

**PLEASE READ THIS MEMORANDUM OF UNDERSTANDING (MU) THOROUGHLY BY
JUNE 26TH, 2006 AND BE PREPARED TO DISCUSS THE TEXT AND CASE MATERIAL FOR
THE FIRST CLASS SESSION**

**MBA 627-71
GLOBAL OPERATIONS STRATEGY
SUMMER 2006 (Second Session)**

PLACE

Class sessions will be held in Room Number 202 Joseph M. Bryan School of Business and Economics.

TIME

6:00 p.m. to 9:30 p.m. on Mondays.

FACULTY MEMBER

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APPOINTMENT TIME

2:00 p.m. to 5:00 p.m. on Mondays only. You are encouraged to stop in during office hours to talk about any problems or suggestions you may have concerning the course, careers, benefits of advanced courses in operations management, or things in general. If you want to talk to the faculty member and find the appointment hours to be inconvenient, feel free to schedule any other appointment time.

GRADUATE CATALOG DESCRIPTION OF THE COURSE

Overall business strategies translated into operational strategies and tactics; international competition, total quality management, competing with flexibility, and implementation through computers and communication technology.

GENERAL COURSE DESCRIPTION

This course focuses on the development and implementation of production/operations strategy and the integration of this strategy with the corporate, business unit, and other functional strategies of the organization. Topics include alternative production/operations strategies, choice of process, operations strategy selection and implementation, selection and adoption new technologies, and the integration of information, quality, and productivity into the operations function. A global theme will run through the entire course. To the extent relevant and feasible, the material to be presented will include the ethical issues, the influence of political, social, legal and regulatory, environmental, technological issues, and the impact of demographic diversity with respect to the strategic role of operations.

TECHNOLOGY APPLICATIONS

There would be some coverage of technological advances relating to Global Operations Strategy in the course.

ETHICAL PERSPECTIVES

Ethical issues are fairly closely tied to Global Operations Strategy. There would be some coverage of these ethical issues as they relate to the course.

GLOBAL PERSPECTIVES

There would be a significant coverage of global perspectives in this course.

POLITICAL, SOCIAL, LEGAL, ENVIRONMENTAL, AND REGULATORY ISSUES

Political, social, legal, and regulatory issues, to the extent applicable, will be covered in this course. It is anticipated that there would be some coverage of these issues.

IMPACT OF DEMOGRAPHIC DIVERSITY

There would be some coverage of the impact of demographic diversity on global operations strategy.

PRE-REQUISITE AND CO-REQUISITE COURSES

MBA 607, MBA 610, and MBA 620 are the pre-requisite courses. MBA 621 is a co-requisite course. For a student to do well in MBA 627, it is important that the student should be able to:

- 1) Differentiate between productivity, effectiveness, efficiency, and other performance measures in operations management.
- 2) Explain the factors that make a service operation more difficult to manage as compared to a manufacturing operation. Identify the factors that influence the location of service and manufacturing organizations.
- 3) Compare and contrast the different types of conversion systems (i.e., project, job shop, mass production, and continuous process).
- 4) Explain the meaning of economies of scale and economies of scope in terms of gaining a competitive advantage.
- 5) Distinguish between long range, intermediate range, and short range capacity planning in operations management.
- 6) Be in a position to analyze an industry/firm using Industry Dynamics/Porter's Model for gaining competitive advantage.
- 7) Identify the important aspects and issues related to facility design decisions.
- 8) Identify and understand the functions of the different types of inventory required for running the operations.
- 9) Understand the role of planning and control functions (such as forecasting, aggregate planning, master scheduling, materials requirements planning, capacity requirements planning, workforce scheduling, inventory management, etc.) in operations management.
- 10) Understand the features of a good quality management system in an operating environment.

TEXT AND SUPPLEMENTARY MATERIAL

Hill, T. (2000). Selected Chapters from Manufacturing Strategy. Custom edition for the University of North Carolina at Greensboro. New York, NY: The McGraw-Hill Companies, Inc.

In addition a few select cases will be used in the course. The select materials and the cases can be purchased from the UNCG Bookstore (in the Elliott University Center). Students should have the select materials and the appropriate case available for each class session.

GRADING

The course grade is based on one case analysis, one individual written analysis, one in-class written exam, and class participation and contribution. The in-class exam is closed-book, and closed-notes and will consist of one comprehensive question. Grades are based on the following "absolute" scale (i.e., there will not be any "curving").

	<u>Points</u>	<u>Date</u>
Case analysis	100	
Individual written analysis	100	7/24/2006 (Due)
ACID TEST (In-class written exam)	100	8/7/2006
Class participation and contribution	100	

TOTAL	400	

A > 359; A- > 346; B+ > 333; B > 320; B- > 306; C+ > 293; C > 280; C- > 266; F < 267.

CASE ANALYSIS FOR CLASS DISCUSSIONS

Each student, on the first day of class (June 26th, 2006), is to select a case for written analysis (for sessions 2 through 5). The written analysis is due on the appropriate day of the case discussion in the class. Unless otherwise instructed, the individual should take on the role of a manager who has been assigned to review the issue(s) of concern or interest to the firm. The written analysis is his/her report and recommendations on that/those issue(s). The issues have been presented in the schedule of sessions section in this memorandum of understanding. Much of the grade beyond a "passing score" depends on the student's ability to go beyond the "average" solution/answer and provide innovative perspectives, approaches, or solutions. If you need to make assumptions to accomplish this, feel free to do so and appropriately incorporate them in your written analysis. Discuss the issues in detail.

The professor will facilitate the discussion for each of the cases. The case analyzers for the day will be called upon to present their arguments. The case analyzers may wish to come prepared with transparencies in substantiating their position. The rest of the class is to take on the role of the top management/implementation team (in the organization) which has made this assignment and wants to ensure that the recommended decisions are thoroughly evaluated, if necessary, modified, and implemented. This means that those of you who have not formally analyzed the case in writing are expected to have read the case in enough detail to be able to participate, meaningfully, in the discussion. This will, of course, entail extensive discussions of the recommendations.

Students should work on this written analysis on an individual basis (not in groups). Individuals should neither seek nor receive help from friends and family in completing this written analysis. The written analysis should be typed, and double-spaced on 8.5" by 11" paper. No minimum or maximum length is specified, although the written analysis should not typically exceed 15 pages in length. Individuals are requested to refrain from repeating the details provided in the case (just to fill up space) in their written analysis. That is, individuals are requested to cover the topics thoroughly, but efficiently. Do not add verbiage for the sake of length. Feel free to include diagrams, or other types of illustrations in your written analysis. Oversized charts or drawings should be folded to the 8.5 " by 11" format. In preparing the written analysis, write from an objective view, in third person. Do not use the words "I", "We", or "You". Use subheadings to correspond with specific issues posed for the individual case. It should be noted that appropriate credit will be given to those individuals who are in a position to integrate their analysis with readings presented outside the case. The written analysis will be graded on organization, thoroughness, insight of analysis, and written communication skill.

The individual written analysis is to be submitted at the beginning of the class period on the day of the case discussion. Late submissions will not be accepted. Each student should attest that "I HAVE ABIDED BY THE ACADEMIC HONOR POLICY ON THIS ASSIGNMENT" on the cover page of the individual written analysis. The cover page should also include name of the student, title of the assignment, and course name and number.

INDIVIDUAL WRITTEN ANALYSIS

The individual written analysis should be based a “live” organization. Before the following issues are addressed, please provide a general description of the organization (a brief history, organization chart, etc.). Then the following should be included as a part of the analysis:

- 1) Describe the organization along with the corporate and business unit objectives.
- 2) Elaborate on the market characteristics and the marketing strategy of the organization.
- 3) Present the firm's order winners and qualifiers.
- 4) Conduct a product profiling exercise on a selected plant/facility of the organization.
- 5) Detail out the operations strategy (including the structure/choice of process and the infrastructure) at the organization.
- 6) Discuss the main features of the enterprise-wide resource planning (ERP) system of the organization. If an ERP system is not being used by the organization, discuss the main features of the operations planning and control system being used by the organization.
- 7) Evaluate whether the design of the enterprise-wide resource planning system fit the firm's order winners and qualifiers. If an ERP system is not being used by the organization, evaluate whether the design of the operations planning and control systems fit the firm's order winners and qualifiers. In addition, if an ERP system is not being currently used by the organization, discuss whether the firm should consider implementing an ERP system, and if so, what should be the primary issues that need to be considered in the design of the ERP system.
- 8) Discuss the main features of the organization's performance measurement system. Some of the issues that need to be covered are: What are the performance measures? Who uses them? Why are they used? Also, evaluate the performance measures in terms of the order winners and qualifiers.
- 9) Evaluate the overall operations strategy of the organization using the global operations strategy framework.

If the above is not feasible, then the following issues, based on the cases titled Aztec Holdings, Inc. and Peterson Carton Services, should be submitted as an individual written analysis:

- 1) Present the corporate objectives of Aztec Holdings, Inc. and Peterson Carton Services.
- 2) Differentiate the market characteristics and the marketing strategy at the two companies.
- 3) Describe the orders winners and qualifiers for each firm in its respective market place.
- 4) Conduct a product profiling exercise on Aztec Holdings, Inc. and Peterson Carton Services.
- 5) Elaborate on the operations strategy (including structure and infrastructure) at the two companies.
- 6) Discuss the main features of the operations planning and control system at Aztec Holdings, Inc. and Peterson Carton Services.
- 7) In what ways (and for what reasons) do the design of the operations planning and control systems differ at each firm? In what ways are they similar? Could the two firms consider instituting enterprise-wide resource planning systems? If so, if so, what should be the primary issues that need to be considered in the design of the ERP systems for each organization. For the last two parts of this question, please consider that the cases exist as of the current day.
- 8) Evaluate the two firms in terms of how the performance measurement systems (based on the information being collected) differ in terms of the order winners and qualifiers.
- 9) Evaluate the overall operations strategies at each of the two organizations using the global operations strategy framework.

Students should work on this written analysis on an individual basis (not in groups). Individuals should neither seek nor receive help from friends and family in completing this written analysis. The written analysis should be typed, and double-spaced on 8.5" by 11" paper. No minimum or maximum length is specified, although the written analysis for all the issues should not exceed 20 pages. Individuals are requested to cover the topics thoroughly, but efficiently. Do not add verbiage for the sake of length. Feel free to include diagrams, films, photos, sketches, or other types of illustrations in your written analysis. Oversized charts or drawings should be folded to the 8.5" by 11" format. In preparing the written analysis, write from an objective view, in third person. Do not use the words "I", "We", or "You". Use subheadings to correspond with specific issues. It should be noted that appropriate credit would be given for those individuals who are in a position to integrate their analysis with readings presented in the course. The written analysis will be graded on organization, thoroughness, insight of analysis, and written communication skill.

The individual written analysis is to be submitted at the beginning of the class period on July 24th, 2006. Late submissions will not be accepted. Each student should attest that "I HAVE ABIDED BY THE ACADEMIC HONOR POLICY ON THIS ASSIGNMENT" on the cover page of the individual written analysis. The cover page should also include the name of the student, title of the assignment, and course name and number.

CLASS PARTICIPATION AND CONTRIBUTION

Each student should be prepared for an insightful discussion of all aspects of the material assigned for each class session, be it text/supplementary material and/or cases. Students should be prepared to answer questions and raise issues when called upon to do so in the class. Students will be evaluated at each session on the quality (not quantity) of their participation/contribution. Class contribution/participation points will be accumulated based on how perceptively a student analyzes the situation being studied, the usefulness of the observations and suggestions made by the student, the depth of a student's understanding, and the student's ability to put across ideas with clarity and conviction. Class attendance alone will not directly count towards the points to be accumulated

through class participation/contribution. However, poor attendance will dramatically reflect in a student's participation/contribution grade. That is, a student cannot participate/contribute if absent from the class. As a further consideration, material obtained from class discussions could be used for answering question(s) on the in-class written exam. Class contribution will be assessed on how insightful and integrative the comments are. A note on how to prepare for cases is given as an attachment to this memorandum of understanding.

ACID TEST (IN CLASS WRITTEN EXAM)

The in-class written exam will be held on August 7th, 2006 (6:00 p.m. to 9:30 p.m.). This exam, popularly called the **ACID** Test (**ACID** is an acronym for **A**nalysis and **A**pplication, **C**ontent and **C**onceptualization, **I**ntegration and **I**mplementation, and **D**ecision making and **D**iscrimination), will be a “live”/interactive/guest speaker presentation/final examination on the global operations strategy at Qualicaps, Inc.

A note on the “live” case (viz., Qualicaps, Inc.) will be handed out to the students on July 31st, 2006. At 6:00 p.m. on August 7th, 2006 a comprehensive (essay) question (or a set of questions) on that case will be given to the students. Then the guest speaker(s) will present for about twenty (20) minutes. The next forty (40) minutes will be devoted to a question/answer session. Students should refrain from asking any questions while the speaker(s) is/are making the presentation. Each student is restricted to one question during the question/answer period. Students can have a “second helping” of questions only after each student has taken the opportunity to ask at least once. The guest speaker(s) will leave the class room at 7:00 p.m. Then the students can begin writing the answer(s) to the final exam question(s) so as to finish by 9:30 p.m. The in-class written exam is closed book and closed notes. The only items to be brought to the final exam are the note on Qualicaps, Inc., blank sheets of paper for writing the answer(s), and a calculator. Students may choose to type the answers on a lap top computer or using one of the computers (if the labs are open at that time) in the Bryan School.

RE-EXAMINATION POLICY

As a rule, re-examinations will not be held. Absence from the in-class written examination due to illness, summons to jury duty, or any other compelling reason should be backed by the appropriate documents (e.g., medical certificate, etc.) in order to qualify for a re-examination. If possible, meet/talk with the professor before missing the examination to discuss the circumstances.

PEDAGOGIC APPROACH

Lecture presentations, video films, discussions with guest speakers, and case analyses will be used. The “lecture” sessions will rely on the socratic method to the extent possible. Each student should be prepared to discuss the assigned readings/cases for each class session. The assigned questions given in the memorandum of understanding (MU) are only for the purposes of developing your thoughts on the subject. They are not representative of the type of question(s) that can be expected on the exam. The list of questions/issues is not an exhaustive one. The MU provides a general plan for the course; deviations may be necessary.

WITHDRAWAL

The last date to withdraw and receive a “W” without academic penalty is July 18th, 2006 (Tuesday).

COGNITIVE COURSE OBJECTIVES

Upon completing the course, the student should be able to:

- (1) Understand the reasons for the economic decline of firms, in general.
- (2) Identify and differentiate strategic decisions from tactical decisions in operations management.
- (3) Understand the causal relationships between the basic performance criteria.
- (4) For a given service or manufacturing organization, differentiate between alternate methods of securing a competitive advantage through operations.
- (5) Relate the compatibility between operations strategy, business unit strategy, and corporate strategy to firm performance.
- (6) Select appropriate production/operations systems for different types of product mixes (i.e., high volume standardized products vs. low volume specialty products).
- (7) Elaborate on the role of technology in strategic management of the operations function.
- (8) Understand the role of good product design as a strategic weapon.
- (9) Develop "product profiles" for both manufacturing and service organizations.
- (10) Provide a detailed account of how "focused" operations are achieved.
- (11) Elaborate on the strategic implications of "vertical integration", horizontal integration, and information technology in the value chain.
- (12) Understand the role played by enterprise-wide resource planning (ERP) systems in enhancing global operations.
- (13) Evaluate the operations strategy of an organization.
- (14) Acquire a thorough understanding of the inter-relationships between the strategic role of operations function and other functional areas (such as marketing, finance, etc.) in order to effectively lead in a multi-functional task force in building a global organization.

BIOGRAPHIC SKETCH OF FACULTY MEMBER

Vidyaranya B. Gargeya has been recently promoted to the rank of Professor in the Department of Information Systems and Operations Management in the Joseph M. Bryan School of Business and Economics at The University of North Carolina at Greensboro. He currently teaches in the undergraduate, graduate, and executive programs. He holds a bachelor's degree in Chemical Engineering from Andhra University, Visakhapatnam (India), a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore, and a Ph.D. in Business Administration from Georgia State University. He has considerable work experience as an engineer, and manager in the petroleum industry. Dr. Gargeya has taught at the University of Strathclyde (Glasgow, Scotland), Fachhochschule-Ludwigshafen (Germany), University of Hartford, Georgia State University, and the Jamnalal Bajaj Institute of Management Studies, University of Bombay (India). His teaching and research interests include Operations Management, Global Operations Strategy, Total Quality Management, Supply Chain Management, Information Technology for Operations Management, and Service Operations Management. He has published in journals such as *Journal of Operations Management*, *International Journal of Production Research*, *Technovation*, *Transportation Research Part E*, *Business Process Management Journal*, *The Journal of the Textile Institute*, *Computers & Industrial Engineering*, *Industrial Management & Data Systems*, *Omega*, *International Journal of Quality and Reliability Management*, *Case Research Journal*, etc. Dr. Gargeya serves on the Board of Examiners of the Malcolm Baldrige National Quality Award as well as the Board of Examiners of the North Carolina Awards for Excellence and he has also consulted with Fortune 500 companies.

SCHEDULE OF SESSIONS

SESSION #	DATE	TOPICS AND ASSIGNMENTS
1	6/26	<p>READ THE MEMORANDUM OF UNDERSTANDING (MU) THOROUGHLY BY THIS DATE</p> <p>BE PREPARED! INTERNATIONAL COMPETITION AND OPERATIONS STRATEGY Chapter 1 (International Comparisons). Video Films: GM Plant Closings (8 minutes), and Japanese Cars: Really Better? (8 minutes).</p> <p>BE PREPARED! Parable: A Tale of Two Countries (attached to this MU).</p> <p>BE PREPARED! 1) Identify the two countries described in "A tale of two countries". Substantiate your response with detailed explanations. 2) Making use of the facts presented in the video films, identify the primary causes for the GM plant closings and the success of the Japanese manufacturers.</p> <p>BE PREPARED! 3) Understand the role of operations strategy in the competitiveness of firms. Elaborate on how it is tied to effectiveness, efficiency, productivity, and profitability. 4) Making use of the Journey to Excellence, illustrate how the different measures of performance impact the overall profitability of the firm.</p> <p>BE PREPARED! THE FRAMEWORK OF GLOBAL OPERATIONS STRATEGY Chapter 2 (Developing a Manufacturing Strategy --- Principles and Concepts). BE PREPARED! Chapter 3 (Order Winners and Qualifiers). BE PREPARED! Case: Euro Disney: The First 100 Days.</p> <p>BE PREPARED! 1) Using the "Euro Disney: The First 100 Days" case, be prepared to detail the following: a) Draw up a time table of the major events described in the case study. b) What went wrong and why? Be as specific as possible.</p> <p>BE PREPARED! 2) Describe the framework developed in linking operations strategy, marketing strategy, and order winning criteria/qualifiers, in meeting corporate objectives.</p> <p>BE PREPARED! 3) Differentiate between corporate, business unit, and operations strategies.</p>

SESSION #	DATE	TOPICS AND ASSIGNMENTS
2	7/10	<p>ENTERPRISE-WIDE RESOURCE PLANNING SYSTEMS IN GLOBAL OPERATIONS STRATEGY</p> <p>Article: Eatman, J. L. and Gargeya, V. B. (2002). Operations control: Merging global operations via an ERP system. Paper presented at the 15th World Congress of the International Federation of Automatic Control held in Barcelona, Spain, July 21-26, 2002 and published in the proceedings.</p> <p>Article: Gargeya, V. B. and Salam, A. F. (2001). E-business and supply chain management in a high growth environment. <i>Proceedings of the 2001 E&R Foundation Summer Academic/Practitioner Workshop</i>: 56-63.</p> <ol style="list-style-type: none"> 1) Discuss the salient features of the Enterprise-wide Resource Planning (ERP) systems for global operations at VF Corporation, Inc. and the role of ERP systems at COMPTECH. 2) Discuss the features of Enterprise-wide Resource Planning Systems in global operations. Elaborate on the functionality of vendor information in light of order winners and qualifiers. <p>PRODUCT AND PROCESS DESIGN AND PRODUCT PROFILING</p> <p>Chapter 4 (Developing a Manufacturing Strategy --- Methodology).</p> <p>Chapter 5 (Process Choice).</p> <p>Chapter 6 (Product Profiling).</p> <p>Video Film: Motorola, Inc. (9 minutes).</p> <p>Case: Industrie Pininfarina: the Customer Decision.</p> <ol style="list-style-type: none"> 1) Using the "Industrie Pininfarina: the Customer Decision" case, discuss in detail the following: <ol style="list-style-type: none"> a) As Renato Brandi, what are your recommendations regarding manufacturing Mitsubishi Pajero in Europe? Describe in detail how you would go about implementing your recommendations? Substantiate your discussion with detailed explanations. b) Elaborate on how the Brandi's recommendations fit in with the overall global operations strategy of Industrie Pininfarina. Substantiate with detailed explanations. 2) Using the facts presented in the video film, describe how Motorola is gaining by implementing the new approach to product design. 3) "Mass customization is an oxymoron". Do you agree with this statement? Substantiate your response with an explanation. 3) Profile the different types of processes in terms of products and markets, manufacturing, investment and cost, and infrastructure. 4) Discuss the concept of product profiling. 5) Elaborate how product profiling aids in the process of developing a global operations strategy.

SESSION #	DATE	TOPICS AND ASSIGNMENTS
3	7/17	<p>FOCUSED OPERATIONS</p> <p>Chapter 7 (Focused Manufacturing --- Principles and Concepts).</p> <p>Chapter 8 (Focused Manufacturing --- Methodology).</p> <p>Video Film: Hewlett Packard (7 minutes).</p> <p>Reading: Clark, G., Johnston, R., and Shulver, M. (2000). Exploiting the Service Concept for Service Design and Development. In J. A. Fitzsimmons and M. J. Fitzsimmons (Eds.) <i>New Service Development</i> (pp. 71-91). Thousand Oaks, CA: Sage Publications. Inc.</p> <p>Article: Hill, T. J., Menda, R., and Diltz, D. M. (1998). Using product profiling to illustrate manufacturing-marketing misalignment. <i>Interfaces</i>, 28: 47-63.</p> <p>Article: Hill, T. J., and Duke-Woolley, R. M. G. (1993). Progression or regression in facilities focus. <i>Strategic Management Journal</i>, 4: 109-121.</p> <p>Case: Submarino.com: The Challenges of B2C Commerce in Latin America.</p> <ol style="list-style-type: none"> 1) Based on the " Submarino.com: The Challenges of B2C Commerce in Latin America" case, be prepared to discuss the following issues: <ol style="list-style-type: none"> a) Assess the situation at Submarino.com from a global operations strategy standpoint. b) As Antonio Bonchristiano, how and where would you focus your efforts to ensure the company would meet its targets? Elaborate in as much detail as possible as the investors would dig deep to find the answers to all the questions. 2) Describe the concepts of focused operations and Plant-Within-a-Plant (PWP). 3) "Mass customization could lead to regression in facilities focus". Comment on this statement. 4) Discuss the implications of product life cycles to focused operations. 5) Using the facts presented in the video film, outline how Hewlett Packard has used its frontier team to improve the organization's ability to compete. 6) What is product profiling and what are its strategic implications?

SESSION #	DATE	TOPICS AND ASSIGNMENTS
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4	7/24	<p>SUBMISSION OF INDIVIDUAL WRITTEN ANALYSIS</p> <p>SUPPLY CHAIN MANAGEMENT AND OPERATIONS INFRASTRUCTURE Chapter 9 (Make or Buy and Managing the Supply Chain). Chapter 10 (Manufacturing Infrastructure Development). Article: Gargeya, V. B., Birdwell, J., and Martin, R. (2001). Challenges in managing the global supply chain in the apparel industry. <i>Forum Empresarial</i>, 6(2): 23-45. Video Film: Regal Marine: Supply Chain Management (10 minutes). Case: Electrosteel Castings Limited.</p> <ol style="list-style-type: none"> 1) Based on the "Electrosteel Castings Limited" case, be prepared to discuss the following issues: <ol style="list-style-type: none"> a) Evaluate the global expansion options of Electrosteel Castings Limited. b) As Anil Das, what is your recommendation for going forward? How would you implement your plan? Substantiate your responses with detailed explanations. 2) Using the facts presented in the video film titled "Regal Marine: Supply Chain Management", discuss how supply chain management relates to operations strategy. 3) Differentiate between vertical integration and horizontal integration. 4) Discuss the advantages and disadvantages of vertical integration. 5) Describe the challenges faced by the U.S. apparel industry in building a global supply chain.

SESSION #	DATE	TOPICS AND ASSIGNMENTS
5	7/31	<p>MEASUREMENT, QUALITY, AND SERVICE OPERATIONS STRATEGY Chapter 11 (Accounting, Finance, and Manufacturing Strategy). Video Films: FedEx (12 minutes and 8 minutes). Case: Journey to Excellence: The Ritz-Carlton Hotel, Sydney, Australia.</p> <ol style="list-style-type: none"> 1) Discuss financial and non-financial performance measurement in the context of global operations strategy. 2) Using the facts presented in the video films, discuss how Federal Express/ FedEx has built a competitive global operations strategy during the 25 years. How has Federal Express used quality, measurement, and technology to design a superior service/process and gain an advantage on its competition? 3) Based on the "Journey to Excellence: The Ritz-Carlton Hotel, Sydney, Australia" case, be prepared to discuss the following issues: <ol style="list-style-type: none"> a) Assess the situation from an operations strategy standpoint. b) What lessons can one learn from the Ritz-Carlton quality programs? What are the elements that can be generalized of Ritz's program? Is it for everyone? Discuss in detail. <p>GLOBAL OPERATIONS STRATEGY IN ACTION Article: Gargeya, V. B. and Warner, J. (2000). Weaving Competitive Priorities into the Supply Chain Strategy: The Case of a Textile Manufacturer. Paper presented at the Annual Meeting of the Decision Sciences Institute, Orlando, FL, November, 2000.</p> <ol style="list-style-type: none"> 1) Discuss how BGF industries wove the competitive priorities into its supply chain strategy. 2) Based on your general readings (newspapers and magazines) describe one organization where the framework of global operations strategy is being applied.
6	8/7	<p>IN-CLASS WRITTEN EXAM (ACID TEST)</p> <p>GLOBAL OPERATIONS STRATEGY AT QUALICAPS, INC. Guest Speaker: Mr. Herb Hugill Chief Executive Officer Qualicaps, Inc.</p>

STUDYING AND LEARNING FROM CASES*

The cases featured in this course are representative of real-world problems that managers in different organizations have to face and resolve. Although designed principally for use in classroom discussions, many of these cases can offer valuable insights to the individual reader.

The comments that follow are directed primarily at participants in courses and seminars who have been assigned one or more of these cases to prepare for subsequent class discussion. Unlike methods of instruction that use lectures and textbooks, the case method of instruction does not present students with a body of tried and true knowledge about how to be a successful manager. Instead, it provides an opportunity for students to learn by doing.

As a student, you may find that dealing with cases is very much like working with the actual problems that people encounter in their jobs as managers. In most instances, you'll be identifying and clarifying problems facing the management of a company or non-business organization, analyzing qualitative information and quantitative data, evaluating alternative courses of action, and then making decisions about what strategy to pursue for the future. You may enjoy the process more—and will probably learn more—if you accept the role of an involved participant rather than that of a disinterested observer who has no stake, or interest, in resolving the problems in question.

The goal of case analysis is not to develop a set of “correct” facts but to learn to reason well with available data. Cases mirror the uncertainty of the real-world managerial environment in that the information they present is often imprecise and ambiguous. You may perhaps be frustrated that there is no one right answer or correct solution to any given case. Instead, there may be a number of feasible strategies management might adopt, each with somewhat different implications for the future of the organization, and each involving different trade-offs.

In this course, you'll be exposed to a wide range of different management situations within a relatively short time. As a result, the cases presented in this course will collectively provide a much broader exposure to global operations strategy issues than most managers experience in many years on the job.

CASES AND THE REAL WORLD

Recognizing that managerial problems are not unique to a particular institution (or even to a specific industry) forms a basis for developing a professional approach to management.

It's important to recognize that even though case writers try to build realism into their cases, these cases differ from real-world management situations in several important respects. First, the information is prepackaged in written form. By contrast, managers accumulate their information through memoranda, meetings, chance conversations, research studies, observations, news reports, and other externally published materials—and, of course, by rumor.

Second, cases tend to be selective in their reporting because most of them are designed with specific teaching objectives in mind. Each must fit a relatively short class period and focus attention on a defined category of management problem within a given subject area. To provide such a focus—and to keep the length and complexity of the case within reasonable bounds—the writers may need to omit information on problems, data, or personnel that are peripheral to the central issue in the case.

***Adapted from Christopher H. Lovelock and Charles B. Weinberg. (1988 and 1991).**

In the real world, management problems are usually dynamic in nature. They call for some immediate action, with future analysis and major decisions being delayed until some later time. Managers are rarely able to wrap up their problems, put them away, and go on to the next “case.” In contrast, discussing a case in class or writing an analysis of a case is more like examining a snapshot taken at a particular point in time—although sometimes a sequel case provides a sense of continuity and poses the need for future decisions within the same organization.

A third, and final, contrast between case analyses and real-world management is that participants in case discussions and authors of written case reports aren’t responsible for implementing their decisions, nor do they have to live with the consequences. However, this doesn’t mean you can be frivolous when making recommendations. Professors and students are likely to be critical of contributions that aren’t based on careful analysis and interpretation of the facts.

PREPARING A CASE

Just as there is no one right solution to a case, there is also no single correct way of preparing a case. However, the broad guidelines outlined in “Preparing a Case” may help familiarize you with the job of case preparation. With practice, you should be able to establish a working style with which you feel comfortable. The guidelines on initial analysis and on developing recommendations should also serve you well for preparing written case reports or case-based exams.

First, it’s important to gain a feel for the overall situation by skimming quickly through the case. Ask yourself:

- What sort of organization does the case concern?
- What problems does management appear to be facing?

Preparing a Case: A Brief Outline

- I. Initial fast reading
 - * No notes
 - * Get a feel for what’s going on
 - * Think about major problems and forces present
 - II. A second careful reading
 - * Make notes identifying:
 - Organizational objectives
 - Nature of problem(s)
 - Key facts
 - Key decisions
 - * Evaluate and analyze case data
 - III. Development of specific issues
 - Identify alternative courses of action to meet objectives
 - Consider implications of each action
 - Provide recommendations, supported by analysis
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An initial fast reading, without making notes or underlining, should provide a sense for what is going on and what information is being presented for analysis. Then you'll be ready to make a very careful second reading of the case. This time, seek to identify key facts so that you can develop a situation analysis and clarify the nature of the problems facing management. As you go along, try to make notes in response to such questions as:

- What decisions need to be made, and who will be responsible for making them?
- What are the objectives of the organization itself and of each of the key players in the case? Are these objectives compatible? If not, can the problem be reconciled, or will it be necessary to redefine the objectives?
- What resources and constraints are present that may help or hinder attempts by the organization to meet its objectives?

You should make a particular effort to establish the significance of any quantitative data presented in the text of the case or, more often, in the exhibits. See if new insights may be gained by combining and manipulating data presented in different parts of the case. But don't accept the data blindly. In the cases, as in real life, not all information is equally reliable or equally relevant. On the other hand, case writers won't deliberately misrepresent data or facts to trick you.

Developing courses of action on specific issues

At this point in the analysis, you should be in a position to summarize your evaluation of the situation and to develop some recommendations for management. First, identify the alternative courses of action that the organization might have. Next, consider the implications of each alternative, including possible undesirable outcomes, such as provoking responses from stronger competitors. Ask yourself how short-term tactics fit with longer-term strategies. Relate each alternative to the objectives of the organization (as defined or implied in the case, or as redefined by you). Then, develop a set of recommendations for future action, making sure that these recommendations are supported by your analysis of the case data. Specific issues to be considered for each case are provided under the appropriate class session in the "schedule of sessions" section in the memorandum of understanding.

Your recommendations won't be complete unless you give some thought to how the proposed strategy should be implemented:

- * What resources—human, financial, or other—will be required?
- * Who should be responsible for implementation?
- * What time frame should be established for the various actions proposed?
- * How should subsequent performance be measured?

CLASS DISCUSSION

Courses taught by the case method emphasize inductive learning, with conceptual frameworks and strategic guidelines developed from the analysis of a variety of real-world situations. This approach contrasts sharply with the deductive approach to learning used in lectures where the concepts are presented first and must then be applied to actual situations.

Role of the Professor

In class, you may find that the role played by a professor using the case method usually differs significantly from that of a lecturer. The professor's role in case discussions is often similar to that of a moderator—calling on students, guiding the discussion, asking questions, and periodically synthesizing previous comments. Teaching styles vary, of course, from one case professor to another.

Many professors like to begin the class by asking a student to “lay out” the case, which may involve your being asked to identify key problems and opportunities, to present some preliminary data analysis, and perhaps to outline a possible plan of action.

Some professors, as in the current course, assign study questions in advance to help students with their case preparation; but others feel it is more realistic (albeit more demanding) to let students define for themselves how they should approach each new case.

Responsibilities of Participants

Instead of being a passive note-taker, as in lecture classes, you'll be expected to become and active participant in class discussions. Indeed, it's essential that you participate, for if nobody participates, there can be no discussion! If you never join in the debate, you'll be denying other participants the insights that you may have to offer. Moreover, there's significant learning involved in presenting your own analysis and recommendations and debating them with your classmates—who may hold differing views or else seek to build on your presentation. But don't be so eager to participate that you ignore what others have to say. Learning to be a good listener is also an important element in developing managerial skills.

Occasionally, it may happen that you are personally familiar with the organization depicted in a case. Perhaps you are privy to additional information not contained in the case, or perhaps you know what has happened since the time of the case decision point. If so, keep this information to yourself unless, and until, the professor requests it. (This advice also holds true for written reports and case exams.) There are no prizes for 20/20 hindsight; injecting extra information that nobody else has is more likely to spoil a class discussion than to enhance it.

Learning comes through discussion and controversy. In the case method of instruction, participants must assume responsibility not only for their own learning but also for that of others in the class. Thus, it's important for students to be well prepared, willing to commit themselves to a well-reasoned set of analyses and recommendations, and receptive to constructive criticism. Students unwilling to accept this challenge are likely to find the case method aimless and confusing. On the other hand, if you do accept it, you'll experience in the classroom that sense of excitement, challenge, and even, exasperation that comes with being a manager in the real-world situation.

A TALE OF TWO COUNTRIES[@]

There once was an economic power that dominated the world's industrial production. This country was the world's leading manufacturer and its predominant exporter of goods. Much of its success was based on its basic research, its ability to invent, and its unparalleled technological leadership. A time came, however, when it began to decline relative to its international competitors and was challenged by another country whose ships, filled with new products, arrived with increasing frequency.

Several decades earlier, the two nations had been engaged in a bitter war, but they had become allies. Some time after the war, the upstart country focused on its manufacturing prowess, eventually gaining renown for its new and unique production processes that turned out goods of high quality.

At first the dominant country had no fear of its lowly ally, which focused only on low-end products with small profit margins. It was not known for its quality, and all its products were basically limitations; inventiveness or creativity was not its strong suit. But the upstart country kept plugging away, improving its manufacturing processes, quality, exports, and market share in a number of industries.

As the number of industries in which the upstart country challenged the dominant one grew, people began to examine how and why this was happening. Articles were written, reports were commissioned and books were published to explain the new and powerful manufacturing process of the upstart country and to recommend how it could best be emulated. Many factors were identified to explain its success, including:

- A focused, orderly, and systematic manufacturing process that depended on the combination of highly skilled workers, automated machinery, and a new way for moving materials and goods through the factory.
- Strong and continual gains in productivity and quality, thanks to the involvement of workers in improving the process.
- Highly skilled and well-educated workers who maintained clean work environments and had high marks for attendance.
- Continual, incremental technological innovations.
- A high level of cooperation among national competitors, which helped the rapid diffusion of process innovations.
- A high degree of reliance on subcontractors for innovations and production skills.
- A strong education system.
- A culture that was unique and relatively homogeneous.

Thoughtful individuals in the dominant country warned of dire consequences if the nation as a whole did not change its ways and rise to the challenge. But the nation's business leaders did not know quite how to respond. As the upstart country continued its march toward larger and larger market share, fears arose that it would eventually overwhelm its bigger ally and the rest of the world with its exports, putting domestic firms and even entire industries out of business. The dominant country was faced with the prospect of losing the economic superiority it had held for so long. Time appeared to be running out.

[@] Pine II, B.J. (1993). *Mass customization: The new frontier in business competition*. Boston, MA: Harvard Business School Press.