

## 1.4: Why should I study Operations Management?

In most organizations, operations tends to be the largest department in terms of the number of employees. For a new graduate, you may be smart to look for a position within the operations of a business. In a larger company these jobs are far more plentiful than those in smaller departments. If you have a passion for working for a large organization, you might want to focus more on which organization you go to work for, and less focus on the actual job title. Soon enough, if you're punctual, energetic and proactive, you will likely apply or get promoted into the job you desire.

Operations is where the largest share of the firm's dollars are spent. It is a huge focus of top management.

All other departments in the organization are interrelated with operations. In finance, marketing and human resources, you will be interacting with operations on a regular basis. You should understand the businesses' core transformation process regardless of the department in which you work.

Major innovations are made through operations. If you look at successful companies such as Toyota, Amazon, or Dell, you will find that the keys to their success came from innovations to the operations processes of their businesses.

Operational innovation means coming up with entirely new ways of filling orders, developing products, providing customer service, or doing any other activity that an enterprise performs.

As a new grad in an organization, you will find that every business is looking for new ideas, tools, and improvement suggestions in order to improve on the effectiveness and the efficiency of the business.

- **Effectiveness** refers to making the right actions and plans in order to improve the business and add value for the customer. It is helping to get the business doing the right things for the customer.
- **Efficiency** is different. To be efficient means doing things well at the lowest cost possible. To be efficient, we look for ways to reduce unnecessary or redundant activities that add unnecessary cost and could be avoided.

Often, decisions that must be made will involve a trade-off between effectiveness and efficiency. Consider the decision to hire an extra full time server in a restaurant. The service may be faster and customers will feel as though their server was more attentive to their table. However, this comes at a higher cost, which is a reduction in efficiency.

We think of value as the relationship between quality and price. If we can provide the customer with a better quality product at the same price point, then that is adding value. If we are able to provide the same product but at a lower price, then the customer wins again.

### Resources for Operations Management learners and professionals:

- [Supply Chain Management Association \(SCMA\)](#) (opens in new window)
- [Canadian Institute of Traffic and Transportation \(CITT\)](#) (opens in new window)
- [Association for Supply Chain Management \(APICS\)](#) (opens in new window)
- [American Society for Quality \(ASQ\)](#) (opens in new window)
- [Project Management Institute \(PMI\)](#) (opens in new window)

#### ? Activity:

Look at ONE of the Associations above and answer the following questions:

1. Is this organization Canadian, or multinational?
2. Is there an opportunity for students to join? If yes, is there a fee, and how much?
3. Are there opportunities for networking and to meet professionals?
4. Do they offer job search assistance?
5. Would you consider joining either of these organizations? Why or why not?

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