

Company's mission

Business



When we talk of nuts and bolts of an organization, we talk of its product; however, when talking big picture, we are discussing a company's mission. To be effective, the operations management effort must have a mission that provides vision, thus establishing direction. It also needs a strategy in order to achieve the mission. The economic success of a company and indeed survival is ultimately contingent upon the identification of a mission and the execution of strategies so as to satisfy the needs and wants of its customers (Heizer & Render, 2008, p. 34). As we know, the creation of goods and services requires the transformation of resources into a final product. Productivity is the measure of efficiency in this transformation. In other words: we are more productive when operations are more efficient, which has the result of adding more value to our product or service. While it is the operations manager's duty to enhance productivity, this enhancement is not as simple flipping a switch. There are other factors involved, and many times these are financial factors. Management is responsible for making sure that capital and labour are being used effectively toward enhanced productivity. For example, enhanced productivity can be found through more effective use of capital such as " finding the proper trade off between investment in capital assets and human assets" (Heizer & Render, 2008, p. 18). This would be a financial decision based on a strategy that is in line with the company's mission. Many companies are challenged by the fact that while they know the marketing and production functions of their business, they fall short when it comes to the financial functions. Establishing key metrics, especially financial metrics, can allow management to see whether the objectives of their strategic plan are being realized and, when they aren't, they have visibility as to the degree they are coming up short (Barlas et al., 2002).

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Shortcutting the financial function can result in managers failing to understand "the numbers," which are in fact the language for describing the "financial condition" of their operation (Moter, 1994). This can be a serious hindrance in developing, implementing, and/or executing any form of effective strategy. It can result in a company existing and reacting through guesswork rather than defining itself with a planning framework, adjusting itself based upon firm metrics, and maintaining holistic strategies that are in line with the overall mission. Only through the latter can an organization hope to attain a competitive advantage in its market. Competitive advantage implies that the business has created a system of differentiation, cost leadership, and response that gives it a unique advantage over competitors. This "system" can be implemented via six specific strategies identified in our text: flexibility in design and volume, low cost, delivery, quality, after-sales service, and broad product line (Heizer & Render, 2008, p. 35). As is readily seen, these are not purely production strategies and involve other considerations such as marketing and finance decisions. Achieving the mission of selling a great product or service involves things like portfolio management, resource allocation, and financial analysis just as much as it involves creating the product itself (Muldowney & Sievers, 2007). The operations function has a much higher chance of success when there is an integrated strategy that includes all functional areas (Heizer & Render, 2008, p. 47). In summary, it is the operations manager's job to implement strategies in line with the mission, increase productivity in operations, and ultimately provide the business with a competitive advantage. The more thorough the analysis and understanding of all factors effecting the business (e. g. financial factors), the higher likelihood there exists of the business

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achieving its mission. Having this broader view allows for strategies to be "continually evaluated against the value provided customers and competitive realities" (Heizer & Render, 2008, p. 43) and thus be in tune with and reactive to all factors that affect the business's ability to achieve its mission.

Reference

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