

Unit 5.1 : The role of operations management

Operations refer to the fundamental activities of organizations

- what they **do** and what they **deliver**
- **How they produce** the goods + services to satisfy needs and wants

- **Primary** sector = mining / harvesting
- **secondary** sector = industry / manufacturing

- **Tertiary** sector = open heart surgery
- **Quaternary** sec. = Business consultancy

The **operations manager** works with all departments to make correct decisions:

- Direct experience of eco./disec. of scale, identifies strength or weaknesses
- suggests non financial rewards for HR
- sees which costs can be cut to improve BE and MCS
- can advise on appropriate extension strategies

← Pure goods — combination of goods & services — Pure services →

Operations management and sustainability: (GREEN BOTTOM LINE)

Economic factors = Budgets must be respected, min waste, long t. profitability

Social factors = Workers are treated well, local community respected, quality of life

Ecological factors = Avoid any type of pollution (water, noise, air)