

A case of operation management at lotus cars commerce essay

[Business](#), [Management](#)



Operation direction is a portion of mundane life that includes the most general undertakings of modus operandi to proper sphere specific undertakings. In instance of companies confronting certain critical bottle cervixs in the smooth and efficient working of an organisation it is better to hold some proper tools to turn to the same. The paper tries to analyze how a company can travel approximately bettering its Operation Management.

About the Company-Lotus Cars

The company under survey is Lotus Cars which is a British maker of athletics and rushing autos. The company is based out of Norflock, England. The company is into doing autos of light weight features. The company has been recently seen negative growing and slack in its net incomes.

Introduction

Scheme is define as the concentration of a company into its nucleus competences (by agencies of its hereafter program of action) in order to derive competitory advantage.

Strategy Types

There are four stairss of scheme that are present in context of a house and itsenvironment. The grade to which each will impact a company 's fight will change depending (netmba, 2010)

Industrial degree scheme. These are the schemes at the degree of the industry like certain authorities related regulations and ordinances.

Corporate degree scheme. In this instance the scheme happens at the market degree whereby companies look at the overall market conditions and competitory intelligence.

Business degree scheme. Many organisations are mark with diverseness (many concerns) . These Business degree schemes is concern with designation of the markets by which each of the many concerns compete with each other and the size of competition involved.

Functional degree scheme. A company competes in several markets and therefore each map needs to develop a scheme appropriate to each of these markets. Functional schemes concern puting in and developing the necessary capableness to convey this about. (thinkingmanagers, 2010)

Functional Level Strategies within the Context of a Firm

A company competes in a figure of market and therefore each undertaking needs to develop a scheme suited to all of these markets. Functional schemes concern invest in and lifting the indispensable capablenesss to transport this about. Functional scheme should be aimed at looking towards deriving a concern stableness section wise or concern units wise.

(1000ventures. com, 2010) As it turns out the corporate scheme is the result of the functional scheme. Thus the former ca n't be achieved without the later as it is the functional scheme that binds the assorted constituents of the corporate scheme.

Definition of Operations direction

Operations Management is one of the concern maps that oversee the procedure of planning, forming, co-ordinating and commanding the procedure that are used in the production of the goods and services. It is one of the direction maps of the organisation and involves the direction of the people procedure, engineering and equipment and many other resources of the organisation. It is one of the nucleus maps of every organisation.

The major function of the operations direction is to change over the inputs of the organisation into the goods and services as per the demands of the client. (ocw. kfupm. edu. sa, 2010) These inputs may be in the signifier of resources (work force) , works installation, the procedure (such as the equipment and machinery) or in the signifier of stuff (such as the information and the engineering knowhow) . The consequences of these inputs are in the signifier of goods and services. The below figure explains the major function that the operations direction dramas. (gyte. edu. tr, 2010)

Performance Information feedback

Examples of assorted operations direction maps are the motion of the passangers with their baggage from one finish to another and in infirmaries with its resources in the signifier of physicians, nurses, wardboys, operation theatre, etc for transforming a ill individual into a healtier individual. Thus is the the function of the operations direction to pull off and command all the resources of an organisation. Operations direction involves all the procedure from the design to the construct stage in the life rhythm of a merchandise or

services. Thus it helps in the designing of the merchandise, make up one's mind on the resource that are required to carry through that design, the routing of the natural stuff, the agenda production of the occupation, deciding on the procedure that is to be applied to do the merchandise, make up one's mind on the machinery, the tools and the fixture that are to be required, make up one's mind the layout of the works thereby taking a determination on the installation where the merchandise has to be made, direction of the stock list of all the degrees of the goods produced (natural stuff ; , work in progress and the finished goods) , determination on the reviews and the certification of the good made. Thus in a manner the function of operations direction is to supervise and do certain that all the procedure of the company are adhered to while executing an undertaking. It is the client feedback and the public presentation information that are used as an input by the operation direction section to continually set its inputs thereby trying to alter the end product as per the demands.

Therefore the whole of this transmutation procedure in the operations direction is a really dynamic procedure. It is besides the function of the operation direction to add value to the good and services during the transmutation procedure. Value add-on is the procedure of increasing the overall value of the merchandise (at the end product phase) during the transmutation procedure. (from the natural stuff to the merchandise) Thus the greater the value that has been added more if the productiveness of the organisation. Besides operations direction besides looks at bettering the efficiency of an administration. Efficiency for an administration is to carry

through all the procedure good and at the most executable cost. (scribd.com, 2010)

The procedure for Operations Management

The stairs to associate operations to marketing with corporate scheme development are first by specifying the corporate aims. Then the links are required between aims of concern and corporate scheme.

Link provides the base for set up clear, strategic manner for a industry and demonstrates all the strategic consciousness and strategic motive necessary to concern accomplishment.

Link defines the limitations and symbols the parametric quantity next to which the assorted inputs could be calculated and dependability established. (mitsloan. mit. edu, 2010)

The 2nd measure is to find selling schemes to run into these aims and associating them closely to the in agreement corporate aims. The stairs are Market readying and pull off units should to be recognized.

Analysis of merchandise markets place mark markets and O. K. ing aims for each

The 3rd measure is to reexamine how dissimilar goods run into the standards in their single markets and win orders against rivals.

Order Winners and Qualifiers

Determining the Order Winners and Qualifiers for a peculiar market

Qualifiers are those standard that a company must run into for a clients to even see it as a possible provider. Be every bit good as rivals.

Order Winners are those standards that win the order.

Basic Characteristics of the Order Winners and Qualifiers

General statements about markets embody imprecise significances. A requirement for sound corporate scheme development (that is, understanding by all on what markets the company is and should be in and the features of those markets) is losing. Again Order victors and qualifiers are both market and clip specific. Usually Companies must separate the degree of importance for single standards for each market. Order victors and qualifiers and their comparative weightings will alter over clip. In the bulk cases, differences exist between the standards needed to maintain gettable clients and those wanted to add to market portion or derive possible clients. (Stevenson, 2008)

The following measure is to set up the appropriate procedure of Operations Management to fabricate these merchandises (procedure pick)

Quality as a strategic tool

The strategic significance of excellence has emerge in conditions of strategic importance because of two incorporate factors:

The figures and capableness of new entrants into markets.

Lee and Schniederjans (1994) province: The lone necessary chiropteran for fiscal laterality today and in the twenty-first century is merchandise or

service excellence. Very good or category quality provides an company with the lone insurance that it can contend fruitfully whether it is American, European, or Nipponese.

The greater sum of pick that clients have Rivalry is fierce in today 's concern universe and merchandise quality is going progressively recognized as the first premier concern in many purchase decision. There are legion good publicized instances in which intense competition has been the alteration agent obliging companies to follow more advanced quality systems and entire quality direction to better merchandise quality.

Tools of Operations Management that could be used at Lotus Cars

The assorted tools that are effectual in instance of Operations direction are

The purpose is to extinguish waste such as record so that no has to pay anything for them and give a fast, consistent and stretchable answer to clients ' demands at least cost and with minimal dependynce on stock list. Now the accent is on working together with providers so that together they can happen ways of enabling providers to fulfill your demands for frequent little batch bringings without the demand for extra stock list.

Cardinal Elements of JIT

Exposing cardinal jobs and so seting them right one time for all, so that they do n't maintain repeating (in contrast of merely in instance)

Endeavoring for simplenes, because simple procedures are less likely to do jobs and are easier to set right when they do travel incorrect.

Reducing fabrication throughput times, efficaciously by utilizing cell fabrication and put up decrease techniques.

Bettering supplier public presentation to halt stuff jobs interfering with your ability to fulfill your clients ' demand.

Bettering quality, because short lead times and lower stocks mean that you no longer have the protection against things traveling incorrect that you have been used to in the yesteryear.

Bettering labour flexibleness through cross-training, so that you can exchange people between undertakings to get by with the mundane ups and downs in clients ' demands (Jay H. Heizer, 2001)

Cell Manufacturing

It is the procedure of grouping of fabrication installations into a production cell, in order to bring forth a household of parts which require a similar sequence of procedures. In this manner companies can cut the distance parts have to go during the fabrication procedure to an absolute lower limit.

Attacking Waste:

- The assorted wastes that the company should be looking frontward to cut down are
- Waste from over production
- Waste of waiting clip
- Transportation waste
- Processing waste

- Inventory waste
- Waste of gesture
- Waste from production defects

Reducing lead clip every bit much as 50 % can be really easy. The key is to understand what is go oning, what takes the clip and what causes things to travel incorrect.

Entire Quality Management (TQM)

TQM is based on the construct that all the stakeholders of an organisation should work together to accomplish continual betterment in the organisation 's civilization, service, procedure and merchandises

The overall aim of TQM is client satisfaction through quality merchandises and services. This in bend will take to more demand for merchandises thereby diminishing monetary value and increase hostel growing both for the company and its employees

Six basic constructs in TQM

Engagement of the direction as the whole construct of TQM is based on continual betterment procedure which requires everybody 's engagement

Customer centric focal point by listening to them and supplying them with the merchandises and services as per their demands.

Engagement of the employment of the company by authorising them with determination doing procedure and delegating them with more duty

Increase the quality of the merchandise and services by continual betterment of the procedure

A strategic provider partnership based on common apprehension and regard

Estimate the public presentation in order to analyse the consequences

Business Procedure Reengineering

It is the agencies of re-engineering the assorted procedure that are being followed in the company thereby increasing the efficiency of the procedure, cut down the cost and bettering the quality of its end product (goods and services) The whole construct of concern reengineering is based on inquiring some of the basic questions- ' Why are certain procedure in some peculiar manner? ' Operations direction is the key to follow the procedure of concern re-engineering in an organisation.

Supply concatenation direction is the procedure pull offing the flow of the information and the stuff to and from the provider of the natural stuff to the concluding client of the merchandise. The chief aim of the supply concatenation is to do the overall procedure in the organisation more efficient and full cogent evidence

Problems with Operations Management in Lotus Cars

The major jobs with Operations direction are two creases

Operations Executives feel they must:

Exercise accomplishment and experience in efficaciously get brying with the exacting and changing demands placed on operations direction

Reconcile the trade -offs inherent in these demands as best they can

Rarely do they see as an built-in portion of their function the demand to lend suitably to corporate determinations that will impact the demands on operations direction and its ability to supply the necessary market support.

How Companies see Operations Management 's Contribution

Companies besides usually reenforce operations executives ' accent on the short term operational facets of operations direction.

Companies develop directors within operations direction. (C. Donald J. Waters, 1999)

At present Lotus Cars follows the procedure of production which is more based on the Numbers of the autos to be produced (based on the demand) . Its providers are required to provide the natural stuff based strictly on the production predictor. But the procedure is able to present merely a certain portion of the cargo of the units on clip.

Recommendations for Lotus Cars

The few recommendations that the direction of a company can look into when finding their Operations direction scheme are

Operations direction should be treated as a portion of an basic hierarchal concern planning construction which assures a tantrum between developed end and events and those of bigger companies.

The aptitude of a company to anticipate new procedures and engineerings and to set into pattern long term plan to obtain capableness in progress of demandsю

The experiential downpour of determinations or events of a company over a age of clip in 9 class: capacity, installations, procedure engineering, perpendicular integrating, production planning and control, quality systems, organisation, work force, and new merchandise development.

The portfolio of developed capableness reflects spirited strengths obsessed by the developed intent and their comparative significance. Generic fabrication capableness include: quality, cost, flexibleness, innovativeness and bringing public presentation.

The set of structured, time-phased, and evaluated actions which are implemented to better the fabrication capableness of the house.

Examples include entire quality direction, group engineering, just-in-time, etc. Program typically involve wide worker engagement

The systemic agencies by which operation direction is evaluate. Good quality public presentation dimension strategies are allied with strategic company ends so that public presentation which furthers those ends is methodically unbreakable.

The recommendation for betterments in Operations Management as per the assorted procedure involved in Lotus Cars are

The company can travel in for alternate fabricating units thereby run intoing the existent demand. This will once more assist in the addition in the efficiency and the effectivity of the single units of production. The company can besides look frontward to maintain a safety stock which should once more be about 20 % -50 % of the demand thereby cut downing its chance loss. But this might take to an increased stock list keeping cost. To get the better of this company can travel for the economic order measure based on the lead clip. Again the lower stock list degrees of the plastic polymers (which have a batch of provider) can counterbalance for the high cost of the other natural stuff involved in the production of the autos.

Supply Chain

In instance of Lotus Cars the supply concatenation plays an of import function in doing its procedure more robust and efficient. Thus it requires proper information and information flow across the assorted constituents of the value concatenation. This may assist Lotus Cars achieve a streamlined supply web. The major constituents of the supply concatenation in instance of Lotus Cars are its production section (providers) , the marketing/sales section (internal) and the distributers (stop merchandises) . The key to effectual supply concatenation is to organize a strong linkage between these constituents of the value concatenation. In today 's universe it should be remembered that it is non the companies that are viing any longer by the supply concatenation that is viing. Thus a good supply web would enable

Lotus Cars to cut down the lead clip, cut down cost, and increase the bringing clip and quality of the merchandises. Lotus Cars can make off with its other activities and dressed ore merely on its nucleus competence which is production of Quality autos. The other activities such as distribution and logistics should be outsourced to companies that are specialist in the field. (Krajewski, 2005) . The other option in the instance of the Lotus Cars is to accomplish forward integrating of its supply concatenation by coaction or unifying with its distributer.

Waste decrease

Inventory is an evil. It hides jobs that should be allowed to come up. Every attempt must be extended to minimise stock list.

Inventory is an plus. It makes production turn overing along. It protects against prognosis mistake, machine interruption down, and late bringings.

Once in gesture, ever in gesture. Production should be merely in clip, No waiting lines of WIPs ю WIP are needed to be certain that machine use stays high.