

Operations and strategy analysis



Developing a customer-driven operations strategy begins with market analysis, which categorizes the firm's customers, identifies their needs, and assesses competitors strengths. This analysis accompanies an analysis of the external environment. Next, the firm formulates its corporate strategy, which constitutes the organization's overall goals. Once the firm has determined which customers it wants to serve, it must develop its competitive priorities, or the capabilities and strengths that the firm must possess to meet customer demand.

Basically, operations strategy links long- and short-term operations decisions to corporate strategy. Continuous cross-functional interaction must occur in implementing operations strategy – or any other functional strategy. The long- range business plan represents the best thinking and analysis about what must be done to capture shares of global markets. Because of the soundness of their long-range planning process, world-class producers confidently invest in all areas of their business for the long haul: personnel training and education, market development, new product/ service development, factories and advanced high-tech production processes, and research and development. These investments position them to exploit the opportunities in their business plans.

In particular, world-class producers: ? Get new products/services to market fast. ? Are high-quality producers. They are known for the quality of their products/services; quality is emphasized from the top to the bottom of their organizations. ? Have high labor productivity and low production costs, matching or beating their competition.

? Put customers first. Are responsive to needs of customers, willing to customize products and expedite or change customer orders ? Carry little excess inventory. ? Think globally in general: market products globally and shop globally for supplies. ? Quickly adopt and develop new technologies and implement proven technologies. ? Are not resistant to strategic alliances and joint ventures to exploit global opportunities.

? Consider relevant social issues when setting strategies.