

GOVERNORS STATE UNIVERSITY  
College of Business and Public Administration

Course Title: MGMT 840 (Section S, Reference # 50803)  
Session: Winter 1995 (Block 1)  
Time: 6:30-9:20 W  
Instructor: Professor David Parmenter  
Office: C3356  
Office Hours: (tentative) 12:30-1:30 MW, 6:30-7:30 M, 12:30-1:30 T, and by appointment  
Textbook: Operations Strategies for Competitive Advantage by Etienne-Hamilton  
The Reckoning by Halberstam

DESCRIPTION:

This course will cover the management of the operations function, the function that is responsible for converting inputs, i.e. raw materials, labor and machinery, into outputs, i.e. products or services that your company sells. This is a crucial function, and perhaps the crucial function, for any business firm. As a graduate course, this class will focus primarily on the "big-picture" strategic aspects of operations. Keep in mind, however, that the big picture doesn't make any sense if you don't understand the components which go into producing that big picture. Thus we will also cover the technical details of operations to the extent that these details are necessary for intelligent formulation of an overall strategy.

Much of the material covered in this course fits under an umbrella commonly called "world class manufacturing." The achievement of world class status generally involves a customer orientation, an emphasis on integration between the various business functions, a focus on quality and the elimination of waste in production processes, and the use of the Just-in-time (JIT) philosophy.

Although this course is titled "Problems in Production Management," many of the concepts covered have relevance to services as well.

RATIONALE:

In theory you are being trained to immediately become midlevel managers and eventually become members of top management. As such you will soon be responsible for making decisions for which knowledge of the strengths and weaknesses of your firm's production function will be a prerequisite. Too many managers in too many American firms virtually ignore the production function, either because they feel that production is too technically oriented for them to learn or because they incorrectly believe that production

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will be able to effectively deal with whatever task it is given by top management. When it comes time for you to make these decisions, I want you to be able to appreciate both the importance of production to your company's success and the need for close integration between the production function and the other functional areas of the firm.

### COMPETENCIES:

After completing this course you should be familiar with most of the concepts and techniques involved in turning an idea into a finished good or service. You will understand the importance of production to the overall success (survival?) of the firm and how the manufacturing strategy must be integrated with the strategies for the other functional areas.

### EVALUATION:

Your grade in this course will be based on the following assignments.

#### Group work:

Trimester project		20%
(presentation	10%)	
(paper	10%)	
Case discussions		20%
(major case	10%)	
(other cases	10%)	
Participation (self-graded)		15%

#### Individual work:

Strategy paper		20%
Final exam		20%
Participation		5%

The requirements for each assignment are covered below.

### Trimester project:

#### Option A -

Solve a real problem, preferably at a firm where one of your group members is employed. This problem should be operational (not necessarily manufacturing) in nature but does not have to be strategically oriented.

The easiest way to find a worthwhile problem may be for each member of the group to ask his or her supervisor to suggest a number of problems which management would like to see solved. Then the group members can compare notes, selecting a problem which is both challenging and interesting yet doable in a relatively short period

of time.

Avoid picking an excessively trivial problem to solve. Since this project accounts for about 27.5% (including part of the participation score) of your grade I expect it to involve at least 27.5% of your effort. In general, however, if your supervisor thinks that a problem is worth solving then I will probably think that it is "sufficiently meaningful" as well. Check with me before finalizing your selection.

See me if you have a hard time finding an appropriate problem to solve. The Small Business Institute Program, a national program administered out of the Small Business Development Center here at GSU, may be able to provide you with one. This program connects students with business expertise with small business owners who would like to draw upon some of that expertise. If the program currently has any clients with production management oriented problems, these problems would certainly be candidates for your group project.

Although I would hope that your solution would be so good that it would be immediately implemented, a complete and well thought out problem solution, even if not actually implemented, will be sufficient for grading purposes. Note: don't give away any corporate secrets. If necessary you can change names, dates, dollar amounts, etc. to keep from disclosing any confidential information in either your presentation or your paper.

Hypothetical goal: Solve the problem in so expert a fashion that the group member who works at the firm with the problem gets a promotion and the other group members all get job offers.

Option B -

Create an "instruction manual" on how to set up a fictitious firm to produce and sell a product or service of your choice. The product or service does not have to be entirely original. It can be based, for instance, on a product sold by a company at which one of your group members works. Since you have to fully define how this product is produced it would probably be best to create a product which is relatively simple and create a firm which produces only a limited number of products.

Your project should fully define how to produce this product/service from start to finish. It should provide complete information on:

- Product/service specifications.
- Facility location and layout.
- Capital equipment required.
- Manpower/training needs.
- Inventory control systems.
- Quality control systems.
- Production scheduling systems.
- Production methods.
- Marketing/sales/pricing policies.
- Pro-forma financial statements.

For purposes of your presentation, imagine that the classroom is filled with venture capitalists. Your job is to provide such an imaginative and complete business plan that these venture capitalists are willing to invest in your hypothetical firm.

Hypothetical goal: Develop such an excellent business plan that you actually go into business.

For the trimester projects each group will be graded as a group, i.e. each group member will receive the same score.

Note: Since the trimester project may be the most difficult thing that you will do this term and, if you find a good problem to solve, it may also be the task in which you learn the most, I will be willing to give extra credit to truly excellent projects.

#### Case discussions:

During the trimester we will discuss a number of cases, with the exact number determined by the number of groups that the class turns out to have. You will be given these cases several weeks in advance and thus should have plenty of time to prepare for the discussion.

Each group will be responsible for leading the discussion of one of these cases. This is referred to above as the "major case." The phrase "leading the discussion" is somewhat ill-defined. If you cover the issues in the case particularly well, the discussion may turn out to be more like a presentation, with little in the way of argument or questioning from your fellow students. If you don't cover things too well, however, you are likely to become inundated with questions, comments and complaints. Therefore, be prepared to deal with interruptions. This is not supposed to be a formal presentation in which no questions or comments are allowed until the end. The assignment of groups to cases will be done on a random basis, unless the groups volunteer in such a way that there are no conflicts. In general the cases which come earlier in the semester are a little less detailed.

The other groups, i.e. the groups which are not leading the discussion on a particular night, are still responsible for contributing to the discussion. In particular, the other groups should be prepared to critique the suggestions made by the major group and make counter suggestions. This is referred to above as "other cases."

As with the trimester project, each member of the group will receive the same score on the cases.

#### Group work participation:

At the end of the trimester each student will be graded by the other members in his or her group. This grade should be based on both quality of input and quantity of input. Your ability to grade each other's performance will hopefully provide sufficient peer pressure to make everyone pull his own weight on the group project

and the cases.

Strategy paper:

Option A -

Write a paper outlining the strategy which your firm is using to gain a competitive advantage. Cover the following:

- The overall business strategy
- The manufacturing strategy and how it supports the overall business strategy
- The coordination of the strategies for the various functional areas of the firm
- The apparent strategies of the major competitors
- The success or failure of the strategy to this point

Again, don't disclose any important corporate secrets here. Change names, dates, etc. if necessary to protect confidentiality.

Hypothetical goal: Prepare yourself for a higher level management position in your current firm by becoming more familiar with its current corporate strategy.

Option B -

Write a paper discussing Ford's strategic successes and failures throughout the history of the firm. The first half of the paper should focus primarily on how Ford got itself into trouble vis-a-vis the Japanese auto makers. This part of the paper can be based primarily on The Reckoning. The second half of the paper should update The Reckoning by reporting on what Ford has done to regain competitiveness since the middle 1980's. Check the appropriate business periodicals, books, etc. for the needed information (how about Ford's PR department?).

Hypothetical goal: Become familiar with the strategic mistakes made by American auto manufacturers in the past and, more importantly, discover some of the more effective solutions to their recent problems. In many cases, the types of changes which have led to increased competitiveness for Ford would also lead to increased competitiveness for your firm.

Final exam:

The final exam will be a take-home essay exam. It will contain questions from the lectures, the text, and The Reckoning.

Individual participation:

Participation during the lecture will be graded on an individual basis. Most of you have job experiences which you should be able to relate to the material in this class. I want to hear war stories about how your firm does things, whether the stories agree with or disagree with the points being made in the lecture. I expect particularly good participation on April 12 when we cover the auto industry. By then you will have all read The Reckoning and will be experts on this topic.

SYLLABUS STATEMENT FOR PERSONS WITH DISABILITIES:

It is the intention of the institution to support full participation of all students, regardless of physical ability level. Therefore if any student needs consideration of his/her physical abilities in order to complete the course, please notify the instructor as soon as possible.

SCHEDULE:

<u>Date</u>	<u>Topic</u>	<u>Chapters</u>
1/18	Introduction	1
1/25	World Class Manufacturing	2
2/1	Strategic Positioning	3
2/8	Eliminating Waste	4
2/15	Structuring Production	5
2/22	Quality Management	6,7
3/1	Quality Management Strategy paper due	8
3/8	Just-in-Time Production	9
3/15	Purchasing/Maintenance	10,11
3/22	Customer Service/Scheduling	12,13
3/29	Customer Service/Scheduling	12,13
4/5	Managing Change	14
4/12	The Auto Industry Final exam due	
4/19	Project Presentations	
4/26	Project Presentations	

**NOTE: THE WITHDRAWAL DEADLINE IS MONDAY MARCH 27th.**