

**AMRITA VISHWA VIDYAPEETHAM**  
**DEPARTMENT OF MANAGEMENT, KOCHI**  
**MBA PROGRAMME 2016-18**  
**Trimester VI (Jan–April 2016)**  
**Operations Strategy and World Class Operations**

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### **Course Objectives**

This course intends to: (a) provide a framework to describe and formulate an operations strategy and, (b) understand and evaluate the key decisions in operations that have a substantial impact on a firm's competitive position. It would necessarily try in formulating an operational strategy (long-term plan) and making strategic (important) operational decisions. We will study books, articles, and cases in a variety of settings using a variety of tools to achieve these two goals.

There has been a realization that manufacturing and service operations have to be managed in the broader context of business strategy. In this sense, decisions on manufacturing and operations capabilities must fit and be consistent with the business strategy. Such decisions need to take into account the competitive environment, including the maturity of the industry on the S-curve and the structure of the value chain. Furthermore, decisions about different areas of manufacturing and operations must be consistent with each other. Strategic choices about facilities, capacity, vertical integration, process technology, control and information systems, sourcing, human resources, organization, and other areas all significantly affect what the business brings to the marketplace. The course will examine how decisions in these areas can be made in a coherent manner.

The course also examines how organizations compete through operations and use operations to their competitive advantage. A competitive advantage can accrue through superior product development, cost, quality, features, etc.

The course will be divided into four parts. In the first part, we will examine general concepts such as competitive leverage using manufacturing and operations, the fit of the various elements of manufacturing and operations, the impact of the competitive environment, and the structure of the value chain. We will explore how industry dynamics affect strategy and discuss concepts of industry clock speed. In the second part, we will examine the key elements and decision categories in an operations strategy. These include facilities and capacities, technology, and the other decision categories noted above. In each of these areas, we will examine how different choices affect the business competitively and how to make decisions in each of these.

In the third part of the course, we will examine different integrated strategic approaches, each of which places requirements on operations but allow different means for companies to compete. These approaches include competing on cost and productivity; quality; availability; features, innovativeness and new products; and environmental performance. We will compare these different approaches and the tradeoffs among them. Finally, in the fourth part we will examine some issues in operations policy and strategy that are particularly relevant today. These issues

revolve around outsourcing and globalization. We also look at examples of World class Operations.

**Strategic perspective to OM is necessary as**

- Customer sophistication
- Diversity
- Transformation from supply side of business to PULL side
- Greater need for customization
- Need for flexible and responsive organizations

**Course objectives and Outcomes**

CO	Critical and integrative Thinking	Effective written and oral communication	Societal and Environmental Awareness	Ethical Reasoning	Leadership
CO1: Knowledge	3	1	2	2	1
CO2: Skill sets: Operations Strategy	3	1	2	2	1
CO3: Decision making on Operation Strategies	3	1	2	2	1

**Course contributes mostly to:      Employability/ Entrepreneurship/ Skill Development**

**Course plan**

Session	I. Topic
1	Introduction to Operations Strategy-Interface with organizational, Business and functional strategies
2	Operations Performance
3	Capacity Strategy
4	Supply chain strategy
5	Process Technology strategy
6	Improvement strategy
7	Product & service development strategy
8	Process of operations strategy—Sustainable alignment
9	Process of operations strategy—Substitute strategy
10	Process of operations strategy—Implementation
11	World class manufacturing & services

It covers strategic decisions in the following areas of Operations Management

- Forecasting
- Product & service design
- Capacity
- Process strategy
- Work system design
- Location
- Quality
- Supply chain
- Aggregate planning
- Lean operations

**Methodology**

- Slides covering key concepts
- Short exercises
- Mini projects
- Short cases
- Long cases
- Videos
- Debates
- Modeling

**Text book**

Operations Strategy Second Edition Nigel Slack and Michael Lewis Pearson