

Good essay about operations management

[Business](#), [Company](#)



Introduction:

Operations management is not about differentiating different functions or aspects; rather it is about integrating the various aspects of an operation so that the energy created is higher. It should thus be guaranteed that the various parts of an operation come together to create the synergy that is required for the success of the operations. So, if I were the operations manager in charge of a company's operations performance, I would emphasize on all the five performance objectives. That is, I would make sure that all the objectives; quality, speed, dependability, flexibility and cost, are integrated in a holistic manner and the overall objectives of the projected process are met. The reasons for the decision on five-performance objectives balance would be:

- Communication: For a process to succeed, the correct communication between the various components of a system is a must. If the whole concentration is placed on only one factor of performance measurement, the communication between the flows of processes from one to another is disrupted, because of the weight that is placed on only one factor. If the cost is given most importance, the importance of other factors may be disrupted and vice versa.

- Motivation: There are many people involved in ensuring the performance of different factors of a process. If importance is placed on only one of the factors, the motivation of other resources associated with other less weighed factors goes down. On the other hand, if all the factors are given equal importance, the motivation in each sector is ensured so that the overall motivation created is larger. It ensures that rather than one factor excelling

extraordinarily and other factors degrading, all factors function fairly well.

- Control: The more resources invested into a process, the more complex the process becomes. That is why, the excess resources diverted into strengthening only one aspect of performance objectives may lead to difficulty in exercising control over the processes. Rather, when all the processes are given equal importance, we can assess where the control variables are missing and apply proportionate measures to result in balanced and maintained performance of the systems.

Before understanding the performance objectives, we should first understand the performance measures and their associated attributes.

- Quality: Quality is more focused about the correct functioning of processes, which is error free and often known as right first time every time (RFT). It is regarded, as the cornerstone attribute of company, be it related to manufacture or service.

- Speed: Speed is more focused about the fast conduction of processes and the minimization of lag and often known as on time in full (OTIF) (Lydenberg, S., Wood, D. and Rogers, J. 2014). The competitive advantage that many companies can gain over their competitors is the super-fast turnaround of processes. Lean manufacturing is one such process where the speed tools and techniques can be properly used.

- Dependability: Dependability is more focused about the timing on which activities are performed and keeping the promises that the company does to its customers and suppliers.

- Flexibility: Flexibility is mainly related to the mixing and matching of output

to the customer demands are variable, and meeting the ever- changing vision that a Company has of supplier service.

- Cost: The cost function is mainly related to the cheap functioning of activities, so that the whole process becomes economical. It is concerned with the production of goods or services at a price that is correct for the target market of the enterprise and keeping the margin at the highest.

Literature review

There are many articles and reports that have been written on the operational performance objectives. The defined operational performance objectives are based on the Company's corporate strategies. Also, the determination is done on the basis of the time and nature of meeting of performance objectives. The configuration of overall operating environment is then done to achieve either or all of the operational performance objectives: quality, speed, dependability, flexibility or costs. Let us see the objectives of these performances:

Quality Performance Objectives

“ Quality is more than conformance to a certain specification”, has been said by the author, Andy Neely of the book, ‘ Business Performance Measurement: Unifying Theory and Integrating Practice’. Quality is also about the way of performance of the intended function of a product, the desirability that the features of the product exhibit along with the reliability that the product gives. The author is also of the thought that product's durability is also quality, the easiness of the product ease is also quality and

the value created by the product, which is given by the satisfaction that customers derives by its use counts in as the quality.

Speed Performance Objectives

The objectives related to Speed objectives are the ones that reflect the rate of generation of Company sales quotes and the rapidness and frequency of delivery of Company products. Nelly gives these theories. Additionally, speed may also be referred to as the required time for manufacturing a product and also the Company's time and resources invested in the research and development of a new product.

Dependability Performance Objectives

According to Neely, a Company's dependability is dependent on the timely production and delivery of Company products and services to the concerned customers and also at the agreed rates and prices. The consistency with which the Company functions are performed and its ability to function as per the designed purposes are also included in the Dependability feature.

Flexibility Performance Objectives

The flexibility of the Operations is dependent on the configuration of the given product lines and the ability to deal with numerous product requirements. The adjustment of the operations as per the prompt requirements is also an issue of flexibility. Production of different quality level products and design modifications that vary from time to time also fall in the purview of flexibility. The meetings related to altered schedules on delivery and volumes of production are, according to Neely, also the requirements of flexibility.

Costs Performance Objectives

The first article that we take the reference from is a study case called “ Using the specific operations performance objectives, explain why you think TMC is a world-class company? “ In this article, an assessment has been made as to why TMC has been able to stand as the world leader and the answer is simple, its proportionate focus on all the key performance objectives. The article says that the global growth and increased percentage of customer satisfaction is due to the high level of improvement that the Company shows in the quality, speed, dependability, flexibility and cost operations performances.

The global success of the Toyota ways of operations in manufacturing and product developments is due to the success of these operation performance objectives. The supply chain management that Toyota produces is world class or we could even say that the Company is world leader in supply chain management. But, the high performance that the Company produces is achieved only by keeping its production at the highest quality possible, speed at the maximum, delivery on time, good flexibility and the lowest cost production. The Company pulls in the best suppliers as strategic partners so that the association produces the best results. The competency that it receives in its cost is due to the cheap inputs or raw materials that the Company gathers from the shift in its operations. The resulting quality is also good and not compromised. The deliverability of the products is also eased by delivering the production in the market where they are ordered. This competency is achieved by operating continentally, in various stations so that works can be smoothly operated in all areas of the world. The balance in

all these performance objectives has thus kept TMC a leader in global market and established itself as a performer, who knows how to continuously satisfy and make happy its customers. The balance of these various factors of competency has thus allowed TMC to be established as the world-class company, which might not have been possible with a focused approach.

The other article that we talk about is titled, " Hospital Performance Assessment" and has been published by the World Health Organization. It says that the concerns of many governments throughout Europe and worldwide have grown on hospital performance assessments, given the benefits they derive to the hospital business and the customers. That is why; there have been initiations for hospital performance assessments. All these efforts are in motivation of the performance objectives such as overall quality management, enhancing accountability of hospital boards and the transparency of public regarding the information of the hospital.

PATH is one concept that has arisen in World Health Organization regarding the periodic assessments (Euro. who. int, 2014). Performance Assessment Tool for Quality Improvement in Hospitals (PATH) is the initiative by the Europe Government and is an internal assessment tool. The aim of this initiative is to encourage hospitals in the identification of respective strengths and weaknesses. It is also a possibility in utilizing the offers of benchmarking according to international standards. PATH is a platform for strategic decision making, where an overall or comprehensive approach is taken in integrating the five key performance objectives and creating an efficient strategic decision-making in hospital governance. All this is possible by establishing an active network of the various factors involved, which may

not be possible if we isolate the aspects and divide our attention and resources.

Industry Evaluation:

For instance, we could take the two industries: Automobile industry for manufacturing and the hospital industry for service industry to assess the performance objectives specifications. The different performance objectives of service as well as manufacturing sectors can be summarized as:

The performance issues in these sectors can be separately identified as:

Automobile Industry:

- The major problem area of the automobile industry include the performance of suppliers or to be more specific the supply chain management of the automobile procurements.
- With durability complaints of even reputed automobile companies like Toyota, the other issues may also be related to the durability of the automobiles produced.
- Quality is also one of the major concerns as the modern quality of automobiles is also reflected in terms of the environment friendly attribute that they exhibit.

Hospital Industry:

- The impact of public reporting on the performance of the hospitals is an issue that has been of major concern lately.
- The costs associated with the production of services and most importantly, the costs that are finally transferred to the customers is also a matter of

concern.

- The flexibility factor can also be another issue facing the industry as they are more constricted to the policies that have been set and the limited resources that may as a possible constraint for the hospitals operating in the industry.

The balanced approach of five management objectives can be applied to the automobile sector in the following ways:

- The competitive pressures faced by the manufacturers in many industries worldwide suggests that being successful in only one factor does not help them establish a competitive advantage. The automobile manufacturers must also have exceptional competencies in all aspects so that they can produce competitive automobiles that are qualitative, performance driven and yet cost effective. This means there is immense pressure to produce greater performance at minimal costs, which is only possible through a balanced approach towards the performance objectives.

- World Class manufacturing is emerging as a new concept that is achievable by companies when they are able to exploit the best of the resources that they have at hand. In order to develop this type of manufacturing, consistent performance in all aspects as compared to the competitors is a must.

- In the automobile industry, there is not just one, but many technical pillars that need to be adjusted simultaneously. The technical pillars comprise of safety, cost deployment, Logistics & Customer Service, Early Equipment Management, EPM, Early Product Management, People Development and Environmental Energy (Cakmakci, M. 2008). These factors may exist in union but cannot be separated. The separation or over or under emphasis on one

will result in effect on the performance of the other. So, a balanced way is preferable.

- The target audiences that Automobile businesses need to target focus not just on one target. They have a preference for the quality, mostly the associated brand, the flexibility of customizations according to customer specifications, durability of the vehicle purchased, speed because that is what makes them use the automobile and the costs since it is a luxury item and all audiences cannot afford the same price range, so that competency in cost of production is to be passed on to the customer (De, F., Petrillo, A. and Monfre, S. 2013).

In the following aspects of balancing the performance indicators, can we justify that balancing the objectives is better than just focusing on one.

Conclusion:

Thus, though focusing on only one performance objectives might have its some advantages and may be applicable to certain industries, but the bottom line is that for most industries, using a balanced way is going to produce the better results. In management, it is said that we should rather be result oriented than being process oriented so, following the balanced approach would be the best alternative to follow.

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