

MBA Core Course – Operations Management

Module Leader and Lecturer

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Time and Place

October 29th, 2010, Friday, 02pm–06pm, Lecture Theatre 3
November 02nd, 2010, Tuesday, 09am–01pm, Lecture Theatre 3
November 03rd, 2010, Wednesday, 09am–01pm, Lecture Theatre 3
November 04th, 2010, Thursday, 09am–01pm, Lecture Theatre 3
November 05th, 2010, Friday, 09am–01pm, Lecture Theatre 3
November 05th, 2010, Friday, 02pm–06pm, Lecture Theatre 3

Course Website

The web page for the course can be found on the Lancaster MBA bulletin board.

Course Description

This course will provide a general introduction to operations management. Along with finance and marketing, Operations is one of the three primary functions of a firm. Looking at these functions in their most basic form it can be said that Finance contributes capital to the firm, Marketing creates demand for a product, and Operations produces the product. The recurring activities of a firm that make up Operations Management generally span the entire organization: Chief Operating Officers (COOs) are frequently in charge of Research & Development (R&D), design/engineering, production operations, marketing, sales, support and service. Therefore the realm of operations management expands well beyond just managing factories. Firms may deal with sales and service support, repair services, customer help lines, continuing product development, and any number of varying functions depending on their products. Each of these areas requires a different set of processes, resources, control systems, people and management style. Thus, Operations Management is an essential part of any firm that generates value for customers through manufacturing, logistics, or service delivery. The principles of Operations Management, however, can be much more expansive and relate to any aspect of an organization that requires resources and processes to operate.

In order to gain competitive advantage through operations, this course intends to orient you with the major operational problems and issues that confront managers, and to provide you with language, concepts, insights and tools to deal with these issues. Whether you are a student aiming for a career in designing and managing business processes, either directly (Operations Departments) or indirectly (e.g., management consulting), or you manage interfaces between operations and other business functions such as finance, marketing, managerial accounting and human resources, this course is essential. In addition a working

knowledge of Operations, which typically employs the greatest number of employees and requires the largest investment in assets, is essential for general managers and entrepreneurs. The academic content of this course will help you to:

- Understand the operations contribution to the development and implementation of successful business strategy;
- Define key business processes and establish their performance objectives
- Analyze different key operational dimensions such as capacity management, flow time management, supply chain management, and quality management;
- Understand developments such as lean operations, just-in-time operations, and time-based competition;
- Understand the impact of demand and process variability;
- Use data and tools to evaluate and improve the efficiency and effectiveness of processes;
- Identify the critical issues for any operation and to derive decision models how operational performance might be improved.

Consistent with a managerial perspective and approach, both application and derivation of models will be emphasized. The course thus strives to provide a balance between a qualitative approach and an analytical, applications-oriented, approach. In that spirit, both the strategic and the tactical dimensions of operations management will be addressed.

Course Assessment

To be announced.

Reading and Lecture Notes

I will roughly follow this textbook:

- ❑ Anupindi, Ravi; Chopra, Sunil; Deshmukh, Sudhakar; Van Mieghem, Jan; Zemel, Eitan. *Managing Business Process Flows: Principles of Operations Management (2nd Edition)*. Prentice Hall, New Jersey, 2005.

In addition, we will draw examples and points for discussion during the entire course from the following novel(!):

- ❑ Goldratt, Eliyahu; Cox, Jeff. *The Goal (3rd Edition)*. North River Press, Massachusetts, 2004.

The Goal is light reading and some sections are quite entertaining. Nevertheless, it has over 300 pages, so you are encouraged to start reading as soon as you read this syllabus. The remainder of the course is self-contained; I will license and print all the cases.

Additional optional Reading

In addition to two books mentioned above, you may consult the following texts depending on your interests (none of these are required for the course):

- ❑ Womack, James P.; Jones, Daniel T.; Roos, Daniel. *The Machine that changed the world: The Story of Lean Production*. Harper Perennial, 1991.
- ❑ Treacy, Michael; Wiersema, Fred. *The Discipline of Market Leaders: Choose your Customer, Narrow your Focus, Dominate your Market*. Basic Books, 1997.

Resources on the Internet

The following websites provide interesting updates on current development in the area of Operations Management:

- ❑ INFORMS Manufacturing & Service Operations Society
<http://msom.society.informs.org>
- ❑ Competitive Advantage through Lean Six Sigma Operations
Open Enrolment Executive Education Course by Dr Joern Meissner
<http://www.leanoperations.com>