

CONTENTS

About the author ix

Preface xi

Acknowledgements xiii

01 Exploit the power of operations 1

Why an operations advantage is essential 1

Operations has the power to add value through its resources and processes 3

Operations has the power to link the strategic with the operational 10

Operations has the power to plug you into the supply network 13

How to exploit the power of operations – the stages to an operations advantage 16

What each chapter will give you (and your operation) 22

Notes 25

02 Establish an operations capability culture 26

Culture? 26

‘Operations’ is a state of mind 30

A capability culture moves you from implementing to supporting to driving 31

A capability culture does not make ‘one size fit all’ – the four Vs 39

A capability culture has an external orientation – get out more! 44

A capability culture recognizes the new agenda for operations 45

Notes 49

03 Make operations a strategic asset 51

Your operation should reflect and contribute directly to overall strategy – top-down 53

Your operation should provide what establishes the business in its markets – outside-in 55
Your operation should get strategic advantage by learning from day-to-day experiences – bottom-up 62
Your operation should develop the strategic capability of its operations resources – inside-out 64
Bringing it all together 68
Notes 77

04 Set your performance framework 78

What is ‘operations performance’? 78
Judge your operations performance at a societal level 80
Judge your operations performance at the strategic level 82
Judge your operations performance at the operational level 90
Notes 104

05 Resource your operation appropriately 105

Deciding on resourcing levels in the short, medium and long term (and integrating these decisions) 106
What assumptions are you using to plan your resourcing needs? 109
What kind of demand variation are you responding to? 118
How to meet demand fluctuations 121
What are the consequences of underutilization? 124
Notes 129

06 Establish internal processes networks 130

Why the problem with ‘process’? 131
Process networks 136
The process of process design 139
Notes 155

07 Shape your external supply networks 156

What do you want to do yourself (in-house) and what do you want to buy-in/outsource? 158
Which potential suppliers should you use? 162
What kind of relationship should you develop with your suppliers? 165

How should you fit with the rest of your supply network on an ongoing basis? 172
What risks should you be on the lookout for while managing your supply network? 175
Notes 181

08 Learn from day-to-day control 182

Control – keeping things together 182
1 Monitor the right things in the right way 187
2 Make control interventions in the right way 189
3 Learn from your control interventions 195
4 Use the learning to build your operations knowledge 198
Notes 206

09 Setting improvement priorities 208

How to judge the relative importance of operations objectives 210
How to judge your relative performance 216
How to bring importance and performance together 220
Dig underneath the measures 226
Notes 231

10 Position your improvement process 232

What is your improvement trying to achieve? Better or different? 236
Do you want to be cautious and continuous, or radical and innovative? 242
Do you want improvement that is prescriptive or methodological? 246
You need to understand how approaches to improvement differ 247
Adopt a ‘package’ or devise your own? 253
Notes 255

11 Master the mechanics of improvement 256

Improvement is not a linear process, it’s a cycle 257
Define the problem 259
Collect data 260

Investigate the root cause	262
Generate improvement	264
Implement improvement	267
Establish and learn	269
Give improvement a chance	271
Avoid being an improvement ‘fashion victim’	274
Notes	278
Appendix to Chapter 11 (Questionnaire: How good is your improvement process?)	279
<i>Index</i>	289