

CHAPTER OVERVIEW

1: Business Simulation Introduction



Figure 1.1: Credit: Chikwenguro / Wikimedia Commons / commons.wikimedia.org/wiki/File:Operations_Management.gif

Learning Objectives

- What is Operations Management?
- Describe the transformation process and some categories.
- Why should a business student study Operations Management?
- What are some of the Professional Organizations involved in Operations Management?
- Describe each of the three phases of Operations Management history.
- Discuss how producing goods is different from performing services.

Operations management is a vast topic but can be bundled into a few distinct categories, each of which will be covered in later units. (It should be noted that entire courses could be devoted to each of these topics individually). Since most people do not work in a formal operations department, we will begin with an overview of operations management itself.

The top manager of an operations department is usually called the **Director of Operations**.

Most operations departments will report to a **Chief Operating Officer (COO)**, who reports to the **Chief Executive Officer (CEO)**.

The COO is often considered the most important figure in a firm, next to the CEO.

The history of operations management can be traced back to the industrial revolution when production began to shift from small, local companies to large-scale production firms. One of the most significant contributions to operations management came in the early 20th century when Henry Ford pioneered the assembly line manufacturing process. This process drastically improved productivity and made automobiles affordable to the masses. Understanding the motivations behind innovations of the past can help us identify factors that may motivate individuals in the future of operations management.

[1.1: What is Operations Management?](#)

[1.2: Transformation Process](#)

[1.3: The Operations Function](#)

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