2013 Dr. Rosamaria Murillo

Functional Areas of Business: Operations and Project Management There are several functional areas that compose a business. These areas frequently, if not constantly, interact with one another to ensure that the organization succeeds. This paper will summarize two of these functional areas:

Operations and Project Management. We will also review the roles of managers who oversee these areas.

The original concept of operations management dates back to the 1930s when businesses focused on economic efficiency in manufacturing. Soon after, psychologists and sociologists began to observe and evaluate human behavior in the workplace. In addition, economists, mathematicians, and computer scientists contributed newer, more sophisticated analytical approaches (Kumar & Suresh, 2009). The term "operations" was adopted as the service sector of the economy became more prominent.

A more modern definition would state that operations is the functional area of a business that oversees, designs, controls the process of production, and redesigns business operations in the production of goods and services. It ensures that business operations are efficient, using as few resources as possible, and effective in terms of meeting customer requirements and satisfaction. Simply put, it manages the processes that convert inputs into outputs. Effective operations management balances out quality, customer demand, employee development, profit, and environmental considerations.

Most organizations concern themselves with improving the efficiency and effectiveness of processes. Therefore, operations management includes

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substantial system of checks, balances, and evaluation that examines, analyzes, and measures these internal systems. Ultimately, the nature of how operations management functions in an organization depends very much on the nature of products or services in the organization, for example, retail, manufacturing, and wholesale. Operations managers have two types of responsibilities: direct and indirect.

Direct responsibilities that directly relate to producing and delivering products and services include managing, planning, controlling, developing methods for improving processes, and creating operational strategies that can keep the organization competitive in times of rapidly changing economic conditions and technological advances. Indirect responsibilities include interacting with other functional areas within the organization whose roles have an impact on operations. These areas may include marketing, finance, accounting, and human resources.

Operations managers face several challenges in today's world. For example, they are increasingly encouraged to do more with less. This translates into developing methods to maximize existing resources. They must be knowledgeable on emerging technology that will increase productivity in an efficient manner. They must be able to motivate and derive maximum performance from those that they lead. Finally, operations managers must be able to have an evolving understanding of globalization and environmental changes.

In today's economy, it is common knowledge that businesses can no longer operate on just one principle, e. g. , cost, quality, or delivery, they must develop a strategy that supports multiple competitive objectives. This differs

from a traditional approach that matches organizations capabilities to a particular market segment. Operations managers have to be more innovative as well as inspire creativity to anticipate ever-changing future requirements and customer demands (Brown, Blackmon, Cousins, & Maylor, 2001).

The next functional area that we will examine is project management. Project management is a branch of management that uses management tools to fulfill a defined goal for a shorter period. These tools may include budget analysis, allocation, and optimization. The term “ project management” can take on different meanings. How organizations interpret and apply the position may differ. To gain a better understanding of the definition of project management, it is important have an understanding of what a “ project” is.

Specifically, a project is,“ A temporary endeavor undertaken to create a unique product, service, or result” (Cooke & Tate, 2011, pg. 39). The word “ temporary” assumes that most projects have a starting and ending period and the word “ unique” alludes to the fact that most projects normally fall outside the routine definition of an organization’s traditional practices or services. In this functional area, teams are assembled to accomplish a specified objective. The role of a project manager is to plan and execute a project successfully.

To accomplish this, a project manager must be in possession of several skill sets. In addition to basic management skills, a project manager must be able to communicate with other members of the project team effectively and coordinate with other functional areas within the organization to request

resources necessary to accomplish the task. A project manager must be able to have an ability to ask meaningful questions, identify assumptions, and resolve conflict that may arise.

They must also understand the impact of risk on the success of the project and alleviate any uncertainty that may create a risk. They must also be able to organize. Prioritizing tasks and employing team members in accordance with their capabilities and areas of expertise is essential to successful project management. In addition to leadership, the role of project manager also encompasses activities such as planning, resourcing, scheduling, time management, and budgeting. In closing, it is important to provide some degree of measure to determine the efficiency of these two functional areas.

Obvious indicators would be increases in the quality of product or services that an organization provides customer and employee satisfaction, the emergence of more efficient business processes, and the increased mitigation of risk. The role of managers plays an instrumental role in the immediate or eventual outcomes. In the words of Stephen R. Covey, a noted American educator, author, businessman, and keynote speaker, "Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall. (Covey, 2004, pg. 101). References Brown, S. , Blackmon, K. , Cousins, P. , & Maylor, H. (2001). Operations Management—Policy, Practice and Performance Improvement. In S. Brown, K. Blackmon, P. Cousins, & H. Maylor, Operations Management—Policy, Practice and Performance Improvement. Woburn, MA: Butterworth-Heinemann . Cooke, H. S. , & Tate, K. (2011). The McGraw-Hill 36-Hour Course—Project Management, Second Edition. In H. S. Cooke, & K.

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