



Business Operations: Delivering Value

Introducing the case studies

Narrator

Operations management is frequently seen as merely the routine activity required to produce the goods or delivery the service. Compared with other branches of management such as strategy or marketing, it lacks glamour and is often perceived as not of critical strategic importance to the organisation. Yet effective operations is the essence of the business and directly determines how customers perceive the organisation. Goods or services must be of the expected quality and delivered on time at an attractive price. Problems or queries need to be dealt with promptly and ultimately the customer must be persuaded to come back. All these issues lie fairly and squarely in the operations domain. Operations is more than just the means by which an organisation's strategy is delivered, it can be a competitive advantage in its own right.

This video provides examples of organisations where effective operations management is vital. Our cases are: a low cost airline; a chain of multiplex cinemas; a doctors' surgery and a brewery.

For all the obvious differences in the nature of these operations, there are several common themes. For example effective operations management requires that organisations listen to their customers. A good understanding of their needs and expectations is a priority so that business processes can be designed and managed to provide what customers and other stakeholders' value.

Operations systems need to be carefully designed if they are to deliver the performance required by the various stakeholders. Technology, supply chains, people and physical arrangements of resources are typically the components manipulated in the design process. Also flexible systems that can cope with day-to-day variations in supply and demand are vital for operational effectiveness, efficiency and customer satisfaction.

And finally, people are a vital component of any operational system. Getting the organisational culture right plays a crucial role in implementation, improvement and innovation.