Operations Strategy
Study materials

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Introduction

At first glance the concept of operations strategy might seem like an oxymoron - a contradiction in terms. After all, aren't operations all about the day-to-day, about optimising within narrow constraints, whereas strategy is all about grand plans and long-term ambition? This module (building upon basic principles introduced in the Operations Management module) seeks to open up narrowly defined notions of 'operations' and 'strategy' and illustrate how firms actually compete strategically through their operational capabilities. It is also our intention to demonstrate that these issues are equally relevant for manufacturing and service organisations.
Module objectives

The main objectives of the module are:

- to introduce basic concepts of operations strategy in order to illustrate how the ongoing reconciliation of operational resources and market requirements should lie at the heart of any sensible strategic planning process
- to explore the linkages between operations strategy and the overall role of the operations function within an organisation
- to examine individual elements and themes of an operations strategy in order to provide familiarity with the language, concepts and challenges facing all types of operations
- through the use of a wide variety of case and video material, presentations, discussion papers and project activity provide the opportunity to develop appropriate analytical skills
- to provide an overall framework for developing and implementing operations strategy in practice.
Themes

The module is divided into five key themes:

1. general principles of operations strategy (reconciling resources and requirements)
2. capacity strategy
3. supply strategy
4. design strategy
5. formulating operations strategy in practice and the practice of implementation.
Monday
Monday 23 March 2015

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Faculty</th>
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</thead>
<tbody>
<tr>
<td>09.30-10.00</td>
<td>Arrival and coffee</td>
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<tr>
<td>10.00-12.30</td>
<td>Introduction to operations strategy and strategic operations</td>
<td>NS</td>
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<tr>
<td></td>
<td>- reconciling market requirements and resources capabilities</td>
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<td>- the role of strategic operations</td>
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<td>- the operations strategy matrix</td>
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<td>- characterising operations performance</td>
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<td>- specifying operations decision areas</td>
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<td></td>
<td>(A 15 minute break will take place during this session)</td>
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<tr>
<td>12.30</td>
<td>Lunch</td>
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<tr>
<td>13.30-15.00</td>
<td>Case study: McDonalds</td>
<td>NS</td>
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<tr>
<td>15.00-15.30</td>
<td>Break</td>
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<tr>
<td>15.30-17.00</td>
<td>Case study: McDonalds (continued)</td>
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<td></td>
<td><strong>EVENING</strong></td>
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<tr>
<td></td>
<td>Syndicate work</td>
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Sessions will be led by the following faculty members:

MJ = Mark Johnson  
NP = Nigel Pye  
NS = Nigel Slack
## Programme

**Operations Strategy**

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### Tuesday

#### Tuesday 24 March 2015

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>09.00-10.30</td>
<td>Capacity strategy</td>
<td>NS</td>
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<tr>
<td>10.30-11.00</td>
<td>Break</td>
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<tr>
<td>11.00-12.30</td>
<td>Capacity strategy (continued)</td>
<td>NS</td>
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<tr>
<td>12.30</td>
<td>Lunch</td>
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<tr>
<td>13.30-15.00</td>
<td>DSF case syndicate work</td>
<td>NS</td>
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<td>- Financial consequences of capacity decisions</td>
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<td></td>
<td>- Capacity dynamics</td>
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<tr>
<td>15.00-15.30</td>
<td>Break</td>
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<tr>
<td>15.30-16.00</td>
<td>DSF case group reports</td>
<td>NS</td>
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<tr>
<td>16.00-17.00</td>
<td>Alignment with market segments</td>
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<td>Case study: Xiameter</td>
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## Wednesday 25 March 2015

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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</table>
| 09.00-11.00 | Supply strategy  
- Case study: Crocs                         |
| 11.00-11.30 | Break                                        |
| 11.30-12.15 | Supply strategy (continued)                  |
| 12.15   | Lunch                                        |
| 13.15-17.30 | Syndicate work: group project preparation  |
| EVENING | Session                                       |
Thursday

Thursday 26 March 2015

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Instructor</th>
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<tbody>
<tr>
<td>09.00-10.30</td>
<td>Process technology and design strategy</td>
<td>MJ</td>
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<td>- Case study: IDEO: Service Design</td>
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<tr>
<td>10.30-11.00</td>
<td>Break</td>
<td>MJ</td>
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<tr>
<td>11.00-12.45</td>
<td>Implementation and risk</td>
<td>MJ</td>
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<tr>
<td>12.45</td>
<td>Lunch</td>
<td>MJ</td>
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<tr>
<td>13.45-15.30</td>
<td>Improvement strategy: importance-performance mapping</td>
<td>MJ</td>
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<td></td>
<td>- Case study: Pharmacy Service Improvement at CVS</td>
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<tr>
<td>15.30-16.00</td>
<td>Break</td>
<td>MJ</td>
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<tr>
<td>16.00-17.00</td>
<td>Improvement strategy: importance-performance mapping (continued)</td>
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<td>Time</td>
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<tr>
<td>09.30-10.30</td>
<td>Group presentations</td>
<td>MJ/NP</td>
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<td>10.30-11.00</td>
<td>Break</td>
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<tr>
<td>11.00-12.30</td>
<td>Group presentations</td>
<td>MJ/NP</td>
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<td>12.30</td>
<td>Lunch</td>
<td>MJ/NP</td>
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<tr>
<td>13.30-14.30</td>
<td>Wrap and debrief</td>
<td>MJ/NP</td>
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<tr>
<td>14.30-15.00</td>
<td>Assignment brief</td>
<td>MJ/NP</td>
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Module assessment

Assessment of the module is based on:

- one individual written assignment (80%)
- a group assessment which includes a group presentation during the final day of the module (20%).

More details of the assignment (and time to discuss it with the module tutors) will be provided during the module itself but in general terms the elements and award of marks of the assessments are explained below.

Group assignment: Evaluation of operations strategies (20%)

This will be outlined in further detail during the module.

Within your groups you will select an organisation and consider the operations strategies for this organisation. This will include doing background research on the organisation and creating operations strategy matrices, and incorporating your learning from throughout the module. Details of the style of presentation on the Friday will be given during the module.

Individual assignment (80%)

Choose a theme from the module and illustrate it with discussion of either:

- an organisation that you work for
- an organisation (or 2/3 organisations) that you have an interest in from previous experience, or where information is available from public sources.

Both are acceptable although in many ways the second model is preferable since we are keen to encourage reflection as well as immediate relevance.

- **Data**: use real data where possible - indicating if it is confidential. However, educated guessing and inferring data is also legitimate providing it is presented as such.
- **Analysis**: the core of this assignment is to analyse data using one or two themes from this module - remember it is not OM, nor is it marketing or even a mainstream strategic management module! If choosing more than one organisation, it will be invaluable to compare and contrast their performance and approach - this is a useful mechanism even when considering a single organisation.
- **Evaluation**: as a result of the analysis, what can you say about the operation and the concepts applied?
  - You might explore **recommendations** for improvement in that organisation, or predict future development, or critique the concepts, etc.

**Details**

Length - it is expected that the assignment should take about 30 hours to complete. There is a 3,000 word limit (excluding appendix and references). The critical issue will be analysis and insight rather than simple description. Criteria for success (that is, good marks!) include:

- **understanding**: demonstrate an understanding of what is meant by operations strategy and its key issues, challenges, etc.
- **substantiation**: support your analysis with both module material and extra reading around the topics discussed
- **insight**: demonstrate critical evaluation and insight into the operations strategy topic
- **clarity**
- **enthusiasm**: without this, why bother?

**The deadline for submitting your individual assignment is Monday 27th April 2015 (17:30 UK time).**
The submission deadline is precise and uploading of the document must be completed before 17.30 (UK time) on the submission date. Any document submitted even seconds later than 17.30 precisely will be penalised for late submission in line with WBS policy. Please consult your student handbook on my.wbs for more detailed information.

The online assignment submission system will only accept documents in portable documents format (PDF) files. Please note that we will not accept PDF files of scanned documents. You should create your assignment in your chosen package (for example, Word), then convert it straight to PDF before uploading. Please place your student ID number, NOT YOUR NAME, on the front of your submission as all submissions are marked anonymously.

All the scripts should also have the following paragraph included on the front page:

This is to certify that the work I am submitting is my own. All external references and sources are clearly acknowledged and identified within the contents. I am aware of the University of Warwick regulation concerning plagiarism and collusion.

No substantial part(s) of the work submitted here has also been submitted by me in other assessments for accredited courses of study, and I acknowledge that if this has been done an appropriate reduction in the mark I might otherwise have received will be made.

PLEASE ENSURE YOU KEEP A SECURITY COPY OF YOUR ASSESSMENT
Teaching Faculty

Mark Johnson - Module Coordinator - Associate Professor of Operations Management, Warwick Business School

Mark joined WBS as an Associate Professor in the Operations Management Group after a post at Cranfield School of Management. Whilst at Cranfield School of Management, Mark was theme leader for the Servitization theme of the University's EPSRC funded Innovative Manufacturing Research Centre (IMRC). He holds a Doctorate (EngD) and MSc from the University of Warwick. Mark is also the Head of the Operations Management Group. His current research is in the area of Service Networks. This examines the appropriate supply chain strategies, configurations and their overarching relationships for companies that provide business solutions.

Mark's research has been published in Research Policy, the Journal of Supply Chain Management, the International Journal of Operations and Production Management, the International Journal of Production Economics and the International Journal of Physical Distribution and Logistics Management amongst others.

Mark has worked with a number of companies in his research and education. These include: Rolls-Royce, BAE Systems, Atos Origin, PA Consulting, UK Trade and Investment, DB Schenker, British American Tobacco, HP Enterprise Services, Jaguar Land Rover, GKN Aerospace and GVA Grimley. He teaches a range of subjects at undergraduate, postgraduate and executive level. These include: Operations Management, Supply Chain Management and managing inter-organisational relationships.

Mark is a member of the ESRC peer review college and he is an Associate Editor of the Journal of Operations Management, and he is Senior Associate Editor for the International Journal of Physical Distribution and Logistics Management. He was a POMS (Production and Operations Management Society) Emerging Scholar in 2009.

Nigel Pye - Principal Teaching Fellow, Operations Management Group

Nigel is Assistant Dean for the Executive and Distance Learning MBA Programmes at WBS. Nigel is also a Principal Teaching Fellow in the Operations Management Group. He manages and contributes to modules on both undergraduate and postgraduate programmes where he covers supply chain, operations strategy, operations management and e-business.

Prior to joining WBS in August 2013, Nigel was, for five years, a lecturer at Cranfield University. His focus was on the fields of Knowledge Management, Commercial Relationships and Supply Chains. He managed and delivered masters modules on MSc and MBA courses. Nigel also worked closely with Cranfield's executive education team and has developed and delivered courses for BAE Systems, Rolls Royce, Babcock, UK MoD and Singapore MoD.

Prior to joining Cranfield University Nigel was Client Service Director in Ernst & Young's Government Services Practice, a position he held for three years (2005-2008); Director of KPMG's MoD Account (2000-2005); and account director at EDS (1996-2000). Prior to joining EDS Nigel served 18 years in the British Army. During his service Nigel served in England, Northern Ireland, Canada, Norway and Cyprus. He had a variety of posts from commanding a unit of over 100 men and women in Germany, through forming a Government 'Next-Steps' Agency, to commanding a Royal Horse Artillery, 21 gun royal salute for Her Majesty the Queen.

Qualifications: Nigel holds an MSc in Design of Information Systems (1989), a BSc in Civil Engineering (1979-82) and is an ISEB Project Manager (1995).
His research interests include: Formation of personal networks in supply chains; and knowledge management in supply chains.

Nigel Slack - Emeritus Professor of Operations Management and Strategy, Warwick Business School

Nigel is the lead author of your textbook as well as many other best-selling textbooks on operations management and operations strategy. Prior to entering academia Nigel was a production engineer and production manager in light engineering and a distribution manager in consumer products. During his academic career he has been a lecturer in Management Studies at Oxford University; Professor of Operations Strategy at Brunel University; The Royal Academy of Engineering Professor of Service and Support Management at Cambridge University; as well as being Head of the OM Group at WBS.
Readings

The textbook provided for the week is:

**Slack, N. and Lewis, M. (2014)**
*Operations Strategy* (4th edn)
London: FT Prentice-Hall

Nearly all the relevant readings for this module relate to chapters in the textbook.

The readings in this module are divided into pre-readings, essential readings and further readings.

Completing as much of the pre-reading and essential reading as possible before you attend will provide you with a wider understanding of the topics to be discussed during the module and therefore enhance your contribution to the class.

However, we understand that many of you will find it difficult to complete all of the reading due to other commitments. However, **all case studies should be treated as pre-reading**. These cases are either provided in the module materials, or are in the set text.

Case studies from The Case Centre

We are providing links to case studies which have been purchased from the Case Centre and are provided for your personal use on this module, for which you are registered. You may download and print one copy of each for your personal use.

The case studies will expire on **27 April 2015** and will not be available to you after this. We recommend that you download them immediately. When you have taken your copy of a case study you may not make further copies, share them with or sell the materials to any other person or use them for any purpose not connected with your studies for this MBA module. Failure to follow these terms and conditions of use may result in disciplinary action.
Monday readings

Monday 23 March 2015

Introduction to operations strategy - basic concepts

Pre-reading:  Slack and Lewis: Chapters 1 and 2
Case study:  'McDonalds'
Slack and Lewis, pp. 359-64
Tuesday reading

Tuesday 24 March 2015

Operations and capacity strategy

Pre-reading: Slack and Lewis: Chapter 4

Case study: 'Delta Synthetic Fibres (DSF)'
Slack and Lewis, p. 407-12

Xiameter: The Past and Future of a Disruptive Innovation
Ref.: IMD-5-0702

(Please note the information on the Readings page about Case Centre cases.)
Wednesday readings

Wednesday 25 March 2015

Supply Strategy

Pre-reading: Slack and Lewis: Chapter 5

Case study: Crocs (A): Revolutionizing an Industry's Supply Chain Model for Competitive Advantage
Ref. GS57A

(Please note the information on the Readings page about Case Centre cases.)
Thursday readings

Thursday 26 March 2015

Design, improvement and implementation

Pre-reading: Slack and Lewis: Chapters 7, 9 and 10

Case studies: 'IDEO'
Slack and Lewis, pp. 420-39

Pharmacy Service Improvement at CVS
Ref.: 9-606-015

(Please note the information on the Readings page about Case Centre cases.)
Friday readings

Friday 27 March 2015

Overview and implementation

There are no readings for today.