

Operations Management: Oil and Gas

Report

Introduction

Operations management is a branch of management that deals with the designing and supervision of operational processes in a business organization. Operations management covers the production of goods and services as well as the delivery of such productions to the final consumers. In its duties, an operations management department ensures that processes are planned for and executed in an efficient and effective way to satisfy the needs of the organization and its customers. This paper seeks to discuss concepts of operations management. The paper will look into the history, functions, case studies, advantages, disadvantages and factors that affect the department among others. The paper will then look into the operations management-s involvement in oil and gas companies. Operations Management

Business enterprises entail the provision of goods and services to their immediate customers. For the finished goods or offered services to be available to consumers in a state that will satisfy the needs and desires of the consumers, measures must be undertaken by the producing organization to ensure that quality, quantity as well as the time frame of the production is appropriate with respect to the demands of consumers. Meeting the needs of consumers is, however, a process that begins with search for raw materials which are then processed to be goods and finally supplied to the consumers. Processes of activities such as extraction of raw materials or resources, their transportation, their processing and their final distribution involve operational activities. It is the move to supervise and manage these activities that derives the basis of operations management. Operations management ensures -effective management of resources and activities that produce or deliver goods and services of any business- (Sox 1). Operations management therefore involves the management of -people, materials, equipments and information resources that a business may need- (Sox 1) in its daily activities. The department thus outlines and then manages all that pertains to the production of goods and services. The operations management is actually dominant in almost every given supply chain and is diverse with a variety of titles that at time can include -production planner, inventory manager, logistics manager, procurement manager and supply chain manager- (Sox 1) among others. History of Operations Management

The history of operations management stems all the way back to the eighteenth century. In the management of production activities, operations changes were, for example, realized in the labor system. In England, for instance, the textile industry registered operational changes with human labor being replaced with the use of machines. Inventions of industrial equipments also lead to adjustment in methods of production in the textile industry at the time. In the year 1785, steam engine was invented providing a new operations field. Administration of operations activities in business aspects, however, took its significant development in the twentieth century with introduction of theories and principles over how operations should be sufficiently managed.