

# Customer cargo from hcm to singapore



In our company, the operations manager and his decisions are of special importance. Our activities are involved in logistics with special services on transportation and warehouse distribution. Therefore, the operation decisions must be accurate, timely, and workable. Four major decision responsibilities of the operations management are process, capacity, quality, and inventory. The operations management is not only affect to production, but impact to quality and revenue also. When we received a booking to ship the customer cargo from HCM to Singapore, the operations manager would have to calculate the maximum container that could be loaded on the vessel. The volume of cargo must conform to ship capacity and safety regulations. The operations decision will give marketing the quote to canvas the cargo and guide to the port for loading schedule. Therefore, the operations manager will have the responsibility for the volume and quantity of cargo directly. Any cargo cutting, due to a mistake of the operations manager will reduce the freight and company revenue. In our business, it is very important to ensure the time departure, vessel speed, and estimated time of arrival (ETA). These elements will affect the quality service and the operations managers have responsibility to maintain all things as fixed schedule.

In logistics sectors, the operations manager must be familiar with all other sections and can watch the company picture in general. Otherwise, he must communicate with the marketing manager and the chief of financial well. The right operations decision is first condition for our company to get the revenue.

Nghe

Ä á»c ngá»- âm

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Question II: Explain the information conveyed by various elements in the house of quality. Personalize your answer to your own work experience.

Quality Function Deployment (QFD) has been developed in Japan in the late 1960s and was been applied at the Kobe/Japan shipyard of Mitsubishi Heavy Industry in 1972. Then, Toyota had developed this application as a table with a roof. The shape of this table is similar as a house and is named the “ house of quality.” The house of quality is developed a method of quality control ensure that customer requirements on products are satisfied before creating it.

For example, we want to produce a kind of labor uniform clothing for workers in northern Vietnam. First of all, we must have information about what customers need in the product characteristics. In the north, the weather is cold, rainy in winter, so the characteristics of the product must be waterproof, warm enough etc. The requirements of customers for a product like bricks to build up the wall of the house. If we have enough bricks, full of information about customer attributes, we can develop a high house.

The customer attributes are the first and most important of the matrix in the house of quality. This information is collected through communication with customers, interviews and research results. Customers are encouraged to describe what they need and any possible issues with their products. A list of requirements gathered will be put into the house of quality. The body of the

house and the quality can be very time consuming to complete. Its purpose is to transfer customer requirements into technical specifications of the product. As described by Schroder, Goldenstein & Rungtusanatham (2010), the next step of building house “ is translate the customer attribute in to Engineering Characteristic (Ecs)” (p. 49). With customer requirements, the Ecs must consider the existing textile equipment, machinery, and technology to produce it and estimate the unit price. When the customer’s requirements meet the manufacturer’s cable, we will complete the roof of the house. Otherwise, this house must be built on a foundation of information on existing products on the market of the competitor. Without evaluation on the strengths and weaknesses of the product, and lack of information about the competitor’s product, the manufacturer may have not good product, like building houses without foundations.

In our company, the building quality homes, quality control is target to improving matters in the production process, then towards the final product with the highest customer satisfaction.

Question III: Can one apply the concepts such as Plant-within-a-plant (PWP), Mass Customization, etc. to Service Operations? Provide a discussion of the response as it relates to your own work experience or company.

The services cover a wide range, but all types of services can be grouped into 3 types: Explicit service (tangible service), implicit service (intangible service) and facilitating goods. In general, service operations may include one, two or three types of the above services. Because, a service sector has

owned product, concepts such as Plant-within-a-plant (PWP), Mass Customization can apply to service operations.

Plant-Within a-Plan (PWP) is a term to demonstrate the focus operation. The company with PWP will focus on one or several specific product manufacture. Although these goods are processed in same factory, each product or product lines will be fabricated separately from others. PWP and focus operations can use the service sector also. The operations manager can assign and allocate different types of services to different divisions, and different facilities. For a transportation service in our company, we can divide into domestic service and international service. Because the requirement for overseas transport is higher and need more document than domestic, the service level is quite different and should be separate.

Schrode (2010) interpreted that “ mass customization is a strategy to provide products in lot sizes of one in high volume” (p. 75). Mass customization in service can provide a large service product at customer specific requirement. The weekly transport service between HCMC and Singapore is a mass service, but we can customize for small requirement, even less than one container.

Applying the concepts of Plant-within-a-plant (PWP), mass customization to service operations are complicated duties, but they will enhance the service quality.

Question IV: Hayes and Wheelwright argued that it is profitable for firms to operate along the diagonal of the product-process matrix. Justify the reasons

surrounding their argument. Can you think of situations wherein firms could move away from the diagonal and yet remain profitable?

The product-process matrix is a table showing the relationship between product (type, volume etc) and scale of production (process, equipment etc). This matrix was developed by Mr. Hayes and Mr. Wheelwright in 1979. In this matrix, we can see how each typical product will correspond to a ranging of processes from the project to the continuous process. The companies with low volume for each goods, not specialization, wide range of products, usually organized in job shops. Otherwise, the company has high volume; high standardization must organize as an assembly line or continuous process.

In general, a company must have position in diagonal of this matrix will have proper organization structure, working processes, production management conform to scale of production and types of products. In the case, if a company is out of this diagonal line, their business procedure may be broken, and conflicts will arise between products and production management. For example, when a company has large order for a product, but the company did not have modern assembly lines, no proper equipment and still use job shop, they will use more labor. This will inevitably lead to price the product high, will not deliver on time, and will be difficult to manage throughput, profits will not be maintained. Usually, in the development period, sometime the company is not on this diagonal. The product and process did not change simultaneously. Sometimes, a company has not enough machinery or an assembly line to produce a large volume. Otherwise, sometimes, the company invested modern assembly line but can

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not fabricate so much because of market redundancy. However, in the long-term, the company will maintain the balance and stay on this diagonal.

A long side of the diagonal of product process matrix, a high volume, larger scale product, it means that revenue will increase. If the company manages the process well, workers will increase productivity, reduce unit cost, and the company in the diagonal of product process matrix will obtain more profit.

Question V: Question V: What are the five essential elements of lean thinking? In your own words, provide a road map for implementing lean thinking in a manufacturing or service operations of your choice.

In order to get practice on operation management, we visited a shoe manufacture last week. We found that the lean thinking has applied in many assembly lines of the manufactures. We can recognize all of the five essential elements of lean thinking as follows:

- Specify exactly what creates value: The steps of the quality house were done to ensure that all customer requirements on each sample's shoe had been detailed and all give certain value for users. The first element has been carried by the designers and the R&D division
- Improve the value stream: this element of lean thinking has applied on shoe assembly lines. From beginning step to cutting material to end, where the shoes had completed, we can not see any unnecessary movements.
- Design the flow to avoid waste: it is easy to recognize that there is no inventory and waiting time in the shoe assembly lines. Right after the cover

sheet of shoe is completed, they will be move to other step without delay and inventory.

- Produce only what the customer pulls: the push mentality typically was replaced by pulls. After the customer confirms their order, shoes's material will be ex-store and the shoe assembly line will start. The third element will reduce the cost, and inventory for company.

- Strive for perfection: every six months, the manufactures evaluates all processes and make adjustments accordingly.

We had an interview with an operation manager and understand that they implement the lean systems with 6 specific steps. All of steps will are carried out by two groups. A team work of lean implements will be set up. This team includes experts from some relative divisions. They will review all documents, and procedure to find out what the customer actually needs; builds up a procedure for production; construct a value stream map and use it to eliminate waste; and follow pull demand from the customer. After group one completes their duties, the necessary changes will be applied in one assembly and will repeat the cycle on another process. This duty will be conducted by not lean team, but all operation team leader and workers.

Question VI: Question VI: Describe what Business Process Re-engineering is and what is involved in such an undertaking. Also, discuss when it should be used, how it might benefit to a business, and indicate any “cautions” with regards to its use. Give an example related to your work experience or readings.



After 10 year of sustained development, our company is facing some big problems. There is an overlapping of functions, excess personnel, in-accurate reports, and it is difficult to control costs, although the director had adjusted the plan and gave a warning to some relative divisions. However, there was not much result. The sales volume continued down and expenses were still increased. In that situation, our chairman conducted a revolution with big change. He declared that the company will be “ rethinking and radical redesign of business [or organizational] processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed.” I understand that he will perform a “ Business process reengineering” (BPR).

In the past, leaders of enterprises have re-structured their company at their way without applying modern theory and useful research. In the early 1990's Michael Hammer and James Champy has issued their best-selling book, “ Reengineering the Corporation”. In that book, the BPR was detailed in some specific areas. In general, the workflow and business process must be analyzed and redesigned within that company. Companies may centralize or decentralize the function division as marketing, operations, and finance according to their new organization chart. Companies can follow four principal which Schrode (2010) summaries as that “ organize around outcomes, not tasks”, “ have the people who do the work, process their own information”, “ put the decision point where work is performed and build control into the process” and “ eliminate unnecessary steps in the process” (p 123, 124).

After 2 year implements of BPR, although our company was downsized, the sale volume increase and earn more revenue. The profit and return on investment has improved dramatically.

Question VII: The definition of quality management has evolved from “ quality by inspection” towards “ delivering competitive advantage to the firm.” Briefly discuss these and other definitions of quality management.

About 20 years ago, Vietnamese enterprises had not applied ISO 9000 standards in production and business activities yet. In that period, quality management simply meant that a checking or an inspection to find the defect product. The Vietnamese concept of KCS ( Kiem tra chat luong San pham – check product quality) is quite common. Most plants have KCS division. This term is quite close to the tradition’s meaning of the quality management in 1900, when quality management means that inspection. Inspection is just a check product in the last stage of the process. It does not detect and prevent the mistake and defect in the production process.

During improvement on company management, the quality method had an upgrade also. By the 1960s, the quality management had developed a new step to cover multiple departments between enterprises. These activities involved the designing, manufacturing and testing of the final product. The term of quality management referred to all activities and division function and included quality planning, quality control, quality improvement and quality assurance.

Nowadays, the quality management has been upgraded to a new step. The new concept is Total Quality Management (TQM). TQM is a management

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method based on long-term success by focusing on customer satisfaction. All member of a Nghe

TQM organization has reasonability to improving processes, products, services, and the culture in their work. So, quality management is towards “ delivering competitive advantage to the firm”

Question VIII: Name the seven tools of quality that are typically used in a manufacturing process. Can all these tools be applied to service operations? Suggest some possible service operations scenarios wherein we could apply all/some of these tools.

Some decades ago, Japanese companies had used some tools for quality control. Day by day, they had been developing the seven tools of quality control. The seven tools are listed by Schroder (2010) as “ flow charts, check sheet, histogram, pareto diagrams, cause and -effect diagrams, control charts” (p. 195).

In service operations, all services have been ensured of their quality also. Therefore, the managers need useful tools to control the quality. Depending on the kind of service, such as tangible service, intangible service or facilitating goods, some these tools can be used accordingly. All seven tools can be applied on facilitating goods such as restaurants, repair workshops etc. Some intangible services can select other tools. However, I suppose that the Pareto diagram can be used for all service operations. The Pareto theory will help us to concentrate to most important problem. The Pareto diagram can be build to demonstrate any factors with ratio, which impact the

outcome. To resolve that problem, the cause and effect diagram (fishbone diagram) can be applied for all companies regardless production or service.

In my experience in warehouse service, the team leaders of a facility often use the check sheet. They have to collect daily data and consolidate them in a tabular form in order to follow the working process, im-ex warehouse, and other movement between those facilities. Otherwise, the histograms tool is useful to valuate and audit after long time operation.