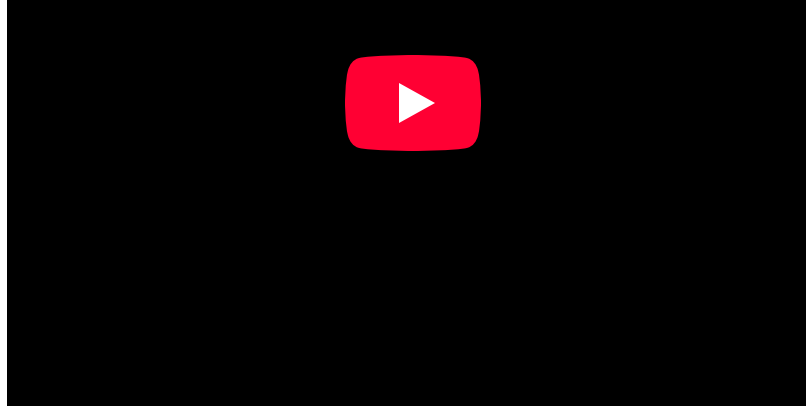


1.1: What is Operations Management?



Operations management is the management of the processes that transform inputs into the goods and services that add value for the customer. Consider the ingredients of your breakfast this morning. Unless you live on a farm and produced them yourself, they passed through a number of different processing steps between the farmer and your table and were handled by several different organizations.

Every day, you use a multitude of physical objects and a variety of services. Most of the physical objects have been manufactured and most of the services have been provided by people in organizations. Just as fish are said to be unaware of the water that surrounds them, most of us give little thought to the organizational processes that produce these goods and services for our use. The study of operations deals with how the goods and services that you buy and consume every day are produced.

The following video shows some of the basic strategic areas in operations management. We will cover some of these areas in addition to some tools and techniques used in operations management.



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