* + Operations Strategy and Competitiveness

## Operations strategy

Companies and organizations making products and delivering, be it for profit or not for profit rely on a handful of processes to get their products manufactured properly and delivered on time. Each of the process acts as an operation for the company. To the company this is essential. That is why managers find operations management more appealing. We begin this section by looking at what operations actually are.

### Understanding operations

Have you ever imagined a car without a gear or the steering wheel? Whilst, what remains of an utmost importance to you is to *drive* the locomotive from one location to another for whatever purpose you wish, but can only be made possible with each and every part of the car working together and attached.

Organisations behave in the same manner. The company has an ultimate goal of delivering goods to a client, but the processes of designing, manufacturing, analyzing and then finally being delivered are the driving forces for the company's success. All these chunks of works **processes** that collectively define a bigger purpose, the **operations** for that particular textile organization.

*Goods*, the ultimate by-product of a company, can be a *product* or a *service*. Take for instance, a textile manufacturing company. For it, all operations would lead to the development and enhancement of a yarn, fabric & Garments, a product, something physical. But, to a therapist, the service he/she provides to their clients is the much needed result or required output.

|  |  |  |
| --- | --- | --- |
|  | **Operations strategy** is the total pattern of decisions which shape the long-term capabilities of any type of operations and their contribution to the overall strategy, through the reconciliation of market requirements with operations resources. | Operations Strategy/What is operations strategy?/Operations strategy |

**Operations Strategy**

The concepts there emphasize the necessity of integrating product strategy, manufacturing strategy, and supply chain strategy. As a result, each of these will be touched upon in the course.

Operations strategy typically examines how manufacturing and operations can be used as sources of competitive advantage. The old view of operations management as the task of maintaining a comparatively static production or service facility has given way to one characterized by a need for renewed flexibility, relentless improvement, and the development of new capabilities at the operating unit level. As the global curtain draws back to expose more and more operations to the mounting pressures of worldwide competition, there are fewer places for laggard operations to hide. The context in which the operations manager now works - a global context facilitated by a high degree of electronic interconnectedness - has changed to one that emphasizes innovative system design and dramatic operations improvement over simple administration.

As a result of this changing environment, the skills required of operations managers have changed as well. The tools of control are now overshadowed by the tools of systems design and operations improvement. Few operations exist today in which information technology (IT) does not play a central role.

In the domain of supply chains, the winds of change are also relentless. In many companies, supply chain decisions were once the domain of procurement managers, many of whom presided of the "intellectual ghettoes" of their companies. Today one need look no further than the remarkable impact of the supply chain design that IBM chose for its first personal computer two decades ago to understand that supply chain design is not a competency to be left to dullards. In fact, if one views supply chain design as the competency of assessing all other capabilities in the value chain -- making choices about which capabilities should be invested in, which should be outsourced, etc. -- then one might argue that supply chain design is the most important competency in the entire organization.

Its takes the perspective that supply chain design can have this kind of impact and then attempts to understand how supply chain design considerations should interact with many other organizational functions, such as product design, operations strategy, logistics, business strategy, etc.

Operations Strategy at Wal-Mart

