

# UNIT 15: MANAGING BUSINESS ACTIVITIES TO ACHIEVE RESULTS



1



LECTURER: JUDITH ROBB-WALTERS

## » UNIT 15: MANAGING BUSINESS ACTIVITIES TO ACHIEVE RESULTS



LO 2: BE ABLE TO DEVELOP PLANS FOR OWN AEA OF RESPONSIBILITY TO IMPLEMENT OPERATIONAL PLANS.



# » THE BASIC SYLLABUS

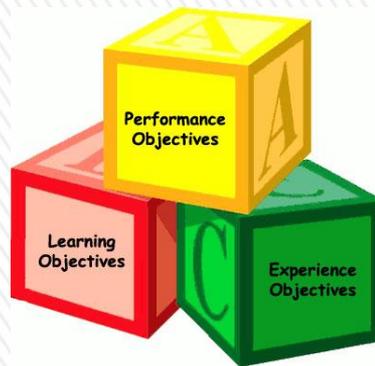


1. Understand the importance of business processes in delivering outcomes based upon business goals and objectives.
2. Be able to develop plans for own area of responsibility to implement operational plans.
3. Be able to monitor appropriate systems to improve organisational performance.
4. Be able to manage health and safety in the workplace.



# » LEARNING OBJECTIVES

- » Be able to develop plans for own area of responsibility to implement operational plan



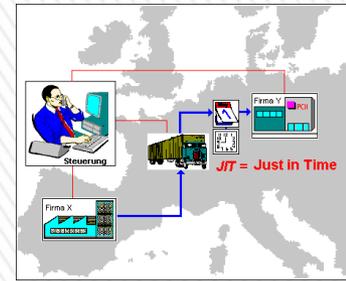
- » At the end of the class the students should be able to:
- » Carry out work activities meeting the operational plan through effective monitoring and control



## » OVERVIEW

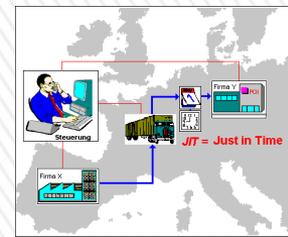
- » Systems are composed of interrelated components such that the properties of both the system and its components are changed if the system is disassembled in any way (Ashmos and Huber 1987). There are different levels of systems, ranging from the simple mechanical systems with predetermined, motions of levers and pulleys (e.g., an automobile engine) to complex social organizations acting to accomplish objectives. The systems paradigm focuses on these processes that exist among system components, and between system components and the environment.

# » JUST IN TIME



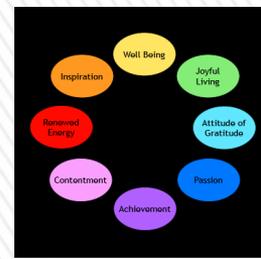
- » To facilitate a JIT approach, you need a variety of systems in place. The most notable is a kanban. This is a Japanese approach to ensuring a continuous supply of inventory or product. Kanbans were designed to support the JIT philosophy.
- » A kanban is a visual signal that indicates it is time to replenish stock and possibly reorder. For instance, as the supply of bolts in a bin on the assembly line falls below a certain number, it may uncover a yellow line painted around the inside of the storage bin. This yellow line indicates to the foreman that he needs to prepare a requisition for more bolts. That requisition is given to the purchasing department, which processes the order. This prevents the supply of bolts from dropping below a critical amount and allows production continues to flow smoothly.

# »JUST IN TIME



- » JIT also exists in concert with continuous improvement systems. Total Quality Management Add to My Personal Learning Plan and Six Sigma are overarching programs that help you take a detailed look at every point of the production process and identify ways to make improvements. By applying JIT, you are continuously monitoring the production process. This gives you opportunities for making the production process smoother and more efficient.
- » Because JIT is intended to spread throughout the organization, it can have an impact on many areas through improvements in processes. When the emphasis is on lean production, systems tend to be made simpler and more predictable. From how a product moves through the building to ways to increase worker involvement in system design, JIT improves efficiency

# » VALUE ADDED CHAINS



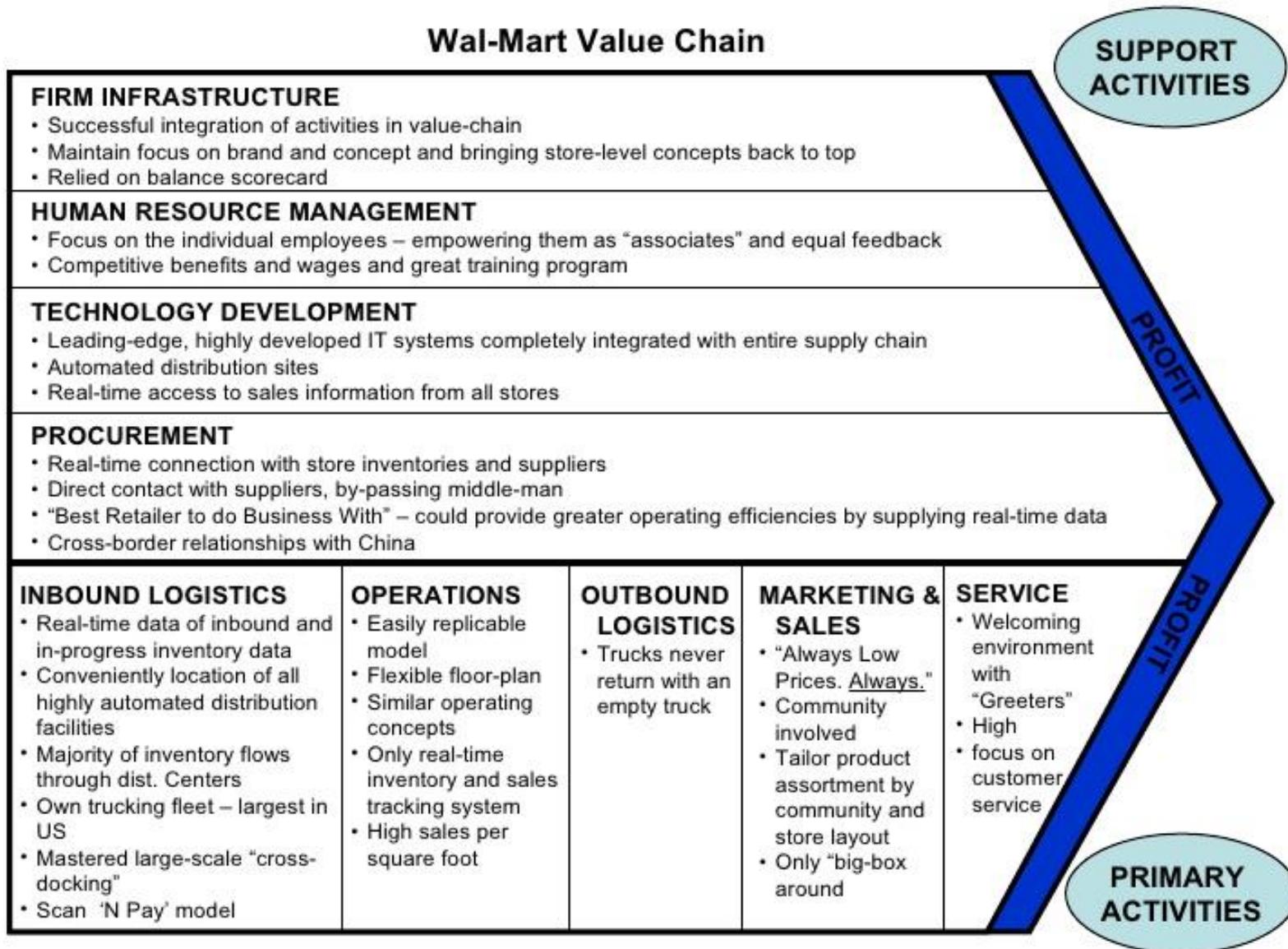
- » A value added chain is a means of describing the way that commercial businesses tend to generate additional benefits or values during the course of their usual operation. In some cases, the chain of events functions as a supply chain that provides raw materials for some businesses that are then used in the manufacturing of various goods and services purchased by commercial or individual consumers. The general idea of the value added chain is that there is always some additional benefit in terms of generating revenue, since the buyer uses the acquired goods to create something that is ultimately sold at a profit and earns income for the company

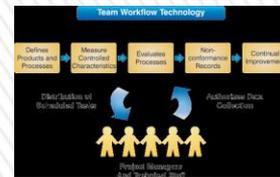


## » VALUE CHAIN ANALYSIS

- » One of the easiest ways to understand a value chain is to consider what happens when a textile manufacturer purchases petroleum byproducts that were once considered useless. Today, those waste products can be used to produce artificial fiber that textile plants can use in the creation of a number of different products, including upholstery and carpeting.
- » The manufacturer buys the waste at a very low cost, then refines it into fiber. From there, the raw fiber is sold to other textile manufacturers that refine the raw fiber into what is known in the industry as roping yarn. In doing so, the manufacturer earns a considerable amount of profit from refining the waste and turning it into a useful product.

## Wal-Mart Value Chain





## » STATISTICAL PROCESS » CONTROL

- » In this era of strains on the resources and rising costs of manufacturing, it becomes increasingly apparent that decisions must be made on facts, not just opinions.
- » Consequently, data must be gathered and analyzed. This is where statistical process control (SPC) comes in. For over 70 years, the manufacturing arena has benefited from the tools of SPC that have helped guide the decision-making process.
- » In particular, the control chart has helped determine whether special-cause variation is present implying that action needs to be taken to either eliminate that cause if it has a detrimental effect on the process or to make it standard operating procedure if that cause has a beneficial effect on the process. If no special-cause variation is found to be present, SPC helps define the capability of the stable process to judge whether it is operating at an acceptable level.
- » The strength of SPC is its simplicity. And with the use Statit on the computer to make the calculations and to plot the charts, the simplicity becomes complete.



## » COORDINATING ACTIVITIES

- » Coordination is defined as “the process of linking the activities of the various departments of the organization,” (Griffin, 2013). Generally organizations are groups of interdependent departments. Coordination is essentially the glue that binds organizations together and guides the individual departments, working towards organizational goals and strategies. While there are many techniques for organizational coordination, it is important to note that sometimes informal interactions can also serve as effective coordination activities.



## » COORDINATING ACTIVITIES

- » “A system is the interconnection of components to achieve a given objective. These components include the organisation, resources and processes. Therefore, people, equipment and culture are part of the system as well as the documented policies and practices.” – Chartered Quality institute (2013), on Webpage Integrated Management Systems



## » WORKING WITHIN ORGANISATIONS

### » CONSTRAINTS AND LIMITATIONS

- » You've likely heard the adage, "A chain is only as strong as its weakest link," and this is what the Theory of Constraints reflects. It was created by Dr Eli Goldratt and was published in his 1984 book "The Goal."
- » According to Goldratt, organizational performance is dictated by constraints. These are restrictions that prevent an organization from maximizing its performance and reaching its goals. Constraints can involve people, supplies, information, equipment, or even policies, and can be internal or external to an organization.
- » The theory says that every system, no matter how well it performs, has at least one constraint that limits its performance – this is the system's "weakest link." The theory also says that a system can have only one constraint at a time, and that other areas of weakness are "non-constraints" until they become the weakest link.
- » You use the theory by identifying your constraint and changing the way that you work so that you can overcome it.
- » The theory was originally used successfully in manufacturing, but you can use it in a variety of situations. It's most useful with very important or frequently-used processes within your organization.



## » WORKING WITHIN ORGANISATIONAL » CONSTRAINTS AND LIMITATIONS

- » You can minimize constraints and work more efficiently toward accomplishing your goals by working through these steps:
  - » Identify the constraint.
  - » Manage the constraint.
  - » Evaluate performance.



# » WORKING WITHIN ORGANISATIONAL » CONSTRAINTS AND LIMITATIONS

- » Knowing the limits of what one is working with in the organizational is essential to growth and development of the organization and also the staff. Leadership author and researcher Jim Collins wrote about this in an essay he contributed to *Upward Bound: Nine Original Accounts of How Business Leaders Reached Their Summits*.
- » Recognition of limitations is the first step. As Collins illustrates, it is what you do next that matters. This is an important lesson in personal development. An executive coach may be able to point out things to do differently but unless you try them out, and commit to the change process, no amount of coaching in the world will work.



# » REVIEW QUESTION

The operation plan of Manufacturing paint Company includes Product Development, Value Added Chain ,meeting objectives and Organisational constraints. Manufacturing Paint Company pursue two steps, in order to develop a new product they are design and Development & Establishing Specifications.

Required:

Design a value added chain for Manufacturing Paint Company.



# » BIBLIOGRAPHY

- » **Au.af.mil, (2015). Systems Thinking and Learning Organizations. [online] Available at: <http://www.au.af.mil/au/awc/awcgate/ndu/strat-ldr-dm/pt1ch4.html> [Accessed 9 Jun. 2015].**
  
- » **Mindtools.com, (2015). Just In Time (JIT): Reducing Inventory, Minimizing Waste, and Responding to Your Customers. [online] Available at: [http://www.mindtools.com/pages/article/newSTR\\_78.htm](http://www.mindtools.com/pages/article/newSTR_78.htm) [Accessed 9 Jun. 2015].**
  
- » **Anon, (2015). [online] Available at: <http://smallb.in/sites/default/files/Guide%20to%20Statistical%20Processes%20Control%20Techniques.pdf> [Accessed 9 Jun. 2015].**



# »» BIBLIOGRAPHY

- » **Management and Organizing, (2013). Coordinating Activities. [online] Available at: <https://organizinggm600spii2013.wordpress.com/introduction-to-organizing/primary-aspects-of-organizing/coordinating-activities> [Accessed 9 Jun. 2015].**
  
- » **Mindtools.com, (2015). The Theory of Constraints (TOC): Strengthening Your. [online] Available at: <http://www.mindtools.com/pages/article/toc.htm> [Accessed 9 Jun. 2015].**
  
- » **Inc.com, (2015). Know Your Limitations; You'll Lead Better. [online] Available at: <http://www.inc.com/john-baldoni/know-your-limitations-youll-lead-better.html> [Accessed 10 Jun. 2015].**