## Chapter 1 생산·운영관리 서론 (Introduction to the Field, Production/Operations Management)

<1> 생산 System 관리의 정의

(1) Production, Production system

① Definition of production

The process of producing economic goods, including tangible goods and intangible services, from factors of production, thus creating utility by increasing value added.

- ② Concept of "production system" (pp.22-24, <도표 1-2>)
- \* A production system is defined as a user of <u>resources</u> to <u>transform inputs</u> into some desired <u>outputs</u>.
- input
- transformation process :
  - Physical--manufacturing
  - Locational--transportation
  - Exchange--retailing
  - Storage--warehousing
  - Physiological--health care
  - Informational--telecommunications

• output

\* Operations as service : core service & value-added service

- environment
- ③ Process mapping
- SIPOC diagram : Process의 기본요소를 파악하기 위한 간단한 도표
- Value stream map : Data(WIP, setup time, processing time/unit, 오류율, 대기시간 등)뿐 만 아니라 흐름까지도 기록하는 도구

④ Manufacturing or Service? (pp.24-27, <도표 1-5>)

- Production of goods tangible output
  Delivery of services an act
- Declining in manufacturing jobs



- Why manufacturing matters?
- 1. Accounts for over 70% of value of U.S. exports
- 2. Average full-time compensation about 20% higher than average of all workers
- 3. Manufacturing workers more likely to have benefits
- 4. Productivity growth in manufacturing in the last 5 years is more than double U.S. economy
- 5. More than half of the total R&D performed is in the manufacturing industries
- 6. When a California manufacturing job is lost, an average of 2.5 service jobs are lost

(2) Management tasks in operations

•Fundamental tasks for operations manager -Finch & Luebbe

- organizing : designing & implementing systems
- planning : arranging in advance for all prerequisities
- controlling: comparing what is actually happening to what was planned & taking appropriate actions to correct the variance
- improving

(3) Operations management (pp. 16-20)

 Operations management (OM) is defined as the design, operation, and improvement of the systems that create and deliver the firm's primary products and services. (4) 생산성(pp.47-50)

• Productivity is a common measure of how well a country, industry, or business unit is using its resource

(cf) KPI (Key Performance Indicator)

(참고) effectiveness vs. efficiency (p.19)

생산성 = (고객에 대한 가치) /( 생산자에 대한 비용)

- 1) Total Measure Productivity
- 2 Partial Measure Productivity
- ③ Multifactor Measure Productivity

<도표2-3>, <도표2-4>

(Example of Productivity Measurement)

- You have just determined that your service employees have used a total of 2400 hours of labor this week to process 560 insurance forms. Last week the same crew used only 2000 hours of labor to process 480 forms.
- Which productivity measure should be used?

Answer: Could be classified as a Total Measure or Partial Measure.

Is productivity increasing or decreasing?
 Answer: Last week's productivity = 480/2000 = 0.24
 This week's productivity = 560/2400 = 0.23
 So, productivity is decreasing slightly

## <2> 생산관리와 관련한 의사결정

(1) 생산관리의 목표 (operations objective): pp.39-44 (cf) process vs. product

- 1 Flexibility
- 2 Quality
- ③ Delivery (Time, Speed):

(ex) throughput time, cycle time, response time

(4) Cost

# (2) 생산관리와 관련한 의사결정의 분류

-Strategic (long-term) decisions

- Tactical (intermediate-term) decisions
- •Operational planning and control (short-term) decisions

(3) System과 system approach

- 1 System
- ② System approach

<3> Historical Development of POM (pp.29-35)

① Factory system beginning

- 2 Scientific management era
- ③ System approach
- ④ 1970`s 1990`s
  - JIT and TQC.
  - Manufacturing Strategy Paradigm.
  - Service Quality and Productivity.
  - Total Quality Management and Quality Certification.
  - Business Process Reengineering.
  - Supply Chain Management.
  - Electronic Commerce.

- \* Current Issues in POM
  - Market of consumers has evolved into market of prosumers
  - Age of mass production is passing (production-driven system → market-driven system)
  - Developing flexible supply chains to enable mass customization of products and services.
  - Managing global supplier, production and distribution networks.
  - Increased commoditization of suppliers.
  - Making efficient use of internet.
  - Achieving good service from service firm.

### SIPOC Diagram

#### Fictitious Car Dealer Example



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