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Section: IT-SM 3101

SMT 401 Fundamentals of Business Process Outsourcing 1

Checkpoint Activity 3

Discuss the six components of operation management. Kindly give an example/s as needed.

- **Performance Management**

  Performance management is about evaluating how well goals are being achieved within an organization. It focuses on setting clear objectives and monitoring progress to ensure success.
  Example:
  In a logistics company, the target might be to deliver 500 packages a day. If delays occur due to traffic or routing errors, performance management would identify these bottlenecks and propose solutions, like optimizing delivery routes.

- **Metrics and Reporting**

  This involves identifying measurable indicators of success, gathering relevant data, and sharing insights with decision-makers. Metrics provide clarity on operational efficiency and customer satisfaction.
  Example:
  An online retail store tracks delivery times, customer ratings, and the percentage of returns. If customer satisfaction drops, managers review reports to uncover the cause, such as delayed shipping or defective products, and make necessary improvements.

- **Professional Development**

  This ensures that employees have opportunities to enhance their skills, stay motivated, and contribute more effectively to organizational success.
  Example:
  A healthcare BPO offers training on the latest medical billing software. This helps agents improve claim processing accuracy and efficiency, keeping the company competitive in a fast-evolving field.

- **Quality Monitoring and Analyzing**

  This focuses on ensuring that processes, products, or services meet established standards. By analyzing quality data, trends and areas for improvement are identified.
  Example:
  In a food manufacturing plant, regular inspections ensure that products meet safety standards. If

contamination is detected, the company investigates and implements stricter controls to prevent future occurrences.

- **Productivity Monitoring and Control**

  This component emphasizes maximizing resource utilization by identifying inefficiencies and implementing corrective measures.
  Example:
  In a BPO handling technical support, productivity is measured by how many tickets an agent resolves daily. If resolution times are longer than expected, managers introduce tools like AI-powered suggestions to speed up responses.

- **Continuous Improvement Initiatives**

  This involves regularly refining processes, systems, and products to enhance efficiency and meet evolving customer needs. It is a proactive approach to staying competitive.
  Example:
  A software development firm gathers user feedback and rolls out updates that enhance usability or fix bugs. By continuously improving their product, they maintain customer loyalty and attract new clients.