

Oxfam operational management

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



The purpose of this assignment is to apply the main theories within operations management to summaries and critically evaluate the main issues facing Sofas within the following strategic and operational contexts: I. Globalization and International management II. Environmental management III Social responsibility lb. Technology v. Knowledge Management Figure 1 The Operations Strategy and Management model (Slack, N. , Chambers, S. , Johnston, R. , 2007) 1 Sofas Background Information The name Sofas comes from the Oxford Committee for Famine Relief, founded in Britain in 1942 during Second World War.

Sofas International was formed in 1995 by a group of independent non-governmental organizations. Sofas is an independent organization affiliated to Sofas International, a global confederation of 14 independent Sofa's (www.Spam.Org). In 2010 Sofas was working in 99 countries. Sofas works directly with communities to find and influence solutions to poverty and injustice (www.Sofas.Org). Sofas are working on development programs, emergency work and research. In 1948 Sofas opened its first charity shop. Sofa's current network of more than 830 charity shops are run by about 22000 volunteers and are a key source of income.

Orders can be made by mail or over the Internet. Sofas teamed up with Yahoo! (Carroll, 2010) Sofas has an annual expenditure of US \$700 million and employs around 1300 staff, of whom around 700 are based in Oxford, I-J, ND the others, together with about 1 500 locally recruited staff, work overseas. Sofas is best known for its work in emergency situations providing humanitarian aid where it is needed. However much of Sofa's work continues after the initial response. Sofa's Strategic plan 2007/10 underlines five main

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objectives (www. Sofas. Erg): The right to a sustainable livelihood The right to basic social services The right to life and security The right to be heard The right to equity (gender and diversity) The above describes Sofa's mission statement " A world without poverty and equal human rights for all people". The Although all operations are similar, they all transform input resources into output products and services, they do differ (Slack, 2007). The Four Vs. - Volume, Variety, Variation and Visibility, have implications for the cost of product, or in case of Sofas service, to its beneficiaries.

As Sofas is a non profit organization and the interest is provide improvement of lives and fast response to natural and political disasters in Third World Countries, it could be said that their success could be measured in how well they support and involve their beneficiaries on their projects. The Volume for Sofas is measured by the improvement of living conditions, by how many people have an access to clean water or how many lives are saved after a natural disaster. Sofas is involved in many projects therefore the Variety should be seen as high.

However due to the nature of the work Sofas does and the help they provide, the variety demands high level of flexibility from Sofas, its employees and volunteers. In the case of a charity the Variation should be relatively low. And many charity organizations are concentrating on to one issue only. However Sofas is known for their involvement in many projects and can offer help in various situations, natural disasters, political rows in countries of the third world, where many people are being denied a decent living.

As well as providing safe water projects around the world, building schools and many others. Sofa's Variation is therefore higher than many other charities but still would not be considered high as in a profit organization. Due to the nature of raising money for their operations via their shops, appeals and various projects, the Visibility of Sofas and its people is high. The argument could be that Sofas has more back office staff than front office and therefore the visibility is not as high. However such an argument can be dismissed based on the overall focus on Sofas.

The contact with people is necessary for the nature of the business. Sofa's 4 Vs. summarizes in Figure 2. [pick] Figure 2 The 4 'v' s module in relation to Sofa's operations Operations performance objectives There are five basic performance objectives which apply to all type of organizations (Slack, 2007). These objectives specifically relates to a basic tasks of satisfying customer requirements. Every organization has stakeholders who have a high interest in its operations. As per Slack Sofa's stakeholder groups can overlap.

Sofa's volunteers who work in charity shops could also be employees as well as customers. Therefore a not for profit organizations who are influenced by more complex factors which they can not affect such as natural disasters, has to even more so define its operation's role, position and operation strategic objectives to show their stakeholders how they perform. The five objectives are quality, speed, dependability, flexibility and cost. Sofas aims to deliver high quality in each situation and project they are involved in.

The quality is measured by the satisfaction of customers however in Sofa's case the satisfaction is not going to be reflected the same way as satisfaction with product or service of companies who produce these for profit. Sofa's customers are in many cases highly satisfied with a bare minimum of life standards and the help they receive. However quality could be considered a top ten way to improve humans' lives and livelihoods and its sustainability. Speed is something that is of a very high importance for Sofas. To respond fast to natural and other disasters is number one priority.

The speed of the response could mean the difference between life and death. However improvement of women's rights and Sofas project of bringing education to all is anything but a speedy as the importance is to stabilize the changes first to make sure they are going to be permanent improvements to their lives. For Sofas stakeholders dependability is a very important factor. For the people who are receiving the help and support it is important to know that the support will be there and it is not just a promise. For the volunteers and people who donated it is important to see that changes are being made and support is being given.

Flexibility is the highest priority. Sofas is not only involved in various projects around the world but also needs to be able to change their plans and actions to respond fast to many situations such as political changes within the country where they are providing their support. Or in the case of natural disaster, Sofas needs to be ready to respond fast, to provide basic supplies for humanitarian support. Their employees and volunteers need to be

flexible to react quickly to save lives and livelihood. Operations have to change at short notice.

Even the charity shops which are mostly stable operations have to be flexible and sometimes change their operations to respond to situation in the world. In the case of natural disasters the nature of donations needs to change, not only cash donations are required but food, clothes or blankets. Cost is a very difficult measurement for a charity organization. It is important to keep its costs down to achieve more with the money raised however in many situations it is not about keeping the cost low but about saving lives, providing fast response and help when it's needed and this can drive cost up.

With natural disaster it is not important the amount invested in to the help but the help that is provided. When people lose everything even a little amount of help and support is highly appreciated and therefore the cost is not of a high importance. Figure 3 Sofa's Polar Diagram The role of operations Operations management can make or break any business (Slack, 2007). Hayes and Wheelwright's four stages of operations contribution evaluate the role and contribution of the operations function (Slack, 2007). Sofa's operations are at stage 4.

Sofas does compete with other charities for donations and volunteers. However, where other charities offering food and money, Sofas offers lives stock, seeds, smelter, coeducation and T s well as money winner teen are name (www. Sofas. Org). Sofas gets involved in people's lives for longer to assure long term improvements in their livelihoods. Figure 4 The four stage model of operations contribution. Operations Strategy Operations strategy

concerns the pattern of strategic decisions and actions which set the role, objectives and activities of the operations (Slack, 2007).

Sofa's operation strategy is to reduce and eliminate the causes of poverty and suffering (www. Sofas. Org). As an objective the Sofa's 5 Aims are used to build the operations strategy, the top down perspectives. The bottom up perspective is reflected in improvement for the next project Sofas gets involved as the knowledge management aspects will affect how the next operation is managed. Market requirements are reflected in the numbers of people Sofas has helped to rebuild their lives. However for a not for profit organization the strategy is more complex and is affected by The Operations Challenge.

Figure 5 The four perspectives on operations strategy The Operations Challenge Although operations management is seen by some as being concerned largely with the routine aspects of business, it is in fact at the very forefront of almost all equines challenges (Slack, 2007). There are many changes that the operations management needs to understand, be concerned with and adjust to. The challenges and changes in the world can be seen as a positive change which helps with Sofa's 5 Aims detailed in section 1. 1 and in appendix 1 .

These are highly affected by many challenges and operations managers should be familiar with Sofa's Aims and developments to be able to apply appropriate strategies. 1 Globalization With opening of new international market were opened many new opportunities for operations managers to develop supplier relationships (Slack, 2007). Important for Sofas as the need

to have a fast and affordable access to supplies all around the world, to be able to respond fast is high on their operations strategies. The Ethical globalization affects Sofa's political affluence and it works well with ethical approaches.

Acknowledging shared responsibilities for addressing global challenges and affirming that our common humanity does not stop at national borders (Slack, 2 Corporate Social Responsibility In a modern business there is more and more pressure on to the general well-being of society. Economic development on a global level cannot be separated from questions of social Justice and from ecological stability (Discarding, cited in Walleye, 2008). It is a nature of Sofas business to assure that all humans are being treated with respect and as equals.

As per Sofas, nobody should compromise on their human rights. Sofas provides assistance and protection to ordinary men, women and children caught up in conflict or natural disasters (www. Sofas. Org). It is Sofa's believe that all people have social, economic, political and civil rights as well as rights under humanitarian law (www. Sofas. Org). Not only Sofas provides provisions of eater, sanitation and hygiene promotion they also lobby governments and the international community to live up to their responsibilities to protect civilians (www. Sofas. Org).

However it needs to be considered that what might be unremarkable in one country ethical framework could be regarded as highly dubious in another's (Slack, 2007). 3 Environmental Responsibility Environmental Responsibility is getting on to an agenda of any organization. Sofas is highly involved in

campaigning for Climate Change. During 2010 over 1.5 million people in 35 countries attended Climate Hearings organized by Sofas and its partners (www.Sofas.Org). These are organized by Sofas to voice directly to global policy environments the reality of Global warming and its effects on those living in poverty.

Sofas is committed to reduce their carbon footprint by setting and delivering yearly targets (www.Sofas.Org). 4 Technology Technology has impact of some sort in almost every area of operations management (Slack, 2007). Internet has the biggest impact on how the business operates. Sofas improved their engagement with their supporters due to internet and other digital communications (www.Sofas.Org). This has resulted in an increase in online donations to over E. Mm in 2010. Sofas therefore invests more of their resources in the improvement of their website.

Technology is also changing the ways Sofas International works. Introduction of Single Management Structure is a big step which wouldn't be possible without constant changes in technology. Supply network is also more simple and faster due to new technologies. Technology has a huge impact on Sofas operations and the speed they can reach people in need. 5 Knowledge Management Knowledge is rich, interpretative and often value-laden. In very complex operations recesses, it may be almost impossible to make the totality of Knowledge concerning processes fully and entirely explicit (Slack, 2007).

Sofa's operations the explicit knowledge is not possible. Sofas knowledge management is built over time and is a result of Sofas experience in various

projects and responses to different situations. Sofas therefore employs the Tacit knowledge. Tacit knowledge may be observed and accumulated over time (Slack, 2007). Sofa's strategies are changing based on their understanding of how the world is changing for poor people and what the best response to it would be (www. Sofas. Erg). Sofas needs to understand these changes and react with agility and effectiveness to maximize their impact on to poor people.

By improving knowledge management Sofas improves disaster preparedness and response the main purpose of their business. Being an international organization that responds to human needs anywhere in the world it is highly important for Sofas to have a local knowledge. Supplies, its availability and access to it, are a need for Sofas and the knowledge of local suppliers is strategically important. Sofas is building team of trainers and experts to implement their new system around the oral (www. Sofas. Org).

Security of their aid workers a knowledge of political situations and predictions in many parts of Third World countries is necessity. Supply Network Every operation is a part of a larger and interconnected network of other operations. Supply network will include suppliers and customers (Slack, 2007). As Sofas works all around the world and has to be able to respond fast to a natural disaster it has to consider many ways of supply. Design decisions of Sofas supply network are important agenda for its operations and supply managers. Sofas supply planning is very unpredictable.

They have a network of suppliers they working with to make sure they are able to react fast to any natural disaster. However to work with the affected

community in a longer term they need to be able to find new suppliers in a very short time period who are closer to the area of disaster and can supply the needs of the situation. Attachment 1 states Sofa's supply policy in detail. In the policy Sofas is not only concentrating on to its supply and demands but also concentrate on to the operations challenges as described in section 4 of this assignment.

The nature of Sofa's work means inventory problems. It is not cost efficient to keep a large amount of supply on hold in case of an emergency. Keeping too much could resolve in high cost related to storage. Keeping too little could mean that when there is a natural disaster and speedy response is needed, there is not enough of basic supplies such as water, food and blankets. In 2009/10 Sofas has rolled out new software tool known as Hellos ([www. Sofas. Org](http://www.Sofas.Org)) to help with delivering the right supplies, in the appropriate amount, at the best cost, on time to the people who need it the most.

It will provide a real time overview of what Sofas has, where it is and how efficiently it can be moved to where it is needed. Conclusions It can be concluded that even though Oxfam is a not-for-profit organization, it is important to understand the importance of operational management and strategies and acting upon it. Sofas sets clear strategies and reviews them every year. It acts upon the need of updating their operation strategies. The core business of Sofas operations is help to people who are in a need of help and support. Its 5 aims are stated and in their Annual report Sofas clearly states percentage of charitable expenditure.

However looking closely on everything that Sofas was involved in over the 2010 eroded, it is clear that the greater the need the faster the response and the less important the money involved in the initial response are. Sofas has set projects over the period of time and with regards to these it is easy to apply operational strategies and management. It is when a natural or political disaster happen that Sofa's operations change in priority. Sofas has to be highly flexible to be able to fulfill its promises to all its stakeholders. The five performance objectives and its importance are changing. They are affected by outside forces.

There is a need of constantly improving its services and overview its operations strategies to avoid failure in delivering its promise. Sofas works in constantly changing world therefore the operations within Sofas are not only important to keep its cost down but are important for the delivery and action of Sofas motto together we will end poverty. Recommendations Sofas has dedicated supply policy. However their policy does not specify how Sofas improves on smoothness of their supply and costs involved with it. In 2009 Sofas has introduced a system that unites all its international organizations.