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approaches to
operations
management at dell
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Operations management focuses on carefully managing the processes to produce and distribute products and services. Major, overall activities often include product creation, development, production and distribution.

Related activities include managing purchases, inventory control, quality control, storage, logistics and evaluations of processes. A great deal of focus is on efficiency and effectiveness of processes.

Identify the types of Operations/transformation process in each organisation and analyse each organisation operation/transformation activities are adequately designed to meet its customers' needs.

Dell Computer Corporation

Dell assembles desktop computers, laptop computers, servers, enterprise storage devices and workstations. All of these products are assembled to custom specifications after orders have been placed; therefore, Dell holds essentially no finished goods inventory. All of the components that go into these products are purchased from other companies. Even the Dell labelled chassis, keyboards, and mice are manufactured by other companies on contract. Therefore, Dell is quite different from traditional manufacturers in that it does not own or operate any injection moulders, pick and place circuit board assemblers, or sheet metal stamping machines. In addition to its computing products, Dell sells branded computer peripherals and consumer electronics such as monitors, printers, PDA's, MP3 players, and LCD televisions, all of which are made by contract manufacturers.

Dell's operations

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Selling directly to consumer

Single point of Accountability – get solutions quickly

Build to order production

Being the low cost leader in the industry

Use of standard based technology

The key competencies of Dell are customer focus, manufacturing processes, supply chain management, customer selection, acquisition and retention, customer service and human capital management. Dell's strategy has been to match its core competencies with key industry success factors.

Dell's direct-selling business model revolutionized the computer industry. The organization has maintained a massive marketing budget to push its customized PCs. Although most orders are placed via Dell's website, customers may also place customized orders by phone, fax or through limited retail locations. Those orders, which now include printers and consumer electronics, are then shipped within one week for significantly less cost than its competitors.

Dell's differentiation stems from process innovation. The company is very successful in leveraging and harnessing the value of its suppliers' and partners' technology innovation. This allows Dell to minimize R&D spending and improve the cost structure, a strategy that is rarely matched by competitors

Dell's mission is to be the most successful computer company in the world at delivering the best customer experience in markets we serve (Frequently, 2011).

In doing so, Dell will meet customer expectations of:

Highest quality

Leading technology

Competitive pricing

Individual and company accountability

Best-in-class service and support

Flexible customization capability

Superior corporate citizenship

Financial stability"

The exceptional performance of Dell Computer in recent years illustrates an innovative response to a fundamental competitive factor in the personal computer industry-the value of time.

Organisations set out to perform the same basic function: to transform resources into finished goods. To perform this function in today's business environment, manufacturers must continually strive to improve operational efficiency. They must fine-tune their production processes to focus on

quality, to hold down the costs of materials and labour, and to eliminate all costs that add no value to the finished product

The PC industry is driven by rapid technological improvements in components, particularly microprocessors, other semiconductors, and storage devices. The improved performance of hardware has been matched historically by increased complexity of software, creating demand for the latest hardware. This means that time is a critical competitive factor in the industry in two ways: First, excess inventory loses value and costs money; second, products incorporating the most advanced technologies are in high demand and carry a price premium. As a result, companies that minimize inventory and bring new products to market faster can reduce costs, increase market share, and maintain higher margins.

The traditional distribution system of the PC industry is an indirect model. The PC maker sells its products to distributors, who buy products from many manufacturers and then sell them to a variety of retailers, resellers, system integrators, and others, who sell products and services to the final customer. This distribution system was an effective means for distributing high volumes of PCs with a variety of configurations to reach a broad customer base.

Dell's strategies of direct sales and build-to-order production have proven successful in minimizing inventory and bringing new products to market quickly, enabling it to increase market share and achieve high returns on investment in a highly competitive industry. The impact on the industry of Dell's success is seen in the efforts of other leading PC makers and

distributors to develop their own direct sales and/or build-to-order capabilities.

Dell marketing strategy was simple and basic. Cut out the middleman and sell the product cheaper. Offer great customer service by giving the customer exactly what they want.

That is how Dell is about to become the largest company in the world selling computers. They did it by building computers made to order for the customer. By handling all the sales (retail) themselves. If you want a Dell computer you can only get it from Dell. Their marketing strategy allowed them to pass the savings onto the customer.

Dell Competitive Priorities on Cost, Quality, Time, and Flexibility by providing customized PC configuration, with short delivery times and affordable prices.

Supporting DELL's Competitive advantages through a new operational model

Focused on strategic partnerships: down suppliers from 200 to 47

Supplier maintains nearby ship points; delivery time 15 minutes to 1 hour.

Suppliers own inventory until used in productions.

Demand pull through value chain.

TESCO

Tesco PLC is a Retail Company based in the UK. It is the most recognised retailer of groceries in the UK.

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Tesco mainly deals in the provision of foodstuffs. In addition to these, it also engages in the sale of clothes, electronics, financial services, insurance services, internet services and sale of houses – this is its latest business venture. (Slack, N 2007)

The operation section of Tesco can fulfil all the above requirements, and then marketers can coordinate between promotions and service delivery. (Ruffian 2000)

Customers who come to buy products or goods directly from the Tesco store. They also include those who order for goods and services online or those who have secured a deal with the Tesco to deliver the goods to them personally. (Ruffian et al 2000) Such customers expect to find most of the goods that they need in the store or delivered promptly. They also expect to find a lot of variety in the store.

Tesco sets its objectives with the following categories; the first are the customers because these are the main people that bring in revenue to the organisation. Then there are the suppliers; the operations section depends on these groups of people to perform adequately. (Tesco, 2007)

Tesco Competitive Priorities

Speed: delivery time. Tesco values this because customers can get what they require when they need it. This establishes a good record and makes them come back for more business.

Flexibility: different variety of products. Flexibility also applies to the way services or products are delivered. Flexibility applies to creation of new types
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of products in line with changing customer preferences. Flexibility also enhances dependability within the organisation because speed will have been improved.

Cost: is because if an operation process is dependable, flexible, and fast and full of quality then less resources will be spent trying to nullify mistakes.

Quality: actually means that the products or services offered by any given Company conform to international or local standards. This aspect is important for two main reasons.

Customer's expectation: Effectiveness through reduction of costs, increasing dependability and speed.

Dependability: is essential because it dictates what kind of image the organisation presents to customers and consequently whether the organisation can be counted on the next time a customer comes back.

Conclusion

Tesco is an extremely successful retailer that has succeeded through use of technology and finances. Tesco is dynamic and offered varied services and products in the UK and Europe, the chain store will expand as the market is large. Tesco has a highly structured way of choosing its suppliers who ought to have ability to deliver. (Tesco, 2007) The operation management of the chain store is effective and Tesco has a highly structured distribution chain for its products and services. All the above goes to show that the Company's production process is efficient although improvements like performance

measurements and encouraging creativity can be able to improve the process further.

The basis of analysis should be any two from

Competitive Priorities

Corporate Strategy: specifies the businesses that the company will pursue, isolates new opportunities and threats in the environment, and identifies the growth objective.

Differentiate itself from the competition

Choices include producing standardized versus customized products and services or competing on the basis of cost advantage versus responsive service delivery.

Corporate strategy provides an overall direction that serves as the framework for carrying out all the organization's functions

An organisation product or service strategy addresses certain competitive priorities that will win orders from customers – such competitive priority is variety.

Mass Customization

and

Marketing Strategy

Discuss how theoretical principles, concepts/framework covered in

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Capacity planning

Inventory management

Supply chain design

Performance measures and

Total quality management are appropriate/ inappropriate for managing operations at each of the organisations.

Evaluate the mix of concepts/frameworks are discussed