On Operations—Delivering Customer Value

Modified from the following source:
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After Marketing, What?

- So you’ve got a pretty good idea of how your business will achieve its revenues
- You even have a marketing plan that will help you achieve them
- But how will you deliver the product? The meal? The customer value? The service?
- What does your business have to do to satisfy its customers?
- We call this *Operations*, for want of a better term
Some Operational Issues

- What are the key tasks that need to be done?
- Who’s going to do them?
- What about quality and achieving a certain level of quality all the time?
- How will your business use IT (information technology)?
- What training do your people need. Who will give it?
- Who will be in charge of operations?
Some Operational Issues (cont.)

- Where will you make the product?
  - Will you lease or buy the premises?
  - Buy an existing factory?
  - Outsource production entirely?
  - Assemble only, manufacture nothing?

- What equipment will you need?

- Do you have all the know-how and expertise you need?
  - Would you license any technology?
  - Hire any consultants?
Some Operational Issues (cont.)

- If producing a new product
  - Is there a proof of concept?
  - Have you built a prototype yet?
  - Is there a production model designed?
  - What quantities must you produce?
- Will the product need packaging? Distribution?
- Do you have an accounting system in place, e.g., that can handle A/R and A/P?
Create an Operations Plan

- For all *non-marketing/sales* activities
  - Identify the major tasks that need to be done
  - Estimate the cost and duration of each one
  - **CREATE AN OPERATIONS PLAN**

- If your product is a high-tech product
  - Then you also need an **R&D Plan**
  - Discusses what you must do to
    - Continue improving the present product
    - Produce the *next generation* of product—activities, with estimates of duration and cost for each one