

Operation management at furniture bank case study

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



Before the evaluation of these recommendations, I will open my discussion by a critical assessment of the current operation position of furniture bank at the aspect of its operation strategy, performance objectives and process.

Operation Strategy It is arguable if charity should run like “ business” in order to build up its capacity along with the growth of business. However such intention might lead to capital (fundraising) orientated.

I agree with “ a sustained and strategic impact, philanthropy must be conducted like business—with discipline, strategy and a strong focus on outcomes”, the memo of Bill Gates’ charity organization. The corporate strategy of Furniture Bank identifies its mission statement as “ we furnish homes for families in need” on their website. Therefore, the purpose of charity should never be designed to make profit; the strategy should always serve its mission and focus on the outcome. The improvement is not about getting more furniture donation or fundraising, but to help more home starters to build their homes.

Performance Objectives How does a charity organization balance the 5 key pole of performance? We have read from the case, Furniture Bank values their customers-both donators and receivers importantly. They make sure these donated furniture are in good shape by putting effort on the furniture maintenance, arranging the pickup and delivery for customers’ convenience. It demonstrates that “ dependability” and “ quality” of its service are highly prioritized by the organization, although such service is under low-cost and limited resources operation of a charity.

On the other hand, “ speed” and “ flexibility” are obviously not the best interest to its clients given the nature of the business. To understand the market requirements and prioritize the operation objective can surely help the organization make the right decisions on its service performance improvement. Operation Process Below I illustrated the operation process of Furniture Bank as the “ input-transformation-output model” (Slack et al, 2009). Base on the chart, we can see that the transformation process plays an important role during the process.

It carries two major functions of the operation: call-center and warehouse storage, both require facilities and staff to process the material resource. The input comes from two ways: fundraising/donations and the furnishing need of the receivers. We can also learn from the exhibit 3-the organizational structure that workshop, warehouse and call center are operating the full function for the organization. So any options of improvement to make the transformation process more effectively and efficiently could be explored and implanted.

To summarize the initial assessment, in my opinion, Furniture Bank should focus on setting the clear operation strategy for “ better outcome”- the service. The furniture is not what the customer receives. As the corporate objective is defined as “ furnish homes forfamilyin need”, the service should be defined as “ home furnishing” instead of “ furniture”. Hence, the service performance objective is to provide “ dependable and quality service”, more than only “ dependable and quality furniture”.

(Johnston & Clark, 2008) Among these proposed idea, I first vote for “ informationtechnology” to be put into consideration. We learned that warehouse and call-center take the most resource of facility and staff. According to the income statement of 2007, wages of operation, office and the expenses on office, “ general and warehouse” takes almost 80% of the total expenses! These expenses figures will start to shoot up once the organization starts expanding.

There is an urgent need to try to automate some of the transformation process via advanced technology. Imagine an on-line furniture data base which keeps the detailed pictures of each stored furniture piece enable clients to “ click and order”. On-line order model has been borrowed by many manufactories. For example, Dell allows customers to select computer models through the website. The orders are sent to manufactory immediately. With fast track delivery service, the customers can receive their computers within 2 days ([www. dell. com](http://www.dell.com)).

Similarly, through the on-line transactions, furniture bank or furniture donators upload the pictures to the website. When the charity receives the order from the donators matching automatically to the pictures uploaded by the donators, furniture bank can just send the truck to arrange the collection and deliver in one go! An integrated website with advanced data system will save significant hours and human resources spent on the documents, phone calls; speed up the process effectively thus improve the service. (See below proposed work flow)