Operations Management in Today's Business World

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Operations management is both a science and an art. Managers are essentially responsible for both the creation and delivery of goods or services to customers. There is no exact formula for success and managerial experience is a key to attaining exceptional performance. The decision-making process which a corporation's manager of operations follows is quite similar for both product- and service-based businesses. In a goods-based business, managers must consider several factors which will affect the decision-making process. Managers must have a solid understanding of the people its business serves and the processes of production (or acquisition) of its goods which are sold. Additionally, management and distribution of the goods must be considered and so must each process for which the business relies on. These days, technology is critical and must be an essential consideration in all decisions which are to be made (Collier, 2009).

Within a service-based corporation, managers of the company's operations consider similar factors which affect the decision-making process, albeit with additional considerations for planning, budgeting, scheduling, capacity, and quality. Goods are tangible. By comparison, services are intangible. Services are not consumed as goods are, they are experienced. Service-industries rely more on information technology and the performance of services relies on a behavioral and social skillset which must be masterfully employed by the workers. Another factor which strongly affects decision-making is the level of the customer's participation. With higher customer interaction comes more difficulty in the calculation of the time involved in performance of the service, as well as capacity, scheduling, quality, performance and the cost of operations (*Goods, Services, and Operations Management*, 2009).

Managers of a corporation's operations make countless decisions in the course of a week's work. Operations managers look for ways to reduce variables in quality of output of goods or services, as well as costs. They seek to minimize use of resources. They comprehend consumer needs, wants, and demands, and plan to meet and exceed expectations. Managers strategize and select optimal resources and the technology necessary to reach its goals. Planning the location of service or of their establishment is within their purview as is consideration for layout and design of all interior décor and materials which are seen by customers. Operating managers oversee human resources to an extent and conduct reviews. In terms of contract overview and supply-chain review, operations managers strategize, streamline, and seek out the perfect partners while maximizing cost efficiency. They control inventory and consider both productions and personnel. They make decisions which impact maintenance timetables and conduct scheduling in general (Kettering University, 2016).

An example which adequately illustrates both oversight and managerial decision-making can be seen in the following scenario: a manager is making decisions about scheduling, as such, he considers both people and corporate production. He first determines answers to a few questions, to wit: how much product is required to be produced for a given customer, how much time will this production take, what is the time-requirement as set by the client, how many people are required to complete the job, what types of staff are required to complete the job, what technology or equipment is required to fulfill the customer's needs, what considerations must be made to ensure effective completion, and what adjustments can be made for efficiency. This is just a brief look into potential considerations just in making a decision about scheduling.

Operations management involves a process known as the transformation process. This process involves transforming a corporation's *inputs* into finalized services or goods. An *input* is defined as being any one of the following: a worker, a manager, a building, equipment, materials, technology, or information (Reid, 2015). Information about the company's performance as well as feedback received from customers alters the specific *inputs* which go into producing goods or services. By way of example, a bank's inputs include its staff, its physical building, various papers and financial instruments, its online banking website and mobile app, and the information it retains on its customers and partners. A bank offers many services which collectively constitute its *outputs,* to wit: checking accounts, savings accounts, money market bank accounts, investment accounts, certificates of deposit, a safety deposit box, account history or monthly statement printouts, and more. Much value is created during the transformative process of employing staff and creating policies and procedures which direct and dictate their behavior such that many valuable services are provided by the bank.

Functions employed by operations managers' vary from industry to industry. To take our review of operations management to the microeconomic level, let us review the functions of an information technology company. An information technology company in general provides computer operations and help desk support as well as management of servers, client devices, and networking infrastructure. An information technology firm operations manager will service equipment, to include, its backup and restore processes, configuration, and resource allocation. He will manage infrastructure including the network, corporate facilities, computer hardware, and computer software, all while sternly taking security into consideration. He will manage the configuration of all servers and clients' workstations and update infrastructure, hardware, and software as needed. He will also mitigate information technology disasters and plan recovery operations should preventative measures be insufficient (*IT Operations*, 2020).

Information technology company operations managers often are quite able to staff competent IT systems administrators. Depending on the size of the company, one or more may be needed to administer all servers, client workstations, and networking infrastructure. Physical security of servers and network security are usually heavily provisioned. Methods to control access typically include a password-expiry policy, two-factor authentication, use of biometrics for systems access, and implementation of an active-directory server or applicable single sign-on system. In spite of even the most comprehensive security measures, the area most requiring improvement often lies with the human component. Personnel are apt to not take security policies seriously and can be susceptible to social-engineering. Often it is the most draconian of security implementations which results in users who are more apt to violate the company security policies or create passwords which are of a more highly predictable nature.

It is within an operations manager's purview to make decisions which can have a severe impact on a corporation. Decisions can be generally divided into two categories, to wit: strategic decisions and tactical decisions. Strategic decisions are long-term decisions which set the direction for the organization in its entirety. Contrarily, tactical decisions are short-term and focus solely on a specific department (Sanders, 2015). In keeping with our previous examples about information technology companies, an example of a *strategic* decision would be to specifically outline and define the unique features of helpdesk and managed information technology services which would be provided by the company to its clientele. In contrast, an example of a *tactical* decision could be deciding upon how often backups are to be made or how often software updates and patches are installed.

Corporations which choose to expand beyond their locality and country into foreign or global markets quickly find themselves facing many new challenges and issues which they must overcome. One such challenge of particular magnitude is the difficult process of interaction and integration of staff members with other partners, companies, and governments of foreign nations. Since trends in foreign markets can vary widely, companies going global should build adaptability into their production processes and business operations. This can typically be addressed by enhancing the delegation of decision-making. Another issue which can crop up during globalization is a breakdown in inter-departmental communication and interaction. To cure this, every effort should be made to create cohesiveness to the extent that the conduct of each department, when taken as a whole, appears as if functioning as a single unit. Companies going global will also have to overcome a lack of competitiveness which they will find occurs in their goods and services offered in foreign markets (Huenefeld, 2016).

To conclude, operations management is both a science and an art. Managers of a company's operations are essentially responsible for orchestrating both the creation and delivery of goods or services to customers through each and every decision made and through the decision-making process as a whole. Every decision, whether strategic or tactical influences the ultimate course of the corporation. While qualifications and credentials are important, managerial experience is key to attaining exceptional management performance.

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