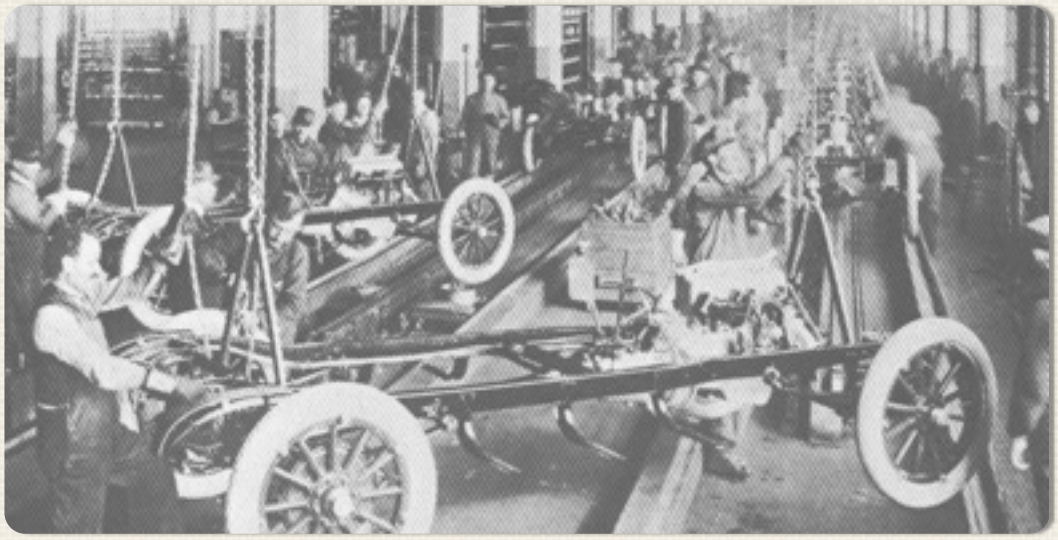
LEARNING PLAN 9



Operations

Operations management is the systematic direction and control of the processes that transform inputs into finished goods and services. The operations function comprises a significant percentage of the employees and physical assets in most organizations. Operations managers are concerned with each step in providing a service or product. They determine what equipment, labor, tools, facilities, materials, energy, and information should go into an operating system and how these inputs can best be obtained and used to satisfy the requirements of the market place. Managers are also responsible for critical activities such as quality management and control, capacity planning, materials management, purchasing, and scheduling.

The importance of operations management has increased dramatically in recent years. Significant foreign competition, shorter product and service life-cycles, better-educated and quality-conscious consumers, and the capabilities of new technology have placed increasing pressures on the operations function to improve productivity while providing a

broader array of high-quality products and services. With the globalization of markets, firms are recognizing that the operations function can be used to strengthen their position in the market place. Managers in operations management play a strategic and tactical role in satisfying customer needs and making their firms strong international competitors.

TOYOTA PRODUCTION

Toyota's renowned production system (TPS) has long demonstrated the competitive advantage of continuous process improvement. And companies in a wide range of industries—aerospace, metals processing, consumer products—have tried to imitate TPS. Yet most fail.

Why? Managers adopt TPS's obvious practices, without applying the four unwritten rules that make TPS successful. Like strands of DNA, these rules govern how people carry out their jobs, how they interact with each other, how products and services flow, and how people identify and address process problems.

The rules rigidly specify how every activity — from the shop floor to the executive suite, from installing seat bolts to reconfiguring a manufacturing plant—should be per- formed. Deviations from the specifications become instantly visible, prompting people to respond immediately with real-time experiments to eradicate problems in their own work. Result? A disciplined yet flexible and creative community of scientists who continually push Toyota closer to its zero-defects, just-in-time, no-waste ideal.

Mastering TPS's four rules takes time. But by dedicating yourself to the process, you stand a better chance of replicating Toyota's DNA —and its performance.

http://dms.dartmouth.edu/cms/toolkits/getting_started/decoding_dna.pdf

LEARNING ACTIVITIES

THE FOLLOWING ACTIVITIES ARE COMPLETED ONLINE AT **www.mhhe.com/ferrellm3e**

1. VIEW ONE OF THE INTERACTIVE APPLICATION
2. COMPLETE THE QUIZ. DON'T SUBMIT THE RESULTS TO ME. THIS ACTIVITY IS FOR YOUR SELF-IMPROVEMENT. YOU SHOULD NOT HAVE TO DOWNLOAD THE VIDEO TO WATCH IT.

ASSESSMENT ACTIVITIES

1. READ CHAPTER 8
2. PLEASE COMPLETE THE LP9| OPERATIONS
3. RESPOND TO YOUR CLASSMATES ACCORDING TO THE DISCUSSION BOARD GUIDELINES.