

Operation management as a set of decisions flashcard



Some decisions are strategic in nature; others are tactical. Strategic plans are developed farther into the future than tactical plans. Thus strategic decisions are less structured and have long-term consequences, whereas tactical decisions are more structured, routine, and repetitive and have short-term consequences. Decision making, both strategic and tactical, is an essential aspect of all management activity, including operations management. These types of decisions are divided into five categories: I.

Strategic choices II. Process III. Quality IV. Capacity, location and layout V.

Operating decisions
Operation management as a function
In large organizations, the operations (or production) department is usually responsible for the actual transformation of inputs into finished products or services. Accounting collects, summarizes, and interprets financial information.

Distribution deals with the movement, storage, and handling of inputs and outputs. Engineering develops product and service designs and production methods. Finance secures and invests the company's capital assets. Human resources (or personnel) hires and trains employees. Marketing generates demand for the company's output.

However, some organizations never need to perform certain functions. Other organizations may save money by contracting for a function, such as legal services or engineering, when they need it, rather than maintain an in-house department. In small businesses, the owners might manage one or more functions, such as marketing or operations, themselves.