

Production
and Operations
Management:
*Manufacturing and
Services*



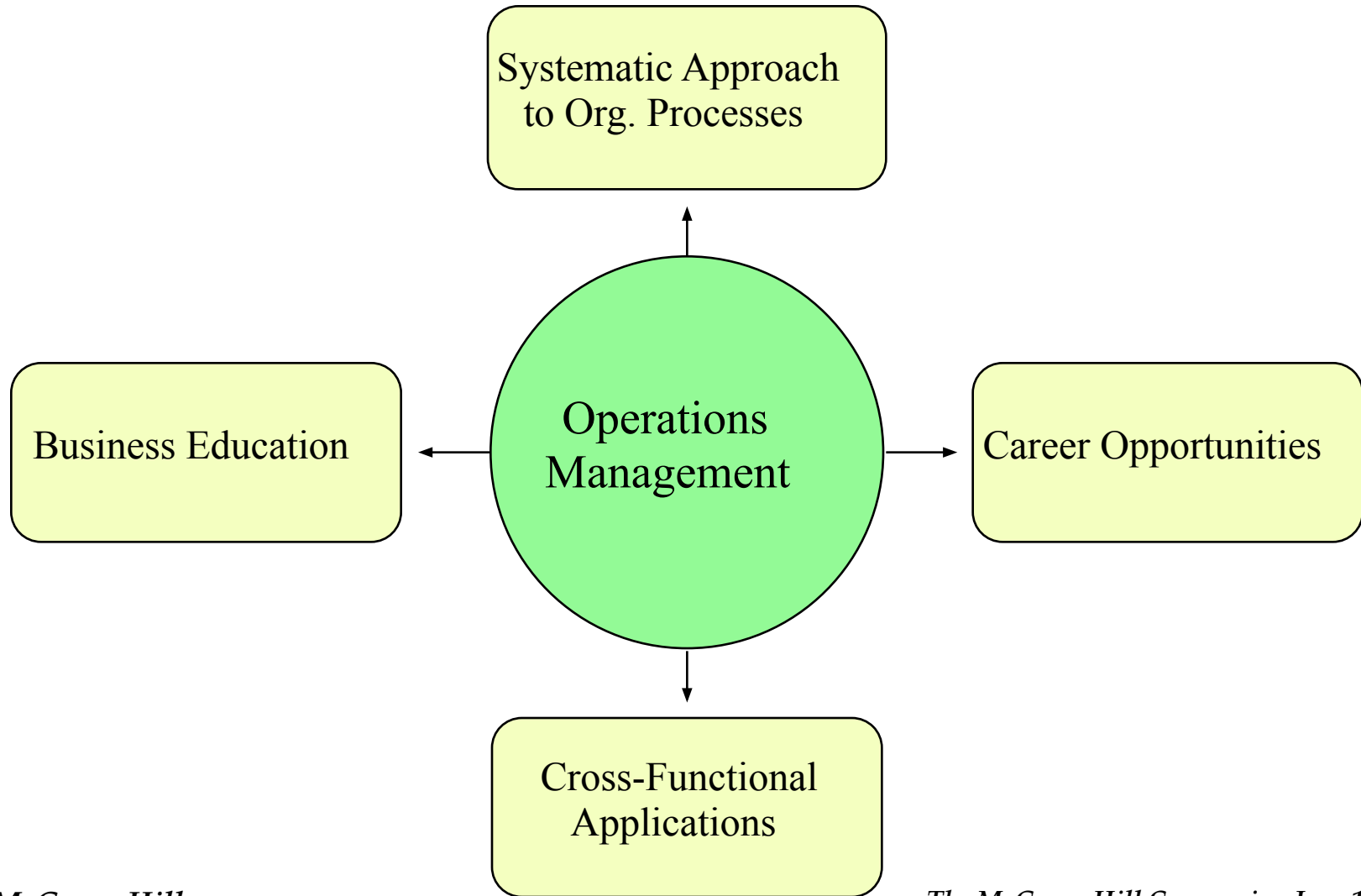
*PowerPoint Presentation for Chapter 1
Introduction to the Field*

Chase
Aquilano
Jacobs

Introduction to the Field

- ◆ Why Study Operations Management?
- ◆ Definition of Operations Management
- ◆ Operations Decision Making
- ◆ Managing Transformations
- ◆ Service or Good?
- ◆ Closed vs. Open System Perspectives
- ◆ Development of OM as a Field
- ◆ Current Issues

Why Study Operations Management?

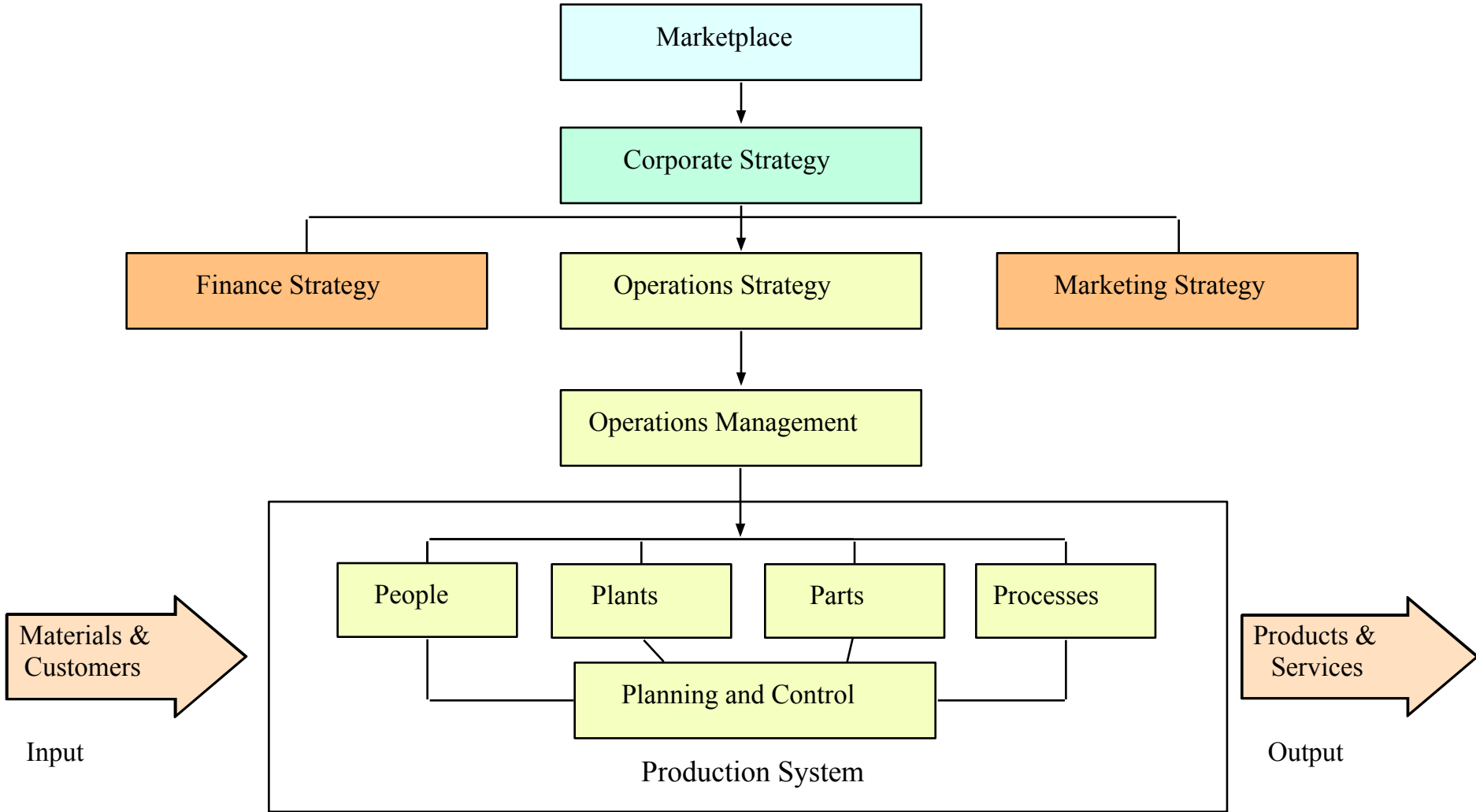


Operations Management

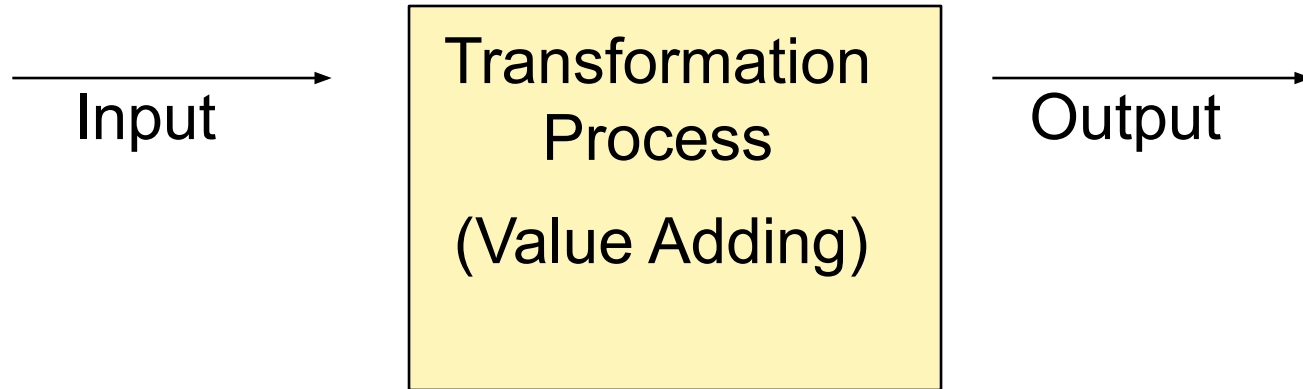
Definition

Operations management may be defined as the *design, operation, and improvement* of the *production system* that creates the firm's primary *products and services*.

Operations Decision Making



OM Involves Managing Transformations



Transformation is

enabled by The 5 *Ps* of OM:

- ◆ People
- ◆ Plants
- ◆ Parts
- ◆ Processes
- ◆ Planning and Control

Transformations

- ◆ Physical--manufacturing
- ◆ Locational--transportation
- ◆ Exchange--retailing
- ◆ Storage--warehousing
- ◆ Physiological--health care
- ◆ Informational--telecommunications

Service or Good?

- ◆ “If you drop it on your foot, it won’t hurt you.”
(Good or service?)

- ◆ “Services never include goods and goods never include services.” (True or false?)

What about McDonald's?

- ◆ Service or Manufacturing?
- ◆ The company certainly manufactures tangible products
- ◆ Why then would we consider McDonald's a service business?

Front and Back Office



Service Provider



Customer

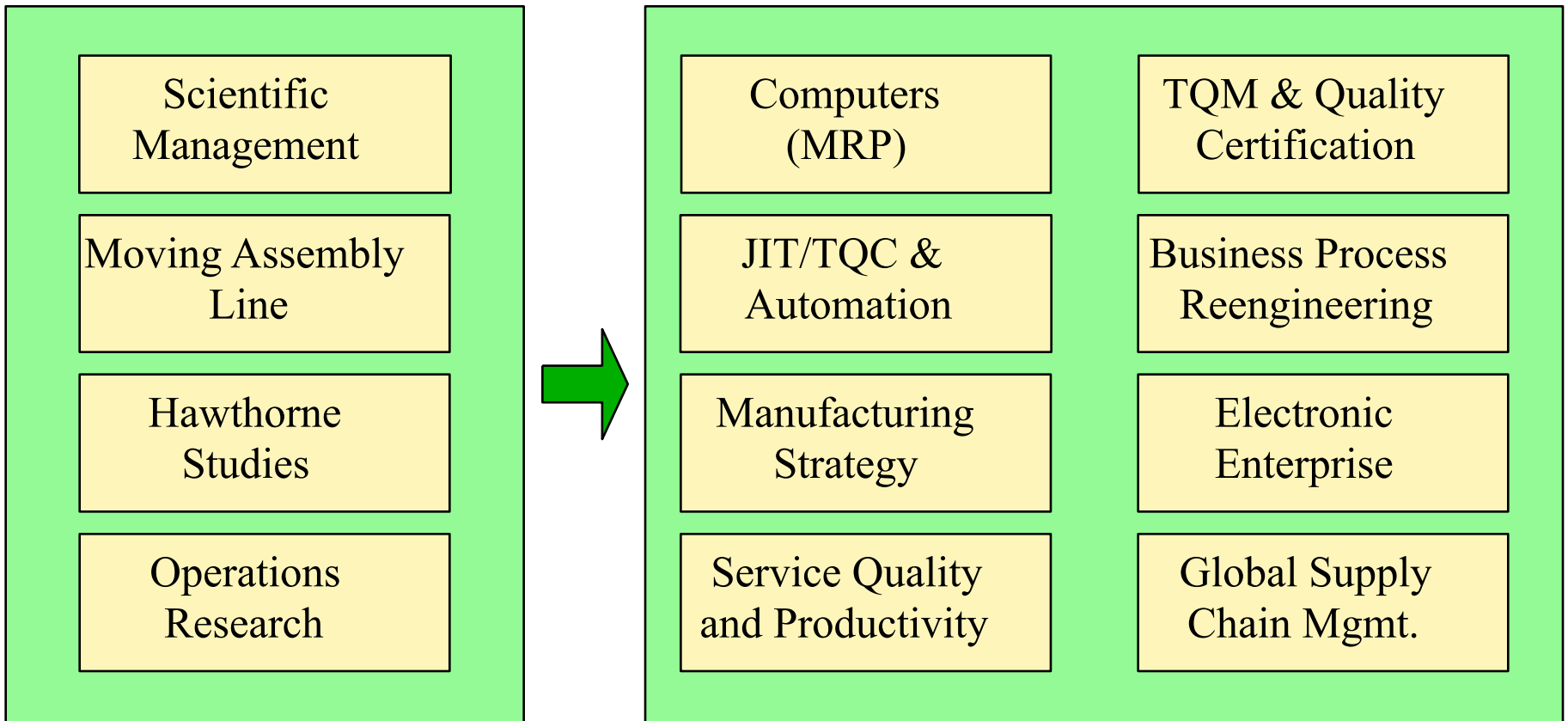
Core “Factory Services”

- ◆ Quality
- ◆ Flexibility
- ◆ Speed
- ◆ Price (or production cost)

Value-Added Factory Services

- ◆ Information
- ◆ Problem Solving
- ◆ Sales Support
- ◆ Field Support

Development of OM as a Field



Historical Underpinnings

OM's Emergence as a Field

Current Issues

- ◆ Speeding up the time it takes to get new products into production.
- ◆ Developing flexible production systems to enable mass customization of products and services.
- ◆ Managing global production networks.
- ◆ Developing and integrating new production technologies into existing production systems.

Current Issues

- ◆ Achieving high quality quickly and keeping it up in the face of restructuring.
- ◆ Managing a diverse workforce.
- ◆ Conforming to environmental constraints, ethical standards, and government regulations.

Text Layout

