

Strategic role of the operations functions



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This report is analyzing the operations objectives at the Penang Mutiara case study describing what strategic that the Penang Mutiara Hotel success to achieve by the role of the operations function. Other than that, this report also recommends Penang Mutiara Hotel what should Hotel if Hotel want go for stage 4 from stage 3 in the Hayes and Wheelwright model. Moreover, this report addresses how the performance objectives have inner advantages and a conception from Operations Management chapters was functional in this case.

This report found that the responsibilities that manager of the operation function must fulfill. In arrange to implement any changes in strategy, Hotel's management can make association or commercial agreements with further company, expand automatic system to proffer services and payments and set up a database and supply membership with loyal guests by giving more free of charge services or better prices.

Introduction

Penang Mutiara is considering as one of the primary hotels in that area. A number of issues are the reason, as well as with its differentiated policy, first-class management, motivated employees and fashionable design that support the luxury atmosphere. Besides, the purpose of this report is to identify the role that the operations function can achieve strategic success for Penang Mutiara Hotel. To find out what is the hotel customer requirement and operations help them to achieve. Besides, the aim of this report is also to explain each stage of the Hayes and Wheelwright model and explain why Penang Mutiara Hotel is in Stage 3. Other than that, objectives for question 3 are to explain and list out the five key of

responsibilities that manager of the operations function must fulfill. For instance: implementing strategy, supporting strategy and driving strategy. Lastly, explain the five operational performance objectives that be achieved within the hotel industry.

Strategic Role of the Operations Functions

Operations function is the layout of resources that are dedicated to the manufacture and delivery of products and services. The role that the operations function play to achieve strategic success for Penang Mutiara Hotel are the guests are expect first-class services.

Speed

One of the important key to achieve the first-class services is to fast response to customers' requests, guests doesn't like to be keep waiting. If a passenger request now so it need to be sort out now. For instance, reduce the time of check in and out to fulfill customers. The operations strategic decisions of Penang Mutiara Hotel are use Internet to reduce the time of check in and out. Guests can via Hotel websites to check in and out, it can avoid the customers waste their time on check in and out. More than that, if guests call for room service and request a meal to send to their room rather than go to the restaurant at night. The operations strategic decisions of Penang Mutiara Hotel are to make sure their workers all are able to work more than one task and fast response to the customers' need.

Reliability Service

Other than that, guests also expect a reliability service. For instance, if the airline loses a guest's luggage on their way to the hotel, the operations

strategic decisions of Penang Mutiara Hotel is to help their guest to find back the luggage and make guest to feel better. Penang Mutiara Hotel always maintains their promises. For instance, Penang Mutiara Hotel always make sure their Hotel rooms always ready on time and accounts be prepared for presentation when a customer leave.

Flexibility

Afterward, flexibility means a number of things to the hotels. For instance, customers request for some Camembert cheese, Penang Mutiara Hotel don't have it in stock, but they will always never say “ No” to their customer. Hotel will send their staff to supermarket and try to get it to fulfill the customer. Penang Mutiara Hotel always make sure that their Hotel won't disappoint their customers.

Low Costs

Furthermore, guests expect prices down on food and beverages. Customers expect for first-class service. The operations strategic decisions of Penang Mutiara Hotel are to keep their food and beverages costs down and Hotel also make sure the food is not waste. Although the food and beverages costs down, but Penang Mutiara Hotel is still providing good quality of food and beverages to fulfill the guests.

Operations Excellence (Hayes & Wheelwright model)

The capability of any process to play these roles in the organization can be judge by consider the organization goals or desire of the operations function. Professors Hayes and Wheelwright of Harvard University” developed a four-

stage model which is the to a large extent poor role of stage 1 process to it becoming the core elements of competitive strategy in good stage 4 process.

Stage 1: Internal neutrality

Internal neutrality is the very poor level of dedication by the operations function. In Stage 1 the operation of organization is consider a ' necessary evil'. The further tasks, if they have whatever thing to say at all as regards operations, consider it as holding them back from effective competition. The operating functions is inward looking and at best response. Of course, rarely make a positive contribution to competitive success. This is not possible even if the development of its resources in order to be able to fit the company's competitive position. The best feature is hope can be ignored. At least the operation is not held by the company in any way. Of course, the others of the organization will not see any creativity, talent or competitive drive as the source operation. The desire of the operating functions of the effect just to reach the others of the organization suggests the minimum acceptable standard. It tries to ' the internal neutral' position, it is trying to accomplish no positive but stay away from the bigger mistake. Of course, even when the organization lives up to the publicity generated by their business functions can be damaging. But Penang Mutiara Hotel is not in this Stage.

Stage 2: External neutrality

Hayes and Wheelwright's idea to break the first phase of the Stage 1 is to start out on the market compared with the same company or organization operating functions. This may not without more ado take the ' first division' of the company in the market, but it is at least aspiring to that position and

measurement for the performance of its competitors. Business function is positively not hold the business back. May also not uniquely innovative way to manage their business but it is trying to 'suitable', the use of 'best practices' from its competitors. The rest of the industry by taking the performance of the best ideas and norms it is trying to 'external neutral'. But Penang Mutiara Hotel is not in this Stage.

Stage 3: Internally supportive

In their market Stage 3 operation may have reached the 'first division'. They might not have better operating results in all respects than their competitors but they are broadly in line with the best. However, excellent as they may be, clear and unequivocal desire to be the best on the market Stage 3. They are trying to accomplish this goal the company's competitive strategy goals and then get a clear view of their organizations and the development of business resources excel at things the company needs to compete efficiently. Not just do they develop 'appropriate' resources, they are on the strategy of 'implementers' role. The attempt to provide a credible strategy is 'internal support'. Furthermore, Penang Mutiara Hotel is on this Stage. Penang Mutiara Hotel are tried keep search the strategy to improve itself.

Stage 4: Externally supportive

Hayes and Wheelwright, however, to grasp the importance of operations management in the emerging sense of increasing implied further stage – Stage 4. The difference between the Stage 4 and Stage 4 recognized by Hayes and Wheelwright to be subtle, but yet it is very important. In fundamental, the Stage 4 companies see the operating functions provide the basis for success in its future competition. Operating looks long-term. Predict <https://assignbuster.com/strategic-role-of-the-operations-functions/>

possible changes of market and supply its development business based strategy, the company will need to compete in the future market conditions of the performance. Affect the operation to become the central strategic decision-making. Stage 4 of the operation is the creativity and initiative. They are likely to innovate and able to adapt to changes in the market way to organize their resources. In essence, they are trying to be “one step ahead”, they create products and services and the organization of their actions competitors. – What Hayes and Wheelwright call being ‘externally supportive’. In Stage 4, the operation is not only the development of ‘suitable’ resources and the ‘implementation’ of competitive strategy, they also long-term strategic drivers. If Penang Mutiara Hotel is trying to for Stage 4, Hotel needs to do something that are special and creative. For instance: providing difference holiday traveling packages, seasoning conference market different packages, different types of foods and beverages. Train their staffs to be professional and able to response to the customers. Other than that, they can also provide more extra services. For instance, offering free entertainment.

Key Managerial Responsibilities

Implement Strategy

Implementing is the most basic role of operations. Most companies will have some sort of strategy, but its operation is to put it into practice. Penang Mutiara Hotel can via compromise and association with other company for instance travel company, marine and safari theme park, film company, golf or auto club, the full hotel industry is being collected together, travel, entertainment, business development and utilization, relax. Besides,

completion of basic services, such as transport line services and wireless Internet access. Wide range of services is to meet the needs of different customers. For instance: differences in holiday travel package, different packages seasoning conferencing market, various types of food. Expand automatic system to offer, services and payment. The formation of loyal consumers they can provide more free services or excellent price and receive latest promotional information for those registered members. Expansion existing business to development of e-commerce, association other hotels in different areas.

Drive Strategy

Third, most difficult role of the operations is to drive strategy by giving it a unique and long-term advantage.

- Building and developing hotel website, including introduction of hotel services, traffic map, resource and promotion information, booking on line, requirement and feedback of customer, online payment.
- Continues improvement for whole operation developing to match the market requirements in operations decisions and long time strategy, such as implementing ISO 9001/2000 standard, TQM and cost control system.
- Develop Statistical Process control (SPC) for measuring the service quality, rates of customers' satisfaction and complaint, cost controlling, deciding for new services which match with customers changing demands.
- Develop a top-down strategy to reflect what the hotel's vision and mission, changing strategies, requirement.

- Building an automatic system to improve reliable and speed that ensuring JIT for collecting correct information of customer requirement, conveniently e-pay, delivering and exchanging information for corresponding with each departments, ensuring security.
- Offer continual training for staff to improve the standard quality of services, English and foreign languages speaking, handling these new automatic system and internet using adding the advertisement through TV, internet, high-income reader journal or fashion magazines and newspaper keeping and developing a high standard quality and low cost supply chain which including ensuring purchasing at the right quality, fast delivery, retaining flexibility, right prices; collecting and utilizing resources form internet or global; building physical distribution management and internet; keeping a high quality materials; building a good relationship with suppliers.

Five Performance Objectives

Speed

Speed means do thing fast, the speed means rapid response to external customers requirements or under the new conditions, rapid decision-making and the internal operation of the rapid flow of materials and information.

Speed advantages are:

First, speed reduces inventories. The average increase in the rooms and the restaurant, that quickly available rooms and dining table clean and ready for external customers to increase the income of the organization, and improve work efficiency.

Second, speed adds flexibility. Average response speed of operation is increased ability to deal with urgent matters flexibility.

Third, speed adds reliability. Fast provided for the newest information between other departments of operations, for instance the latest guests entry information, available room information, increase the reliability of the inner workings of coordination and communication.

Dependability

Dependability means do things on time. Dependability means well management and coordination with each operation ensuring other process are reliable, such as delivering right material or information on time, correct foreseeing and planning the facilities, reorder and workforce. It leads to more effective operation. It effectively arranging the facilities, information, material, workforce, money and time to ensure all of them can be available at any time, saves the time to wait or to look for the other substitutes. Dependability arrangement reduces the chance of repeating input resources or some resources leaving unused increasing the cost of maintain or store fee, or labor cost.

Flexibility

Flexibility means change what you do. This means that according to the different requirements or quickly deals with things, change or decision-making, flexibility arrange and coordinate operations' work.

First, saves resources - can avoid needlessly duplication of planning, expenditure, and use of resources for instance time, money, labour force, to follow the traditional ways to do a good job.

Second, raise speed of response – to provide customers with efficient service based on its flexible operation. Emergency situations and emergencies flexible operation, rapid transfer of additional skilled staff and equipment to provide the service and other customer needs.

Quality

Quality means ‘doing things right’. For Penang Mutiara Hotel, quality means continuous produce flawless services, use first-class and long-lasting materials to make the right impression and surroundings, and anticipating and all potential problems early prediction and prevention. It is advantageous to make life easier in the operating inside.

Second, good quality cause steady and efficient processes that fewer errors, standard processed to facilitate a coordinated and complete, reliable and advanced equipment and the use of tools to increase the reliability for internal customer.

Cost

First, reduces cost for Penang Mutiara Hotel because of it is to lees the opportunity to create errors. Redo or correct mistakes, or to reduce confusion or exasperation for each people.

Second, reduce the labor cost. Dispel some serious problems or troubles all the time needs extra workers or extra time to do it, therefore, it cause in increased labor cost, For instance part-time wages, compensation for overtime. The additional reduce errors; the more decrease the excess labor costs to pay for do the extra work.

Third, fewer error and use of the first-class and long-lasting materials as well led to expenses savings for instance maintenance costs, material costs have caused the failures, transportation costs and other extra expenses.