Operations Management Summary

Production - ANSWER-Creation of goods and services

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Productivity - ANSWER-Measures how well OM is functioning in a business

GDP - ANSWER-Nationally productivity number

Resource Input - ANSWER-Single-factor productivity

Multifactor productivity - ANSWER-Total Factor Productivity

Competitive advantage - ANSWER-Differentiation, Dependability, Quality, Agility, Cost Leadership

Product Life Cycle - ANSWER-Important to get it right during growth phase

Outsourcing - ANSWER-Transferring activities to external suppliers

Core competencies - ANSWER-Specialized skills, unique production methods, proprietary information/knowledge, things a company does better than others

Critical path - ANSWER-Longest path through the network, shortest time to complete project, no slack time

Project manager - ANSWER-Base of Business - People, Product, Process; Place of Business- Location, Layout; Stuff of Business- Quality Management, Inventory management, supply chain management

Crash a project - ANSWER-Reduce project time by knowing task durations

Forecasting time horizons - ANSWER-Short range (up to 1 year), medium-range (3 months to 3 years), long-range (3+ years)

Qualitative Methods - ANSWER-Used when situation is vague and little data exist

Quantitative Methods - ANSWER-Used when situation is 'stable' and historical data exist

Modular Design - ANSWER-Products designed in easily segmented components

Stakeholders - ANSWER-Those with an invested interest in an organization

TQM (Total Quality Management) - ANSWER-Build a system that identifies and satisfies customer needs, commitment to excellence

Six Sigma - ANSWER-Statistical definition of a process that is 99.9997% capable, program to reduce defects and improve customer satisfaction

7 Tools of TQM - ANSWER-Check Sheet, Scatter Diagram, Fishbone Diagram, Pareto Chart, Flowchart, SPC chart

4 process strategies - ANSWER-Process focus, Repetitive focus, Product focus, Mass customization

Natural Variation - ANSWER-Common causes affecting all production processes

Assignable Variation - ANSWER-Variations traced to specific reasons

Attribute Data - ANSWER-Data that can be counted and categorized

Variable Data - ANSWER-Data that can be measured on a continuous scale

In Control - ANSWER-Process is within acceptable limits

Out of Control - ANSWER-Process is not within acceptable limits

Location strategies - ANSWER-Cost focus vs revenue focus

Tangible costs - ANSWER-Easily measured costs

Intangible costs - ANSWER-Not easily measured costs

Clustering - ANSWER-Proximity to competitors

Sourcing strategies - ANSWER-Many vendors, few vendors, joint venture, keiretsu network, virtual companies

Bottleneck - ANSWER-Operation that limits system's output

Bullwhip effect - ANSWER-Amplification of demand fluctuations

Functions of inventory - ANSWER-Provide anticipated demand, decouple production process, quantity discounts, hedge against inflation

Types of inventory - ANSWER-Raw materials, Work-in-process (WIP), Maintenance/repair/operations (MRO)

JIT - ANSWER-Just In Time, minimize inventory

TPS - ANSWER-Toyota Production System, continuous improvement

Lean - ANSWER-Philosophy of eliminating waste and improving efficiency

Japanese terms - ANSWER-Kanban, Andon, Kaizen, Gemba, Poka Yoke

Industry acronyms - ANSWER-3PL, JIT, TPS, MRO, COGS

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