

Developing good business sense persuasive essay

[Business](#)



**ASSIGN
BUSTER**

Developing Good Business Sense Axia College of University of Phoenix BUS 210 Developing Good Business Sense June 29, 2008 The three companies I selected for this assignment are McDonalds, Bose Corporation and Motorola. From the reading I was able to determine the employee's organizational structure within this company's by which they complete their jobs. I will review and outline the main kinds of Operations and Materials Management (OMM) processes these companies use, and how it affects their operations.

Also, I will discuss how companies design their operating systems to give them a competitive advantage. I will identify which components of operations and materials management costs and the methods companies use to reduce them. McDonald's is a highly successful and well recognized brand leader offast foodrestaurants located around the world. They sell hamburgers and french fries as their primary products, and they work with many differentfoodsuppliers such as hamburger bun manufacturers, beef producers, produce suppliers and many others, to ensure their foods are as fresh as possible.

McDonald's sells franchise rights to local owner/operators which allow them to keep costs low and avoid high capital and plant investment costs. Since a great deal of McDonald's service is reliant on delivering customer's food fresh, McDonald's use the Just in Time (JIT) inventory management system. This system reviews stock inventory levels available against product usage, and arranges delivery and restocking to the restaurants just as inventory items are needed. This allows inventory to be kept to a minimum in each franchise location.

Foods for the restaurants are not warehoused for days or weeks, and are efficiently managed under this system so they are used quickly and, freshness is guaranteed. Each franchise owner keeps labor costs down by managing store staff schedules against the peak customer periods when the restaurant gets busy. Another technique McDonald's uses to keep distribution costs low, is to have soft drink company's ship only the soda syrup mix needed for each brand, which is then mixed with carbonated water at the soda fountain in the store.

McDonalds has also begun to employ the use of robotics to complete routine, repetitive tasks such as filling soda orders for the drive through window and dumping fries into the fry maker, as a means of making their food quicker and less expensively. Over time the return on investment for these developments will pay off greatly in saved labor costs. Of course, the most important element in any McDonald's restaurants is that employees must be organized and communicate effectively.

Wasted food equates to wasted money and if a special order is needed, staff must talk to each other to make sure it is done right the first time. By working together as a team the cooks, preparation staff, and cashiers help to keep the orders organized and production is kept high. The Bose Corporation is a world renowned manufacturer of high-fidelity speakers and audio equipment. The company's ability to meet customer demand for their products is dependant on the supply chain and availability of components needed to complete customer orders.

The company uses a supply chain network that is spread across the globe, with their primary source of over 50% of purchased components coming from the Far East. Logistics managers within the company bear the responsibility of moving the vast amounts of equipment into production, based on a real-time inventory management system called "ProterLink". This system is able to locate supplies that are needed anywhere in the shipping chain, and divert them if necessary to meet an accelerated production schedule if necessary.

This operational system gives Bose the advantage of meeting large customer's orders without missing a beat. Transportation costs associated with material movement and management from suppliers to their Bose' production facility would be a key cost consideration for the company. If supplies needed to fill orders are transported efficiently and are timed to correspond to production schedules, costs would be lower because unnecessary components would not take valuable inventory space away from items that are in need to complete orders, thereby maximizing production effectiveness.

Motorola, a global communications leader, is using a unique forward thinking production plan to bring their services and products to market. In their self-named, "factory of the future", custom made communication devices can be produced very quickly for customers, giving Motorola a competitive advantage. The process starts with sales person who receives the order and inputs all of the customer's customization preferences.

This information is provided as a barcode and relayed to the production facility, which uses automation technology (robots) to produce the phone in accordance with the customer's wishes. Using robots gives Motorola a competitive advantage because they are able to mass produce large volumes of customized phones, with only a two-hour turnaround window. The universal operational strategy in any business is to meet the goal of customer satisfaction. The company's reviewed accomplish that goal through improving quality and efficiency, and ultimately reducing costs. [pic]