

2.1: Unit 2- Operations Strategy

The most significant aspect of operations management is the process itself. How does Apple take a pile of chips, glass, and plastic, and turn it into an iPhone? Their manufacturer in China is responsible for this process, but Apple is involved every step of the way in order to ensure quality, reliability, and consistency. Process flow structures are the different methods of production deemed appropriate for various manufacturing contexts. Does it make sense for Apple to wait for 1 million orders, then make and ship them? Or should they instead produce iPhones based on current demand and try to balance inventory? These are decisions that the COO must make as each process flow has various costs associated with it.

Additionally, not every operations department is producing a good we can consume. Wall Street traders receive orders from clients and must execute trades on open markets. The order itself may pass through dozens of people before confirmation of the trade is sent back to the client. If you consider that “actual trade” to be the product, you can design an operations process around the goal of executing the trade. The result is a process remarkably similar to production. In this unit, you will learn how operations managers use long-term, strategic planning to manage internal and external influences on the organization’s resource base.

Completing this unit should take you approximately 5 hours.

- [Unit 2 Learning Outcomes Page](#)
 - 2.1: Role of Strategy in Operations Management
 - 2.2: Operations Competitive Priorities
 - Unit 2 Activity and Assessment
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