

Global Operations Strategy (OM 744)

Fall 2009

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1. Course Material:

Handouts and cases on Blackboard

APICS membership (required) see Blackboard for form/instructions

2. Course objectives

This is an integrative course in Operations, which tries to present global operations concepts in a unified fashion. The course deals with the structural changes that corporations have to make in facilities, locations, technologies, and organizational structure. The course also deals with infrastructural changes—management policies and practices that enable the structure to operate at its full potential.

The course relies heavily on the case method of instruction. The cases essentially deal with:

- **Problems** encountered in managing operations
- identification of the **constraints** on the system performance
- **Tradeoffs** faced in operations decisions, and,
- **Opportunities** derived from effective operations management.

Above all, the cases place the operations management decisions in the context of the larger questions of corporate strategy, policy and style. Tools and techniques, while given general importance, will not be emphasized. Process understanding and managerial issues will be stressed.

This course is intended for students with a strong interest in understanding operations in either manufacturing or service industries and the role operations can play in global business strategy and competitive advantage. Because the course has a strong managerial focus (sizing up a situation, taking effective action, getting things done), it will be of value to all students with an interest in general management. It will be particularly relevant to those who see their career involving at least a stint in operations over the coming decade, or who see themselves doing consulting in operations for client businesses, or who plan to work in businesses where operations play an important role. We will explore a variety of strategic issues in operations and their connection with other functional and business strategies.

3. Course Requirements

3.1 Class Participation (5%)

Class participation grades are based on regular preparation and active involvement in the class discussions. It is not simply attendance, although attendance is an obvious requisite for participation. I will record my perception of class participation at the close of each session. Quality of participation will be rewarded more than quantity. You must prepare the case and/or other materials before class while giving serious thought to resolution of the questions presented in each case.

| | |
|-------------|-----|
| Assignments | 30% |
| Quiz | 30% |
| Paper | 35% |
| CP | 5% |

3.2 Written Assignments (3 x 10%)

The written assignments for this course include answering questions on articles and preparing written analysis of cases individually. Assignments will be posted on Blackboard at least 2 weeks before they are due.

3.3 Quiz (30%)

One quiz (shown on schedule) will cover essentially material from the readings... I will announce more details in class. Example quiz is posted on Blackboard.

3.4 Final Paper (35%)

One 8-10 page double spaced paper is due in the seventh week. Paper abstract are due in the second week and must be at least 1 page single spaced with the following sections: key idea, background research so far, outline of the paper, other sources to be researched. The paper should address a significant managerial issue in the operations strategy/policy area. The paper must follow guidelines for the Fogarty student paper competition (APICS). See Blackboard (course information section) or <http://www.apics.org/Education/ERFoundation/Competitions/dwf.htm>

The final paper may be: A group paper with 2 members or an individual paper

Field project: This option will allow you to complete a field study on operations strategy. I will provide the contacts if you are interested in pursuing this option. Your task is to document the dimensions of strategy for this firm and point out the consistencies and inconsistencies in operations vis-a-vis the business strategy. I will allow comparisons of two functional strategies here also, for example, the synergies and discords between the firm's operations and marketing strategy, or operations and human resources, or operations and engineering. In any case, expect to make at least three trips to the site and meet with me at least twice after your first trip out.

Two field project sites are available for this quarter. Please see me.

Research: This option allows you to focus and develop expertise on a specific topic of choice. This includes a comprehensive literature review of this topic as well as your own creative interpretation of the topic. You must choose your topic carefully and narrowly. Thus, "benchmarking" may be a good topic but "quality" is not. Re-engineering order entry processes may be a good topic but re-engineering is too broad.

Suggested topics for the paper:

1. Co-ordination strategies in supply chains: buyback, VMI, etc.
2. Volume and mix flexibility
3. Service operations strategy – review of methods
4. Develop operations strategy profile for a local firm
5. Capacity planning and co-ordination in services (revenue management)
6. Tradeoff theory in operations
7. Facility planning and configuration of charters
8. Value of time and timely deliveries
9. ERP systems – status and future
10. Emerging theory in project management

I expect papers to be done professionally (i.e. with endnotes, references etc.). You **must** follow the APICS guidelines for student paper competition in preparing the papers. Example papers are posted on Blackboard in Course information section.

4. Course Schedule

| Week | Topic/chapter | Case | Readings for discussion | |
|-------------|---|--------------------|--|---|
| 1 9/24 | Operations Strategy: Market and resource perspectives | | 1. Operations strategy- Market and Resource Perspectives 2. Three interpretations of operations strategy | |
| 2 10/1 | Operations Strategy and performance | 1. Indalex | 3. Operations strategy and performance 4. Lessons in the service sector – Heskett | Submit abstract of paper |
| 3 10/8 | Global Networks | 2. Commerce Bank | 5. Risk Management in Global Operations 6. Making the most of your foreign factories - Ferdows | Submit Assignment 1 |
| 4 10/15 | Managing global networks | 3. BMW | 7. Aligning incentives for supply chain efficiency 8. Managing short life cycle products 9. Are you going out of fashion | |
| 5 10/22 | Vertical Integration and Outsourcing | 4. Sport Obermeyer | 10. When and when not to vertically integrate - Stuckey and White 11. Make versus Buy: Bruck 12. Transformational outsourcing 13. Managing the risks of outsourcing | |
| 6 10/29 | Technology strategy | 5. Sensormatic | 14. Technology and corporate strategy: tools 15. Dynamic interaction between strategy and technology 16. Measuring and managing technological knowledge | Submit Assignment 2 |
| 7 11/5 | Quiz | | | |
| 8 11/12 | Creating an edge through product and service innovation | 6. Hitachi | 17. R and D in services 18. Hospitals get serious about operations 19. Partnering in services 20. Why are we bungling process innovation | |
| 9 11/19 | Creating an edge through process improvement. | 7. Bank of America | 21. Decoding the DNA of TPS 22. Order to payment 23. The lean service machine 24. Human cost of manufacturing reform - Klein | Submit Paper electronically and in print |
| 10 11/26 | Wrapup and paper presentations | 8. General Motors | 25. The six Ps of operations strategy | Submit Assignment 3 |