

Operations management at rolls royce

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Automobile sector is one of the most competitive and technological driven sector of the world, taking an advantage edge on Innovation and technology the automobile companies such as Ford, Honda, BMW etc. have successfully implemented these changes into its product as well process and introduced differentiated product in the market. To remain competitive, it is important for the organization to focus on its operations and supply management with which they are able to achieve competitive advantage over the other company.

The CEO of Rolls Royce has strongly focused on enhancing the operations management in 2006 so as improve on its production. Facilities: In 2006, the company commenced its operations at Derby, Hucknall, Barnoldswick and Bristol. These facilities are equipped with the modern working facilities along with the old repair and overhaul workforce in Montreal. With this the operations and the productivity of the company will improve which will help the company is producing more effective cars in 2007. Inventory: The inventory of the company was increased in 2006 because of the growth and demand of the products.

The company needed raw material to build the end product . The inventory is also expected to increase further in 2007 which will help in improving on the productivity of the company. For this it is important for the company to manage its working capital adequately. Information: The company enhanced on technology as well as learning in 2006. The company used its process excellence programme so as to continue to improve on its quality and production. With this the company was able to improve on its quality by 20% in 2006 as compared with 2005.

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With this the company will be able to further enhance quality and productivity of the company. The company also implemented and standardised ERP system to its unit in Europe, this is going to expand to the other units as well in 2007 which will help in improving the operations of the company. The company will be implementing its remaining IT ERP across its facilities which will help in enhancing its global supply chain management.

Sourcing: With a strong focus on building supply chain management, the company is able to improve on its sourcing and having low cost production.

With the enhancement in the supply chain the company will be able to further improve on its supply chain, operations and cost. Pricing: Even with the increase in the prices of the fuel and some metals, the company has aligned its operations and activities with such a way that it has been able to focus on reducing the overall cost of overhead as well as value activities. The company also increased the number of employees so as to increase the productivity of the company. Even despite of all these measure, the per unit cost of the product is expected to increase in 2007 which might affect the sales of the company.