
Preface

Approach

The increasingly competitive nature of markets over the past 20 years has re-emphasized the key role of operations in bringing about the growth and profitability of organizations. Fast, on-time delivery, providing services and products right first time and the need to cut costs are increasingly important factors in most markets. How well operations is managed to bring these about is a key corporate issue. As a function responsible for 60–70 per cent of costs, assets and people (while also contributing much to the way organizations compete), the emphasis has swung in terms of what is key in operations. From a historical bias towards techniques, the approach has moved to one that stresses and highlights the effective management of this large business function. This book is designed to contribute to this ongoing focus and perspective. It is oriented towards a managerial perspective of operations and is set within the context of its significant contribution to the overall success of an organization.

Despite its importance, the area of operations management is often misunderstood by both business students and managers within firms. This misunderstanding is generated partly by the way the subject is presented and taught, and partly by the way the function is perceived and explained by operations managers to their fellow executives.

However, part of the problem also lies in the changing field of study. Originally, the conceptual orientation and emphasis within operations was towards the management of the area. Later, specialist developments introduced techniques that made useful, sometimes fundamental, contributions to help manage operations. From this developed a strong, often overriding, impetus to teach and develop operations management as a body of techniques involving detailed analysis and tactical considerations, but often not discriminating between the usefulness or relevance of one approach or technique to another. Furthermore, this emphasis towards the quantitative perspective as a way to resolve and present operations management issues also increasingly included explanations and mathematical derivations of the formulae and solutions proposed.

The outcomes were significant. In the academic world, operations management became uninteresting and apparently lacked business relevance. Demand fell and growth in faculty resources, research and teaching did not match the general expansion experienced in business education at the undergraduate, postgraduate and post-experience levels. Within the service and manufacturing

sectors of the economy, the role became devalued. Consequently, the critical perspectives of this large and substantial function were not clearly recognized and were often inadequately presented. Typical results were unbalanced corporate argument, inappropriate allocation of key management resources to operations and a failure to attract the necessary management talent into the area by matching task, responsibilities and contribution with appropriate status, influence and reward.

Operations has rightly returned to the top of the corporate agenda and this text has been designed to serve the needs of those who intend to take on the operations management role and those whose roles will relate to this function in a range of businesses. In particular it can be used by:

- students as part of an undergraduate or MBA-level course of study, with explanations and further application through class discussion and the use of appropriate case studies
- managers who can apply the knowledge, concepts and ideas to their own situation to increase their understanding of how to improve their contribution to the overall business performance.

Structure and content

The text is structured in five parts as illustrated by the book plan reproduced at the start of each chapter.

Part 1 introduces the three key themes which underpin the rest of the book; the overall operations management task, market issues and the development of business and operations strategies and the management of people.

Part 2 concerns the design and development of services and products and the delivery systems by which they are produced and delivered.

Part 3 covers the central management tasks within operations and deals with capacity, technology, scheduling and execution, quality, inventory, the significant role of managing the supply chain and process and delivery system reliability and maintenance.

Part 4 addresses the essential task of improving the operations function. It discusses time and productivity and the ways to improve operations performance.

Part 5 illustrates operations management in practice with the inclusion of more than 30 long case studies covering the range of topics presented in the preceding text.

Learning aids

The text is complemented by a number of features to help student learning. These include:

- **Opening statements** at the start of each chapter place each topic in the context of the business and highlight the key role in managing each aspect of operations.
- **Executive overviews** at the start of each chapter provide an outline of the topics to be covered and highlight the key issues to be addressed.
- **Case examples** illustrate current developments and practices in operations management and support the concepts and detail within the text. These are taken from a variety of companies and organizations to reflect the breadth of operations activities and range from the secret recipe of a Scottish fish and chip takeaway to turnaround times at the world's largest port in Singapore. Each case example includes questions to

encourage critical reflection on the key issues and weblinks (if appropriate) to enable further investigation.

- **Exhibits** present concepts in tabular or graphic form to provide deeper illustration of the issues under discussion. They include a number of cartoons intended to bring a smile but also to reinforce the points in question.
- **Reflections** at the end of each chapter discuss the key issues for debate in the topic and encourage readers to evaluate critically current and future trends.
- **Key elements** summarize and recap the key concepts of each topic and provide a useful checklist for revision purposes.
- **Self-check multiple-choice questions** at the end of each chapter enable readers to quickly check their understanding (as answers are provided at the back of the book) of the key concepts before moving on.
- **Study activities** at the end of each chapter provide suggested topics for classroom discussion and assignments to help develop practical skills.
- **Exploring further** references additional reading and provides pointers to help extend understanding of the key issues and concepts of each chapter topic.
- **Long case studies** in the final part of the book provide a basis for class discussion and illustrate the range of topics covered within the narrative. The breadth and range of the topics featured is summarized in the Case matrix on the next page.

New to this edition

This edition has been substantially revised with four key aims:

- **To update content to reflect recent research and current practice**

There are two new chapters – Chapter 5 Designing Service Delivery Systems and Chapter 7 Location and Layout – and over 30 new case examples throughout the text and six new long case studies have been added to Part 5. In addition there is new material on e-procurement, outsourcing and co-sourcing (in Chapter 13) and expanded discussion of operations strategy and market linkage (in Chapter 2) and enterprise resource planning (in Chapter 10). As highlighted below, there is also additional material on people management issues (in Chapter 3).

- **To increase the coverage of service operations throughout**

A new dedicated chapter on service delivery system design covers the influences on system design and the need for alignment of delivery systems to market needs. There is new material on service inventory issues (in Chapter 12) and new case examples and long case studies feature service organizations and issues.

- **To stress the importance of the contribution of people to the success of operations management**

The topic is now introduced in the first part of the text (Chapter 3) and there is new material on recruitment, appraisals, outsourcing and temporary staff and appropriate legislation.

CASE MATRIX

Case title	Chapter	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		Managing Operations	Operations Strategy	Managing People	Designing and Developing Services and Products	Designing Services Delivery Systems	Designing Manufacturing Processes	Location and Layout	Managing Capacity	Technology Developments and Execution	Managing Quality	Managing Inventory	Managing the Supply Chain	System Reliability and Maintenance	Time and Productivity	Improving Operations	
Ash Electrics						○				●							
Berwick Carpets					●	●	○	●				○			●		○
British Airways		●		○				●									
Caltrex Engineering (A)						○	○				●						
Caltrex Engineering (B)					○	○					●						
Fabritex			●			○	○			●							○
Future Investments Group				●		○		●					○				
Georgian Frames										●							
Ghent Fireworks								●		●		○			○		○
Holmgren Engineering				●							●						●
Hunting Swift				○													
The Ipswich Hospital NHS Trust				●													●
Lloyds TSB		○			●												
McDonald's Corporation		●			●												●
Northmore Finance Direct				●		○			●								
Platt Green Electronics				○		○			●						●		
Pret A Manger		●		●													
Redman Company										●							
Richmond Plastics						○				●							
Riviona Bank		○		●					○								
Selfridges		●			●												
Southwest Airlines				●	●				○								●
Spencer Thomson				○		○											
Tile Products				○			●		●								●
Too Short the Day		●		●													
The Turn of the Unfriendly Card		●		●													
Weavers Homeopathic Products		●		●		●			●								●
What They Teach You at Disney U		●		●		●											
Wilson Pharmaceuticals																	
Yuppie Products		●															○
Zara		●					●										●

Notes 1 ● ○ Indicates the relevance to that particular chapter, the darkest being most relevant.

2 ■ Indicates case studies from the service sector.

- **To enhance the ease of use of the book as a learning tool for students**

New self-check questions, long case discussion questions, weblinks and additional cartoons help to enhance the learning experience.

Users of the previous edition will note some changes in chapter titles and numbers. These are summarized in the table below for clarity.

Topic	This edition	Previous edition
Managing operations	Chapter 1	Chapter 1
Operations strategy	Chapter 2	Chapter 2
Managing people	Chapter 3	Chapter 15
Designing and developing services and products	Chapter 4	Chapter 3
Designing service delivery systems	Chapter 5	None
Designing manufacturing processes	Chapter 6	within Chapters 4 & 5
Location and layout	Chapter 7	within Chapter 5
Managing capacity	Chapter 8	Chapter 6
Technology developments	Chapter 9	Chapter 7
Operations scheduling and execution	Chapter 10	Chapter 8
Managing quality	Chapter 11	Chapter 9
Managing inventory	Chapter 12	Chapter 10
Managing the supply chain	Chapter 13	Chapter 11
Process and delivery system reliability and maintenance	Chapter 14	Chapter 12
Time and productivity	Chapter 15	Chapter 13
Improving operations	Chapter 16	Chapter 14

Companion resources

Lecturers who adopt this text for class use can obtain the following resources to support their teaching:

- printed and bound teaching manual containing detailed case notes for all the long case studies in the text
- access to the companion website (<http://www.palgrave.com/business/hill>) containing PowerPoint slide lecture presentations and additional long case studies.

If you are interested in attending one of Terry Hill's well-established Faculty Programmes for lecturers, please contact the publishers or your local sales representative.

Students can access Excel files containing manipulable data from the long case studies, and relevant weblinks, at:

<http://www.palgrave.com/business/hill>.

To all those who use this book, I trust you find it helpful. It is vital that operations takes its full part in the running of companies and that the concepts and issues involved form part of a more complete understanding of the business.

Good luck!

Terry Hill