

GETTING STARTED: OPERATIONS MANAGEMENT 'REAL WORLD' TIPS

Practical Considerations

“PRODUCTION UNITS” VERSUS “PEOPLE”

- Time and time again analytics using “hard data” are used in substitution for applying effective “people-orientated” empathetic management skills.
- One vital point that all business people need to maintain a solid understanding of is that without people there is no such thing as “business”.
- “People” are in fact the “life blood” of any business.
- “People” are the most vital ingredient of any production process...despite what IT enthusiasts have to say about Artificial Intelligence .
- It is “people” who are responsible for innovation, creation and generating points of difference between organisations...not machinery or software systems.

IMPLICATIONS OF “PEOPLE” BEING THE MOST IMPORTANT BUSINESS RESOURCE

- Do not treat people as simply “PRODUCTION UNITS” – human beings have one of the most remarkable (including complex) brains on the planet (unable to be replicated by a computer still).
- Treat other people well...particularly those who are instrumental to business success.
- People who are not treated well, tend to transfer to businesses where they ARE treated well.
- Yes, the various formula that you will become exposed to in this course offer convenient quantitative ways of measuring operational prowess (e.g. productivity), yet use the outcomes derived from these formula with maturity and sensitivity to those who are affected by decisions that you/ your colleagues make using such data.

THE MOST POWERFUL CATALYST OF PRODUCTIVITY IS...

- The culture of the organisation.
- In very simple terms “happy people” are naturally productive people.
- Productivity is largely a natural outcome of empowering people to be the best that they can be in their chosen role...and empowerment is achieved through leadership and cultivating a culture which is laden with “respect” and “kindness”.
- An extension of this truism is that “happy people” tend to apply themselves more thoroughly to the task at hand, achieve at a high level and look to extend themselves further – by taking on more/ greater responsibility.

“WHIP-CRACKING DAYS” ARE NO LONGER

- It has been proven time and time again that to influence people to act constructively and to apply themselves thoroughly to the task at hand, using threats and warnings of any nature are counter-productive to this pursuit.
- It is far more effective to “build other people up” through demonstration, illustration, training and encouragement....and yes, accept that mistakes will be made (and will continue to be made) along the way. Remember – we are ALL human beings...no more/ no less.

USE OPERATION MANAGEMENT DATA WISELY AND TO ACHIEVE POSITIVE OUTCOMES

- I have been involved in designing and developing Business Intelligence systems for many years.
- What goes hand-in-hand with generating insightful data, is using that data in mature and constructive ways...to BENEFIT and IMPROVE outcomes. Not “hit other people over the head with a brick bat”.
- If you want to cause another person resentment and to become disenfranchised from your business, then an effective way to do that is by routinely showing them by how much their performance falls under KPI benchmarks.
- Data insights are a powerful tool, which if applied in an unthinking way can cause irreparable damage to people relationships.

BE CAREFUL ABOUT APPLYING THEORIES LITERALLY AND/ OR AS A "100 % SOLUTION"

- Care should be taken when selecting and applying theories/ principles, to avoid mistakes which many production-orientated businesses in particular make.
- These mistakes are borne from business owners applying advocated theories verbatim to their situation, and allowing the given theory/ principle to essentially dictate 100 % of how their business operates.
- Businesses are dynamic entities – constantly in a state of flux, and constantly requiring fine-tuning in order to overcome identified problems and/ or to improve the probability of business objectives being met.

“HORSES FOR COURSES”

- The theory/ practice/ principle that you choose to apply “on the coalface” should be carefully assessed as being the RIGHT/CORRECT practice beforehand.
- Take a little time to identify which theory/ principle/ practice you deem should best deliver the outcome that you desire, and only then proceed.
- No single theory is best for every production/ operations situation.

WHEN “LEAN MANAGEMENT” IS TOO LEAN

- A key “catch phrase” in modern operations management in N.Z. is “Lean Management” or “Lean Principles”.
- Do not confuse “Lean Principles” with intentionally allowing your HR base to reduce to such a low level that your organisation becomes dysfunctional. Believe me – it happens.
- “Lean Principles” should not be an excuse for operating with a “skeleton crew”, who collectively are fatigued everyday simple because (despite their competencies) they simply don’t have the capacity (energy and application) to be able to maintain the work rate/ volume expected of them.

CHANGE MANAGEMENT GOES HAND-IN-HAND WITH OPERATIONS MANAGEMENT

- Most people generally do not like change, and therefore the most common reaction by most people to change is to RESIST the given change.
- When managing an operation it is critical (to avoid lengthy implementation time-lags) that you “massage” changes into place; rather than “drop a change bomb” on the affected parties.

MASSAGING CHANGE...

- “Massaging” typically involves:
 - Notification/ communication of anticipated change to the affected parties BEFORE implementation commences – primarily to gauge reaction and to know what adjustments may be necessary in order to make the contemplated change more palatable.
 - Communication of the confirmed change to affected parties BEFORE implementation commences.
 - Reassurance communicated to affected parties as the change is being implemented.
 - Follow-up with the affected parties to determine the “change impact” AFTER the change has been implemented. E.g. training.

“JUST-IN-TIME” DOESN’T MEAN “JUST AS WE RUN OUT OF STOCK”

- The “just-in-time” principle is an “efficiency” principle, and if a practical “just-in-time” work flow and systems management regime can be achieved, most certainly operating efficiencies can eventuate.
- However, it can also be a “rod in the back” of businesses – particularly those that need to carry a physical stockholding of components and/ or finished products; depending on how the business sets its “minimum re-order thresholds”.
- Those businesses that choose to carry very low stock levels forever run the risk of running-out of a particular component and/ or finished product, which could significantly tarnish business and brand reputation if customers are being promised XYZ delivery timeframe, yet the actual timeframe being achieved routinely is in excess of this.

ABOVE ALL...

- Practice effective Operations Management by remembering that your decisions and actions affect REAL PEOPLE...people who have essential needs just like you, such as the need to generate an income.