

Course of «Operations and audit quality»  
Master degree in «Fashion, art and food management»  
Parthenope University of Naples

## PART Four: Development

# Operations improvement

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# A general model of operations management

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**PART ONE: directing the operation**

**PART TWO: designing the operation**

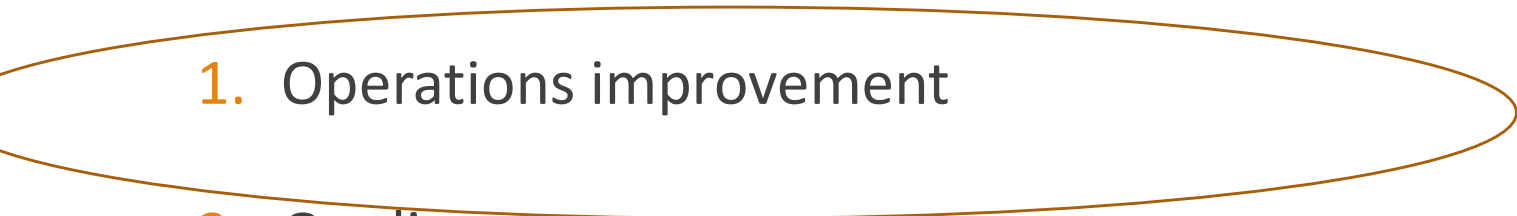

**PART THREE: deliver**

**PART FOUR: development**




# PART FOUR: development

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1. Operations improvement
  2. Quality management
  3. Managing risk and recovery
  4. Project management
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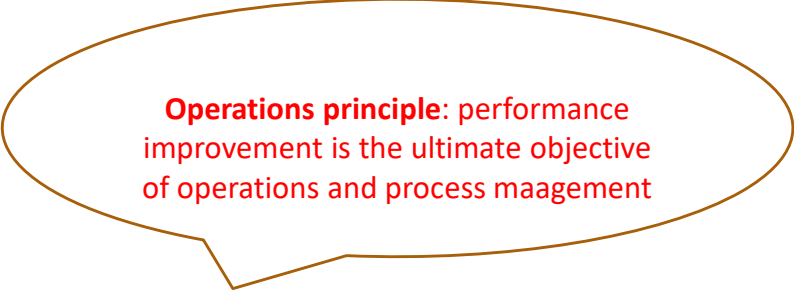
# Operations improvement (Agenda)

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- Why is improvement so important in operations management?
  - What are the key elements of operations improvement?
  - What are the broad approaches to improvement?
  - What techniques can be used for improvement?
  - How can the improvement process be managed?
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# Why is improvement so important in operations management?

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**Operations principle:** performance improvement is the ultimate objective of operations and process management

- Because improving operations performance has such an impact on what any organization is there to do
- Operations managers has judged not only on how they meet their ingoing responsibilities of producing products and services to acceptable levels of quality, speed, dependability, flexibility and cost, but also on how they improve the performance of the operations function overall

# Why the focus on improvement?

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- There is a perceived increase in the intensity of competitive pressures
  - The nature of world trade is changing
  - New technology has both introduced opportunities to improve operations practice and disrupted existing markets
  - The interest in operations improvement has resulted in the development in many new ideas and approaches to improving operations
  - The scope of operations management has widened from a subject associated largely with manufacturing to one that embrace all types of enterprise and processes in all functions of the enterprise
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Case study- Ferndale Sands Conference centre  
[Case studies\Lesson 13 ferndale sands.pdf](#)

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# Summary answers to key questions





# Why is improvement so important in operations management?


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- Improvement is now seen as the prime responsibility of operations management. Furthermore, all operations management activities are really concerned with improvement in the long term. Also, companies in many industries are having to improve simply to retain position relative to their competitors. This is sometimes called the «Red Queen effect»
- A common distinction is between radical or breakthrough improvement on one hand, and continuous or incremental improvement on the other
- The distinction is closely associated with the distinction between the exploitation of existing capabilities and the exploration of new ones. The abilities to do both is called «organizational ambiguity»

# What are the key features of operations improvement?

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There are many «elements» that are the building blocks of improvement approaches. The main considered are:

- improvement cycles;
  - a process perspective;
  - end-to-end processes;
  - radical change;
  - evidence-based problem solving;
  - customer centricity;
  - systems and producers;
  - reducing waste process variation;
  - perfection in the goal;
  - including everybody.
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# What are the broad approaches to managing improvement?

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- What we have called «the broad approaches to improvement» are relatively coherent collections of some of the «elements» of improvement. The four most common are TQM, lean, business process re-engineering (BPR) and Six Sigma
- There are differences between these important approaches. Each includes a different set of elements and therefore has a different emphasis. They can be positioned on two dimensions. The first is whether the approaches emphasize a gradual, continuous approach to change or a more radical «breakthrough» change. The second is whether the approach emphasizes what changes should be made or how changes should be made

# What techniques can be used for improvement?

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- Many of the techniques described could be considered improvement techniques, for example statistical process control (SPC)
- Techniques are often seen as «improvement techniques» include: scatter diagrams, flow charts. Cause-effect diagrams, Pareto diagrams and why-why analysis

# How can the improvement process be managed?

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- Improvement does not just happen by itself. It needs organizing, information must be gathered so that improvement is treating the most appropriate issues, responsibility for looking after the improvement effort must be assigned, and resources must be allocated. It must also be linked to the organization's overall strategy
- The process of benchmarking is often used as a means to obtaining competitor performance standard
- An organization's ability to improve its operations performance depends to a large extent on its «culture»