SECOND EDITION | ANDREW GREASLEY

OPERATIONS MANAGEMENT



CONTENTS

About the Author	xı
Preface	xυ
Acknowledgements	xxi
PART 1 INTRODUCTION	1
CHAPTER 1 Introduction	2
Introduction	
What is Operations Management?	3
The History of Operations Management	5
The Role of Operations Management	ć
Operations Within the Organization	8
The Process View of Operations	9
Service Operations Management	9
The Strategic Role of Operations	14
Technology and Operations Management	15
Case Studies	
1.1 'First Bank' PLC	15
1.2 Manufacturing's Decline Partly Due to Services Shift	16
CHAPTER 2 Operations Strategy	22
Introduction	23
What is Strategy?	23
Judging the Contribution of Operations to Strategy	26
Measuring the Contribution of Operations to Strategy	27
Operations Strategy Approaches	34
Operations Strategy Formulation	39
Achieving Strategic Fit - Trade-offs, Focus and Agility	48
Case Studies	
2.1 Findus	25
2.2 Gecko	30
2.3 Operations Strategy in Action	33

ix

CHAPTER 6 Process Technology	141
Introduction	141
Process Technology for Materials	142
Process Technology for Information	147
Process Technology for Customers	1 <i>57</i>
Case Studies	
6.1 Spencer Davis Engineering	143
6.2 Kennedys	153
6.3 The Everyman Theatre	155
6.4 How to Click with your Customers	155
6.5 Retail Applications of Transaction Processing Systems by Sainsbury's	158
CHAPTER 7 Product and Service Design	162
Introduction	162
The Design Process	163
Service Design	175
Improving Design	177
Case Studies	
7.1 R&D at Toyota	166
7.2 Product Development at Fracino	1 <i>75</i>
7.3 Benugo	1 <i>77</i>
7.4 Nanyang Optical: Beyond Product Design – from Idea to Launch	186
4114 DTTD 0 D '	001
CHAPTER 8 Process Design	201
Introduction	201
Process Design Levels	202
Business Process Management (BPM)	203
Steps in Process Design	204
Tools for Process Design	207
Case Studies	000
8.1 Why the Bunker Mentality has become a Corporate Liability	220
8.2 Designing a Custody-of-Prisoner Process at a Police Force	222

CHAPTER 9 Job and Work Design	230
Introduction	230
Behavioural Aspects of Job Design	231
Physical Aspects of Job Design	237
Work Study	239
Case Studies	
9.1 Innocent	236
9.2 Rare	238
9.3 Experience Curves	248
9.4 The Importance of the Management of People	250
PART 3 MANAGEMENT	255
CHAPTER 10 Planning and Control	256
Introduction	256
Operations Planning	257
Operations Control	259
Optimized Production Technology (OPT)	270
Case Studies	
10.1 Car Mechanics Ltd	267
10.2 Using Workforce Scheduling to Lower Labour Costs	274
CHAPTER 11 Capacity Management	278
Introduction	279
Measuring Demand	279
Measuring Capacity	281
Reconciling Capacity And Demand	285
Evaluating Alternatives and Making a Choice	290
Appendix: Forecasting	298
Case Studies	
11.1 Lloyds Cameras Cut Time in Queues	296
11.2 Yield Management	312
11.3 Queuing Theory	315
CHAPTER 12 Inventory Management	322
Introduction	322
Types of Inventory	323

Managing Inventory	325
The ABC Inventory Classification System	326
Inventory Models	327
Implementing Inventory Systems	338
Case Studies	
12.1 Risk-taking on the Road to Faster Delivery	340
12.2 Implementing Inventory Systems	342
CHAPTER 13 Lean Operations and JIT	348
Introduction	349
The Philosophy of JIT and Lean Operations	349
Just-in-Time and Lean Techniques	352
Just-in-Time in Service Systems	364
Implementing JIT and Lean Operations	365
Case Studies	
13.1 Quake Upsets Lean Supply Model	351
13.2 Satair	353
13.3 Goodwin Steel Castings	358
13.4 Messier-Dowty	361
13.5 It Pays to Cut Out Waste but Not to Trim All the Value Away	366
CHAPTER 14 Enterprise Resource Planning	3 <i>7</i> 1
Introduction	371
Enterprise Resource Planning (ERP) Systems	3 <i>7</i> 2
Resource Planning	376
Materials Requirements Planning	378
Manufacturing Resource Planning (MRP II)	384
Distribution Requirements Planning (DRP)	385
Case Studies	
14.1 Small and Medium Enterprises: How Oracle and SAP are	
Moving Down 'The Tail'	3 <i>7</i> 5
14.2 The Challenge of Changing Everything at Once	386
CHAPTER 15 Supply Chain Management	391
Introduction	391
Supply Chain Design	393
Activities in the Supply Chain	404

Case Studies	
15.1 Demands to Drop Prices Spark Building Resentment	207
among the Subcontractors	397 399
15.2 BASF and Aker Kvaerner	
15.3 Supplier Evaluation at EADS	409 412
15.4 Chance & Hunt	412
15.5 Supply Chain Practices of Three European Apparel Companies:	419
Zara, H&M and Benetton	419
CHAPTER 16 Project Management	434
Introduction	435
Project Management Activities	435
Projects and Organizational Structure	438
The Role of The Project Manager	439
Network Analysis	439
Case Studies	
16.1 Fast Homes – Courtesy of Prefabrication	454
16.2 The Concorde Project – A Technical and Engineering Triumph	
but a Commercial Disaster	455
CHAPTER 17 Quality	464
Introduction	464
Defining Quality	465
Measuring Quality	469
Improving Quality	472
Methodologies for Quality Improvement	475
Six Sigma Quality	<i>47</i> 8
Statistical Process Control (SPC)	484
Acceptance Sampling	496
Case Studies	
17.1 Adventures in Six Sigma: How the Problem-solving Technique helped Xerox	481
17.2 A Disciple of Japanese Quality Management	502
17.3 Yell	504
CHAPTER 18 Performance Measurement and Improvement	510
Introduction	511
How do we Measure Performance?	511

xiv CONTENTS

Where Should we Improve Performance?	516
How Do we Improve Performance?	518
Business Process Re-Engineering	518
Continuous Improvement	52
The Relationship between BPR and CI Approaches	520
Case Studies	
18.1 Activity-Based Costing at a Police Service	514
18.2 In the Age of the Smart Machine	523
18.3 Managers Disrupt Learning with their 'Great Ideas'	525
18.4 Process Improvement at a UK Police Service	528
Glossary	537
Index	55