

# OPERATIONS MANAGEMENT

» FASTER

***WE DELIVER  
FAST!***

» BETTER

» CHEAPER???



# OPERATIONS MANAGEMENT



» FASTER

**WARP-SPEED**

» BETTER

» COST COMPETITIVE



FASTER--JUST-IN-TIME



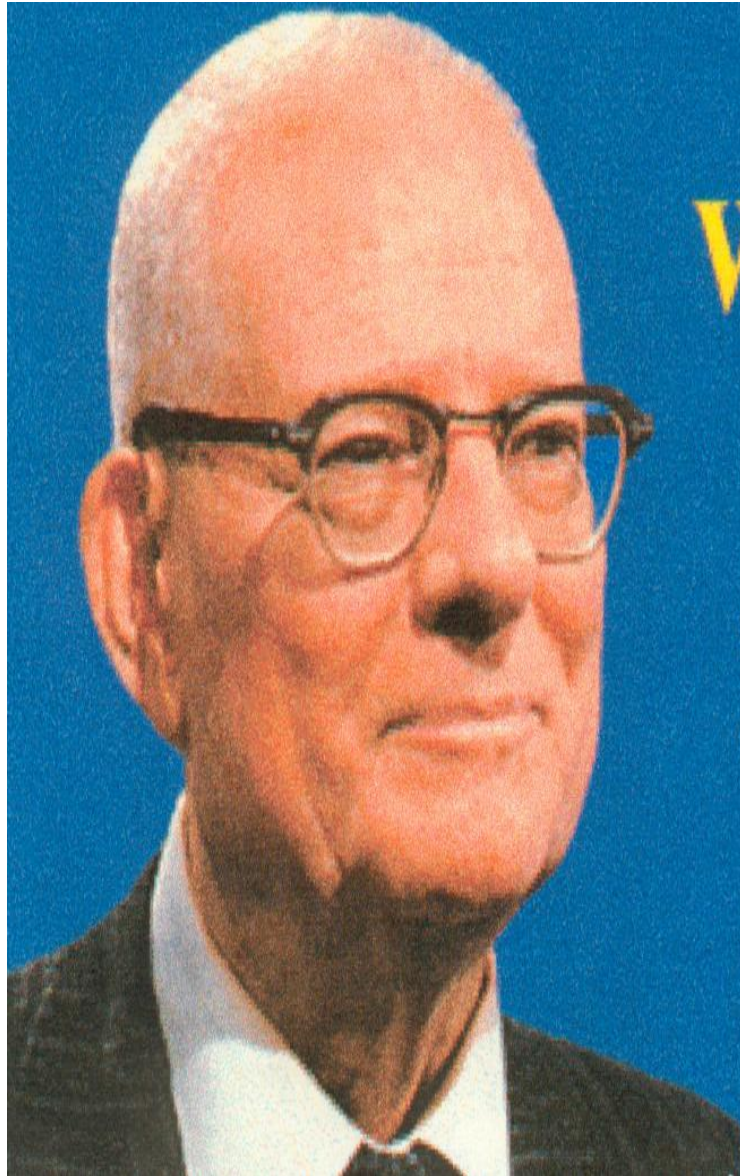
BETTER--TOTAL QUALITY  
MANAGEMENT



COST COMPETITIVE--COST  
WORLD



# Father of TQM Dr. W. Edwards Deming



**W Edwards Deming**

**1900-1993**

*"We have learned to live in a world  
of mistakes and defective products  
as if they were necessary to life.  
It is time to adopt a new  
philosophy in America."*

# JUST-IN-TIME

Father of JIT

Dr. Taiichi Ohno (1912 -1990)

Vice-President of Production at Toyota  
for many years



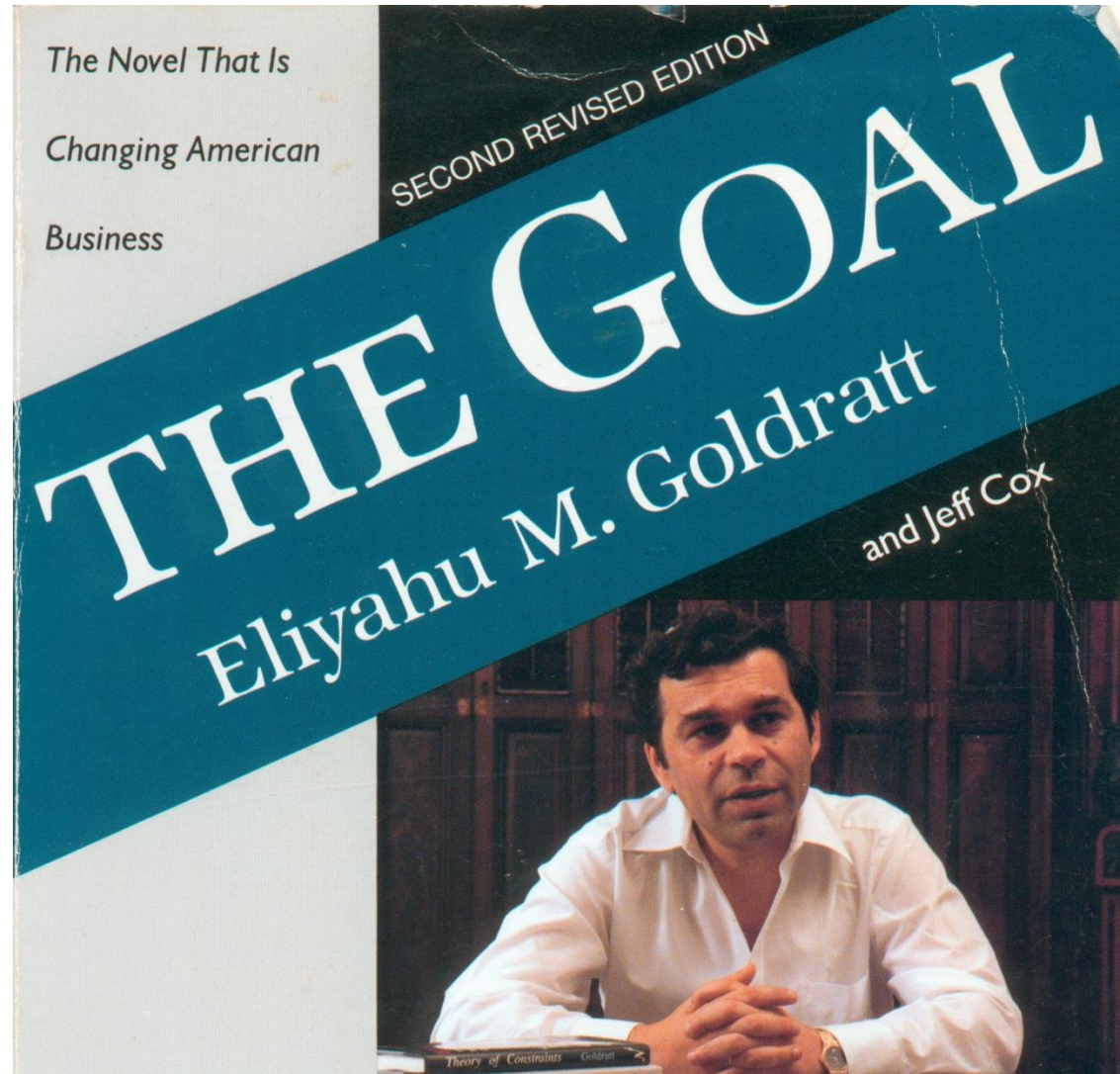
*Taiichi Ohno*



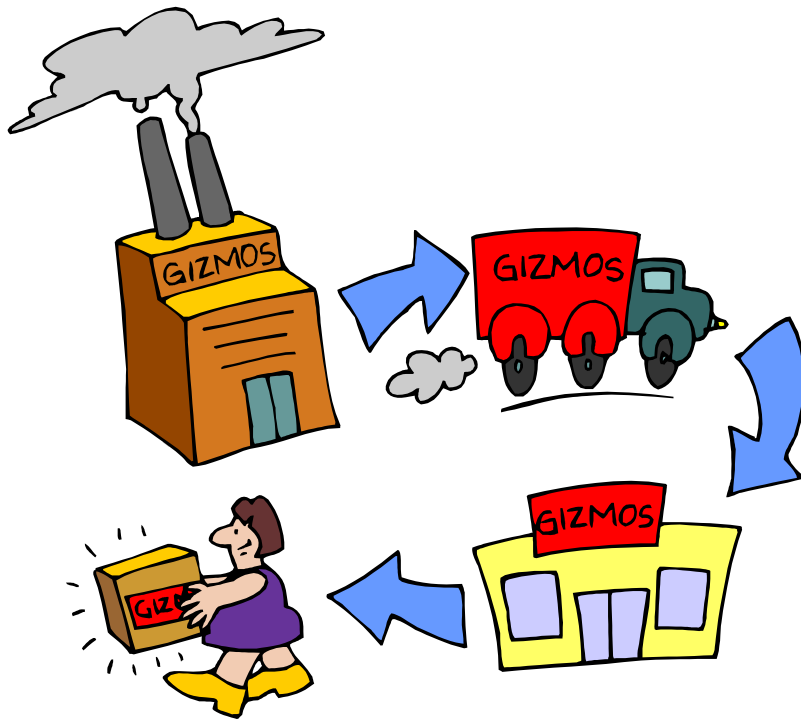
# THEORY OF CONSTRAINTS

- Dr. Eli Goldratt
- (1947 – 2011)
- Father of TOC

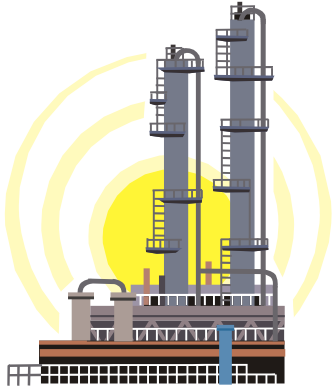
TOC



# Operations Management is the Study of Production Systems which Produce Goods or Provide Services



MANUFACTURING



HEALTH CARE

BANKING

GOVERNMENT

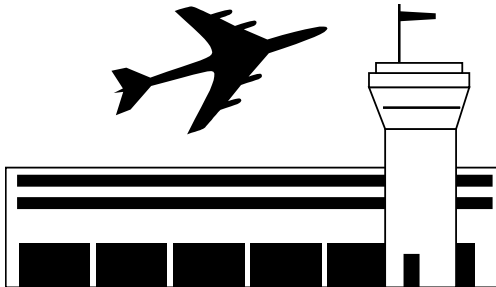
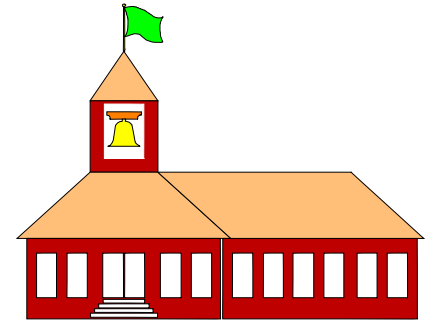
TRANSPORTATION

CONSULTING

EDUCATION

RETAIL\WHOLESALE

ALL ORGANIZATIONS

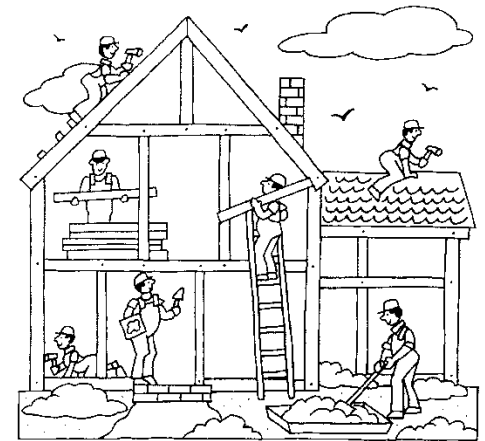




# Goods producing systems



- manufacturing both durable and non-durable
- construction both residential and business
- mining
- agricultural

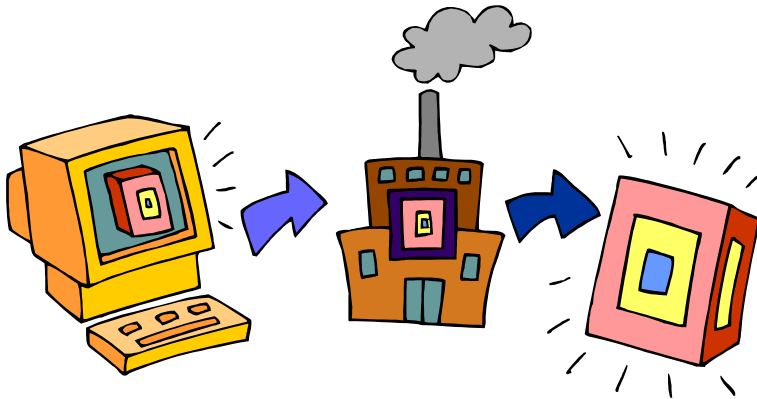
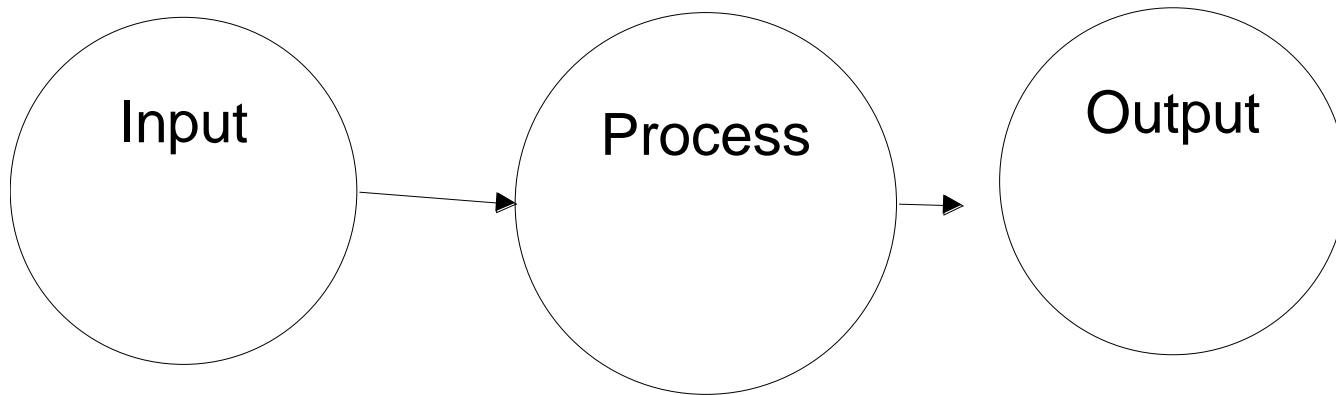


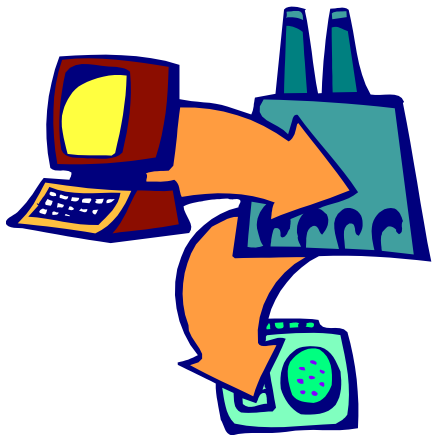
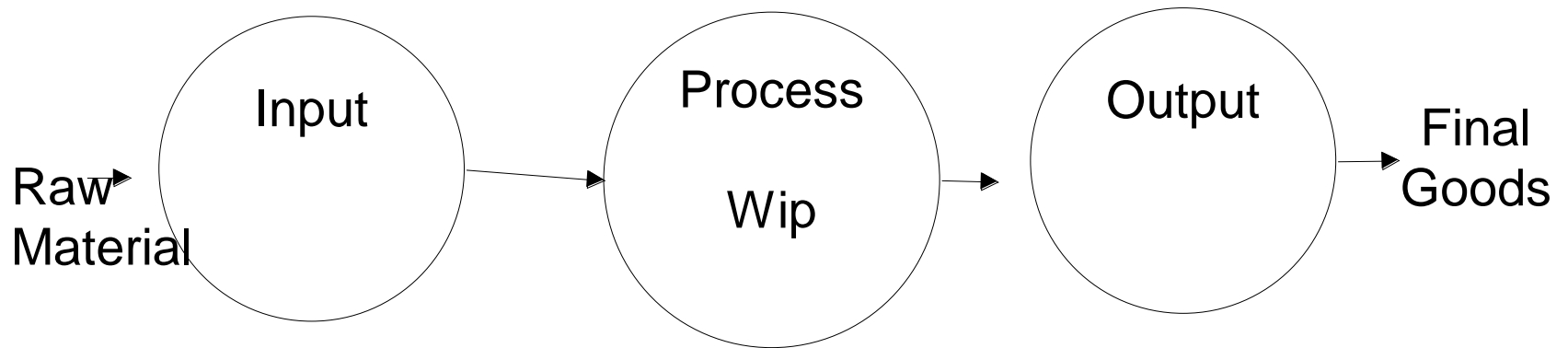
# Service sector includes

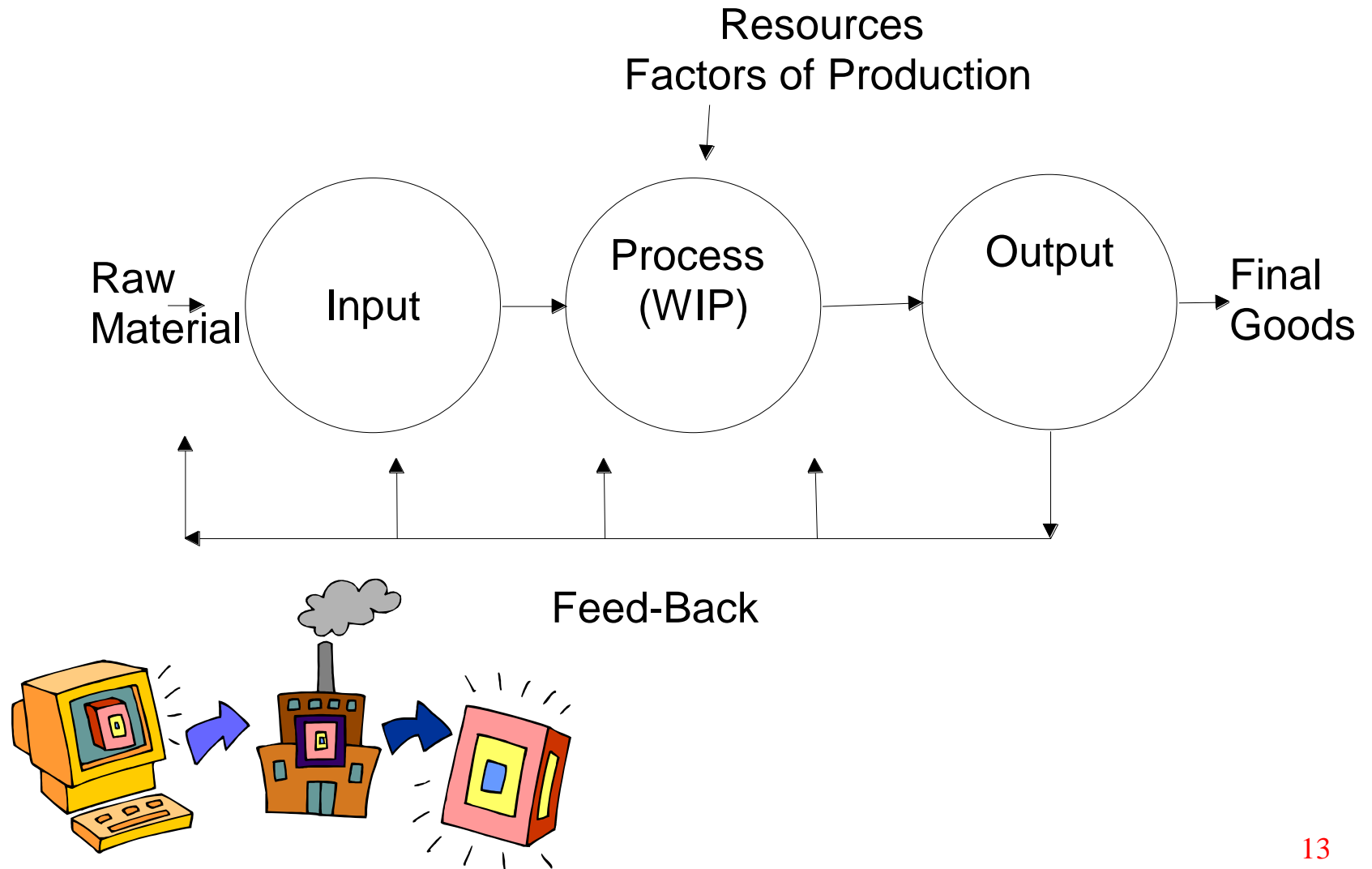
- finance & real estate
- retail and wholesale
- insurance
- health care
- legal
- accounting and consulting
- education
- transportation
- others (non-goods producing)



# I/O Model

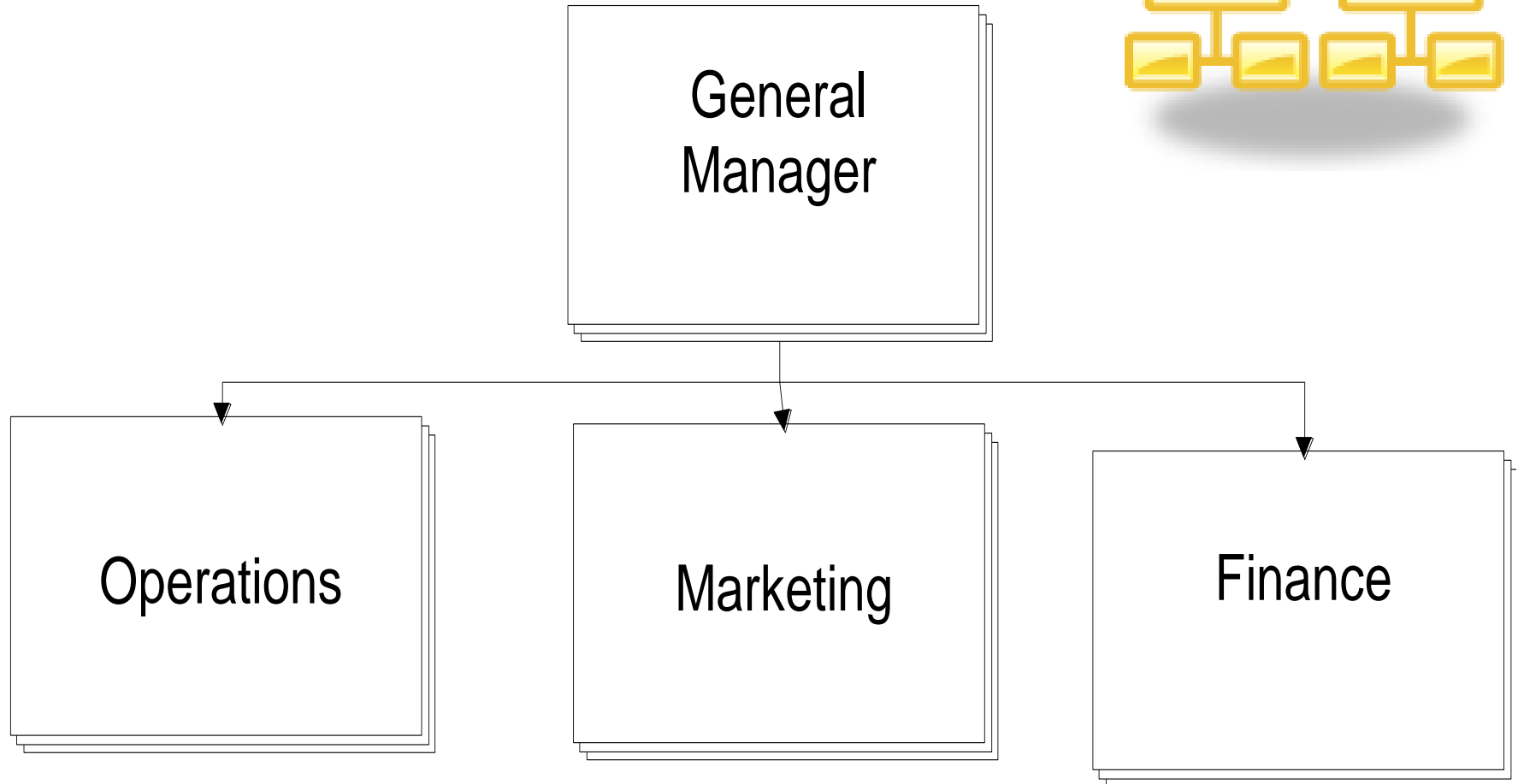


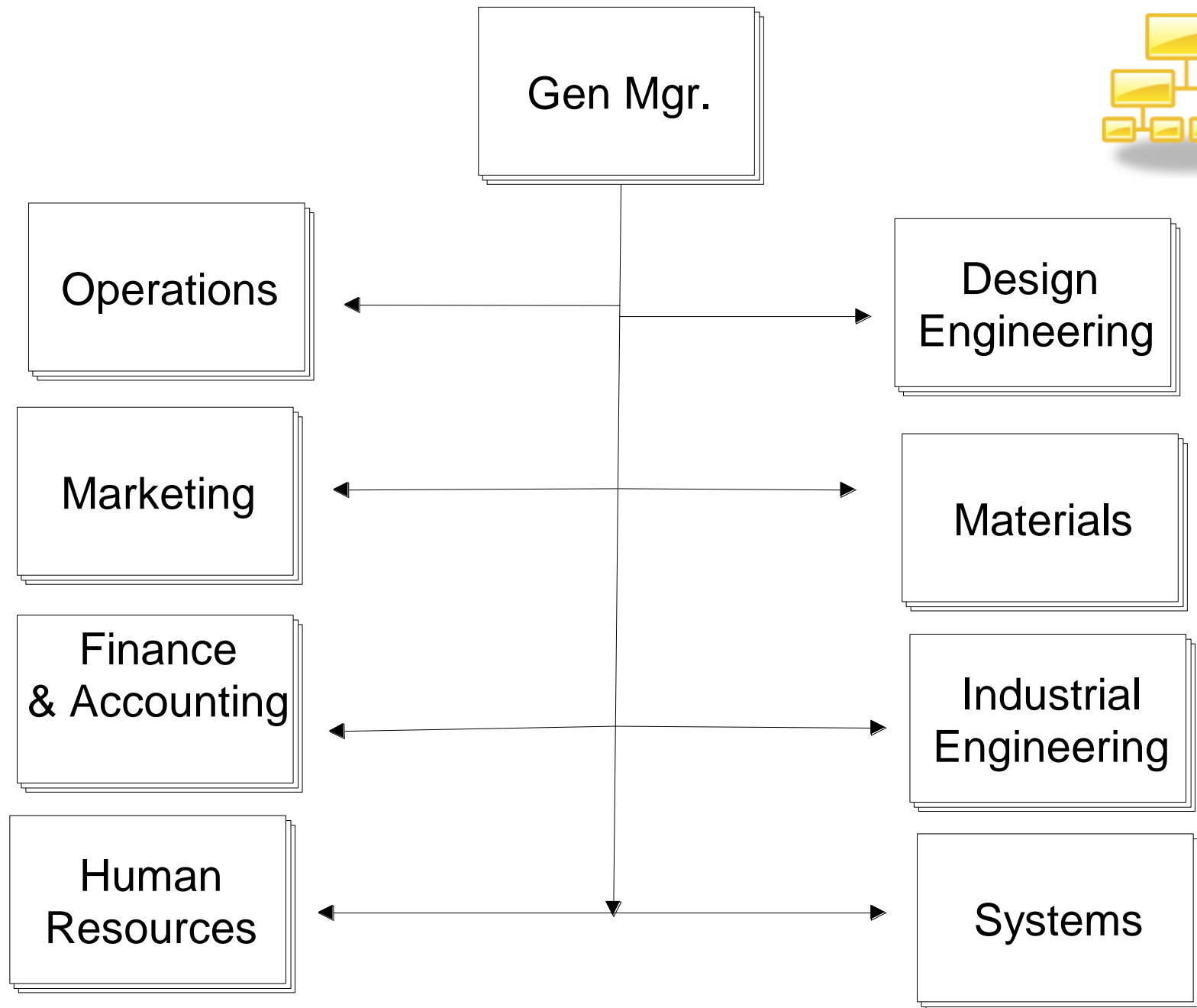




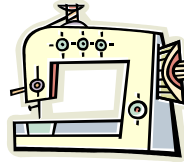
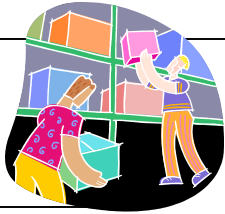


# Organization Chart

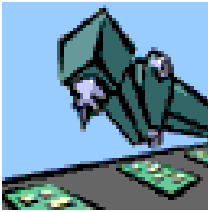
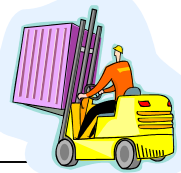




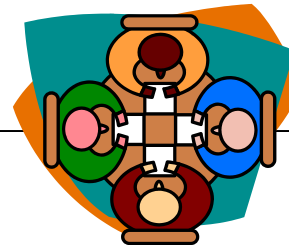
Receiving



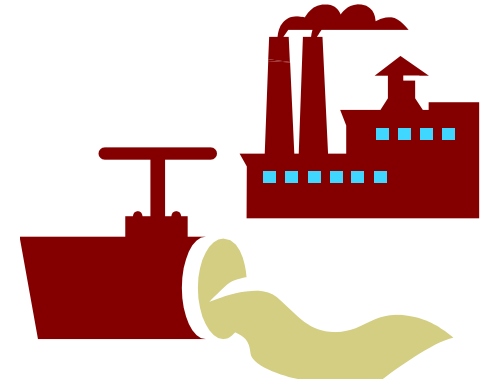
Shipping



Offices



# JIT



## Management Philosophy

Which says we need to eliminate

## Waste

# Inventory

Is it an Asset or a Liability?

How do we classify it on our financial statements?

Is this correct?





# Functions of Management

- Planning
- Organizing
- Staffing
- Directing
- Controlling



# Key Issues for Operations Today

- Productivity = Output/Input



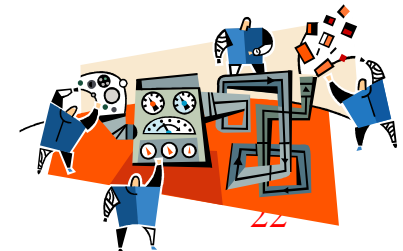
# Factors Which Impact Productivity

- Technology
- Work Methods
- Choice of Equipment
- Management



# Key Issues for Operations Today

- Productivity = Output/Input
- Quality
- Government Regulations
  - OSHA (1971)
  - EEOC (1965)
  - EPA (1970)
  - RRC
- Liability
- De-Industrialization
- Short-Term vs. Long Term Focus
- Technology & Automation
- Globalization



# Classification of Production Systems

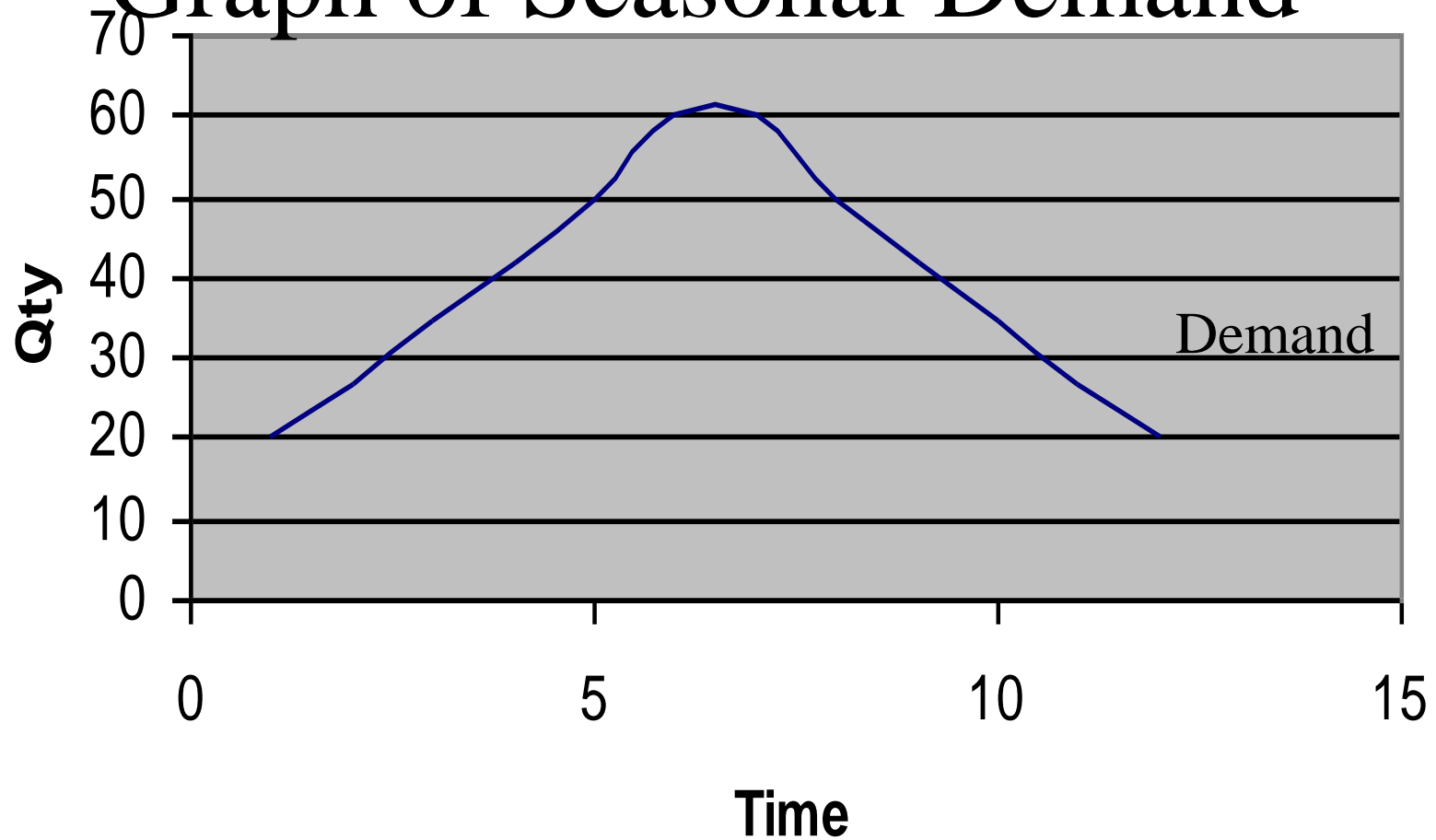


- Degree of Standardization
- Type of Operations
  - Physical
  - Storage\Transportation
  - Exchange
  - Communication\Entertainment
- Manufacturing vs. Service

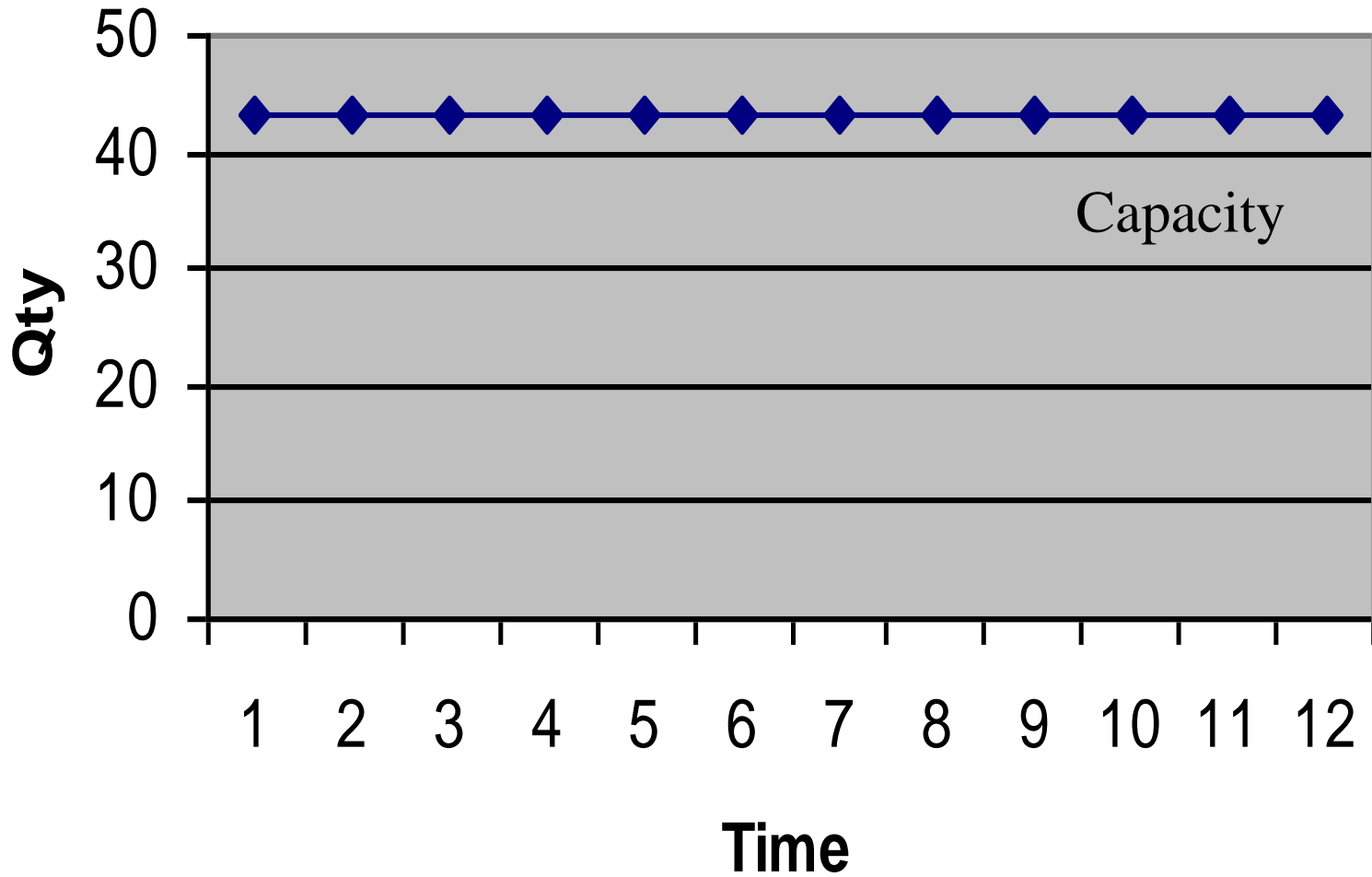




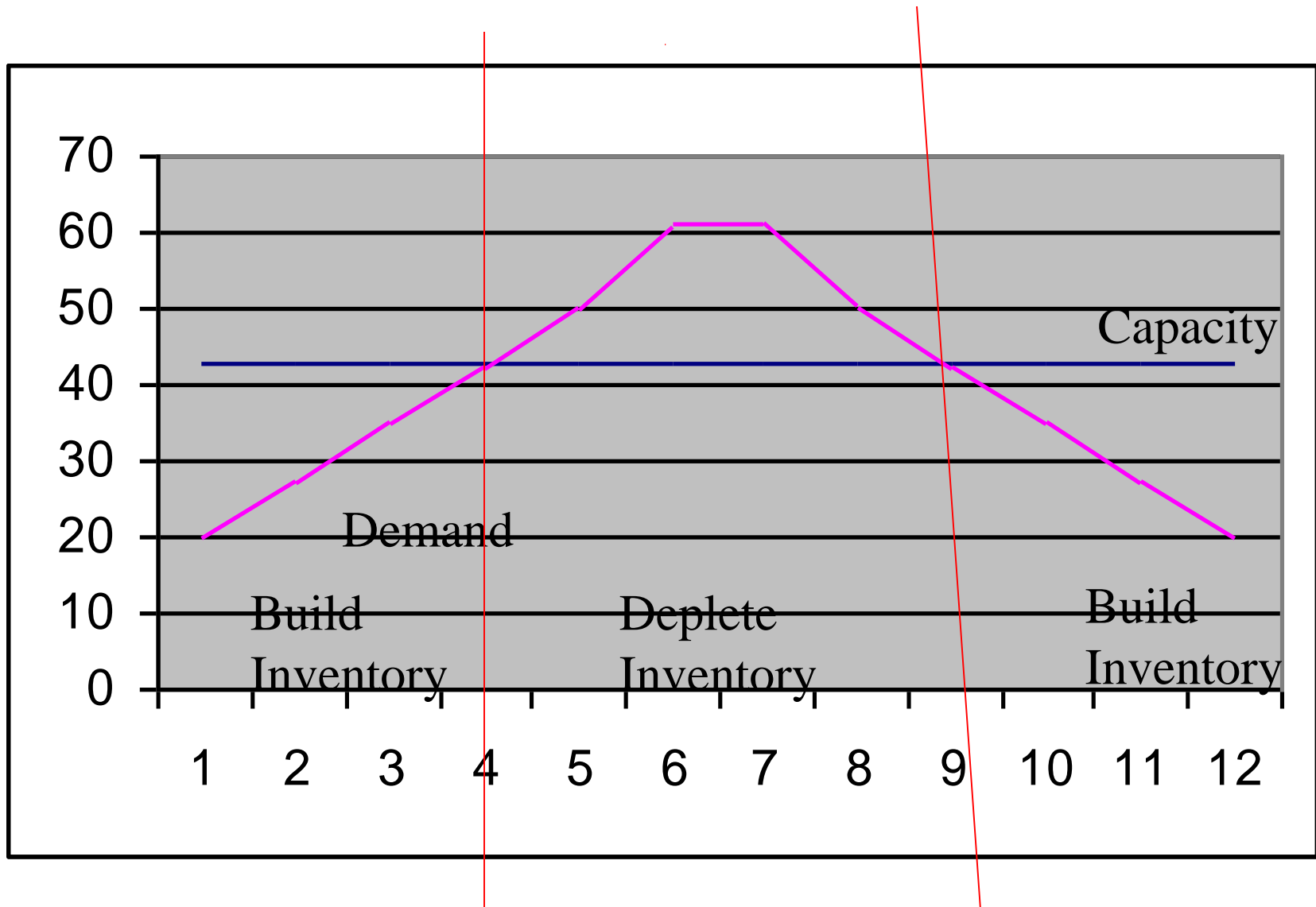
# Graph of Seasonal Demand



# Graph of Capacity

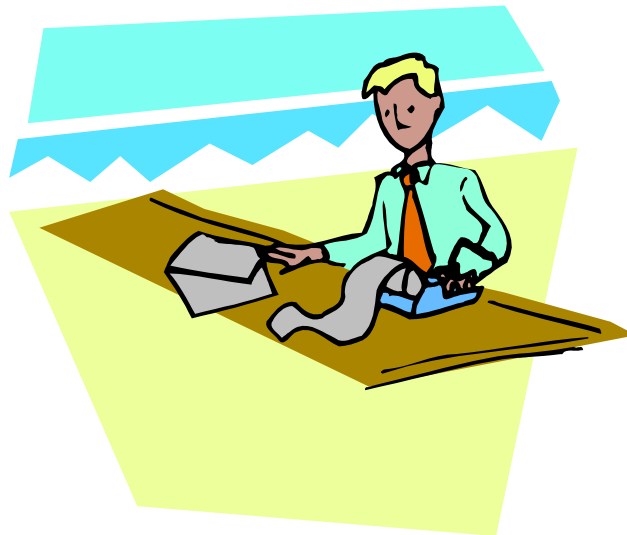


# Unbalanced Capacity & Demand



# What Would Be An Example Of Unbalanced Demand For The Service Sector?

- Demand For The Tax Services Of A CPA



# CPA Tax Demand

