

Service management

[Business](#), [Management](#)



Summary And Discussion Question Summary And Discussion Question

Summary Chapter 11 The chapter focuses on the management and utilization of resources in order to manage the capacity resource of an organization. The chapter outlines three strategies for managing capacity which includes the demand, chase and level capacity management strategies. The level and chase strategies are those strategies that are implemented in connection with the demand for goods and services (Johnston 2012). The demand management strategy seeks to manage the demand for a good or service in relation to the resources and capacity. The chapter even outlines ways through which operations can be managed and one such way is ERP which is even recognized as enterprise resource planning. The chapter even focuses on the issues of queue as well as bottlenecks and the using of queuing theory to face these issues in capacity management. The chapter even focuses on how organizations need to manage their coping zone and how the utilization of the resources can be managed and improved.

Discussion Question

In case of a cruise, the organization can implement demand based capacity management strategy. In this strategy the cruise may face the issue of increase in reservations and in order to meet this increase they can decrease the demand for reservation by increasing the prices of their services (Johnston 2012). An internet retailer can experience an increase in demand and if it does not have the required amount of staff to deliver the goods and services. Then the internet retailer can adopt the chase management strategy by increasing the number of part time or contractual workers and

even by increasing the hours of work and pay overtime to them. An insurance broker may use the chase strategy in case it is experiencing a decline in demand for its insurance services. Insurances are sold by salesmen on the basis of commission. An insurance broker may hire individuals on basis of commission instead of hiring individuals on basis of fixed salary and pays them according to their number of sales. This will help the insurance broker in managing its cost of operations.

References

Johnston, R., Clark, G., & Shulver, M. (2012). Service operations management. Harlow, England: Pearson.