***Question 1***

***(This question deals with managing Operation Plans)***

*An* ***operational plan*** *describes short-term ways of achieving milestones and explains how, or which portion of, a strategic plan will be put into operation during a given operational period. The objectives in the operational plans guide the decisions and actions undertaken by the people within workgroups and teams. They help managers, supervisors and team leaders make decisions and choose appropriate actions to support the organisation's overall objectives and guidelines. Effective operational plans should include contingency plans for guidance in response to any unexpected events or variations.*

The value of planning is highlighted in the proverb, ‘Failing to plan is planning to fail’ and the Confucius quote, ‘When it is obvious that the goals cannot be reached, don't adjust the goals, adjust the action steps.’

**ASK YOURSELF:** What is the value of operational planning to a manager? What are the benefits for the team? Why should managers adjust the action steps rather than the goals?

An unknown author wrote, ‘In absence of clearly defined goals, we become strangely loyal to performing daily acts of trivia’. This highlights the importance of planning. Managers work with others to plan, organise, implement, monitor and control their operational plans in accordance with their organisation's systems and procedures.

**ASK YOURSELF:** What distinguishes good operational plans from poor operational plans? How can managers ensure their team does not become loyal to performing daily acts of trivia? What are the likely consequences of inadequate communication of operational tasks?

**UNDERPINNING KNOWLEDGE**

Your manager is on long service leave and you are acting manager. You have delegated a task to a newly appointed team member who has experience in another organisation.

ASK YOURSELF: How would you delegate the task? What level of monitoring would you apply?

Explain how managers can ensure their operational plans reflect the vision, values and objectives in the organisation's strategic plan.

Create a list of the features that are characteristic of effective operational plans.

Decide how managers measure successful implementation of objectives. Give examples.

What are the benefits of conducting risk assessments and preparing contingency plans.

**Choose a current process or task in your study or work area.**

Prepare a plan that identifies the objectives, actions, KPIs, responsible person and due date in the format shown in Table 8.11.

Table 8.11 > Plan to achieve objective for area of operation

|  |  |
| --- | --- |
| Objective |  |
| Action(s) |  |
| Key performance indicator(s) |  |
| Responsibility and date due |  |

Prepare a contingency plan to correct any risks or likely problems.

How does a work breakdown objective help to plan resource use?

List the components in safe work method statement

EXPLORING THE WEB

1. **Visit the ‘Free Management Library Operations Management’ page at** [**http://managementhelp.org/ops\_mgnt/ops\_mgnt.htm**](http://managementhelp.org/ops_mgnt/ops_mgnt.htm)

**a)** Select a topic of your choice from the sections of the operations management topic and follow the links to further information.

**b)** What specific types of information did you find on operations management? How might this information be used by a manager?

**2** **Review the following chapter-related websites to learn more about developing, managing and implementing operational plans.**

**a)** ‘business-plans-guide.com’ at [**http://www.business-plans-guide.com/operational-plan.html**](http://www.business-plans-guide.com/operational-plan.html)

has some useful advice about what an operational plan should cover.

**b)** ‘About.com Management’ at [**http://management.about.com/cs/generalmanagement/a/keyperfindic.htm**](http://management.about.com/cs/generalmanagement/a/keyperfindic.htm)

explains why key performance indicators must reflect the organisational goals and be quantifiable.

**c)** ‘Work Breakdown Structure (WBS)’ at [**http://www.hyperthot.com/pm\_wbs.htm**](http://www.hyperthot.com/pm_wbs.htm)

gives examples and advice about how to prepare a work breakdown structure. View the free video

CASE STUDY 1: CAFE ONE

1. **What areas of the business operations need improvement and how could improvement be achieved?**

**2** **Apart from sales, what are the other operational goals of Cafe One that could be set and measured in different areas of operations?**

**3** **How can technology assist in improving the operations of Cafe One?**

**4** **What other general tasks could be undertaken that would assist in improving business operations at Cafe One?**

CASE STUDY 2: PACKING BAGS PTY LTD

**1** **What are the major operational problems faced by Packing Bags Pty Ltd?**

**2** **What additional information would be required before making any decisions on improving Packing Bags performance?**

**3** **List the stakeholders and their expectations from Packing Bags Pty Ltd.**

**Question 2**

**(this question deals with customer service)**

Research shows that it costs about five times more to gain a new customer as it does to keep an existing one.

Customer service starts from the top and filters down. The organisation that wants its customer service to be the best needs to focus on customer service implementation, strategies and customer relationship management (CRM) technologies. Management buy-in is essential.

**ASK YOURSELF:** How do you define a good customer experience, a neutral customer experience and a bad customer experience?

Jim Shaffer (2008) comments: ‘… we should be examining the business functions from the customer's perspective—if you are a customer-driven organisation, everything you do, every expense you make, and every process you nurture should ultimately be to better meet customer requirements’.

**ASK YOURSELF:** How does your organisation collect the voice of the customer? How does your organisation use the data collected? Is your organisation customer driven? Give reasons and examples that support your answer.

As you monitor the quality of customer service, use customer service satisfaction measures as well as customer complaints. Measures of customer satisfaction include repeat business, number of referrals and positive feedback.

**ASK YOURSELF:** How does your organisation measure customer satisfaction? What measures of customer satisfaction do you apply to your service delivery? Give concrete examples. How do you use the feedback gathered from the customer?

Apply your knowledge

**a)** **If you had just 10 words with which to describe why people should buy your organisation's products or services what would you say?**

**b)** **Explain why every manager, supervisor and team leader should ensure their team knows the organisation's USP and hears the voice of the customer.**

**c)** **Explain the difference between a product driven and customer service driven organisation.**

**d)** **Compare service perception measures and performance measures.**

**Referring to the ‘Good Practice’ feature on page 296.**

**a)** **How much more does it cost to gain a new customer than to keep an existing one?**

**b)** **Why must staff be committed to a customer-orientated culture?**

**c)** **What are the costs of not training staff?**

**d)** **What key areas of performance does Parcelforce measure?**

**Outline three strategies used by managers who view customer service problems as opportunities for improvement.**

**Discuss strategies managers can use to include customer service staff in setting and improving standards of service.**

EXPLORING THE WEB

**1** **View the ‘ACT Government Shared Services Customer Service Standard’ at http://www.sharedservices.act.gov.au/docs/Customer\_Service\_Standard.pdf.**

**a)** What are the lines of business undertaken by Shared Services?

**b)** What are the responsibilities of Shared Services to their customers?

**c)** What are the responsibilities of Shared Services’ customers?

**d)** How can customers lodge a complaint?

**e)** How can customers contact Shared Services?

**2** **Learn more about a customer orientated culture by visiting ‘Gulf News’ at http://www.gulfnews.com/Business/Comment\_and\_Analysis/10185730.html.**

**a)** What are five components for putting a customer-orientated culture in place?

**b)** Why is understanding how your customer interacts important?

**c)** How does implementing a great customer service strategy and building a customer-oriented culture comes down to choice?

CASE STUDY 1: ATTENTION TO DETAIL

Questions

**1** **There are three external customers that Ryan needs to consider. Who are they? Who is the most important?**

**2** **What action should Ryan take to make sure this kind of mistake doesn't happen in future?**

**3** **What should Ryan say to each customer regarding this error?**

CASE STUDY 2: THE OUTBACK CAMPING STORE

Questions

**1** **What other ways could the Outback Camping Store use to determine customer needs?**

**2** **What would be the next step the Outback Camping Store could take to consolidate their position?**

**3** **List the criteria that you think the Outback Camping Store should use when seeking to recruit new staff.**

**Question 3**

**(this question deals with Management Strategies and Skills)**

The key benefits organisations gain from application of the eight quality management principles are detailed on The International Organization for Standardization site:

<http://www.iso.org/iso/qmp_2012.pdf>

The AS/NZS ISO 9001:2008 Standard identifies the six-phase process approach to the implementation of a quality management system (QMS):

*assess the present state of management system*

*plan the implementation transition*

*implement the plan*

*assess and review*

*consolidate and improve*

*external assessment.*

**ASK YOURSELF:** How would you assess the present state of your organisation's QMS? Who would you involve in the planning stage? What would you ask the organisation's leadership to do in the implementation stage? How would you ensure a process approach to implementation?

Knowledge of continual improvement models and quality systems enable managers, supervisors and team leaders to implement practices that support quality and continual improvement.

**ASK YOURSELF:** What does continual improvement mean to you? What are some of the things you might do as a team leader to gain the confidence and trust of others? What form of communication do you prefer your team leader to use when reviewing quality outcomes?

When considering whom to benchmark against, it should be noted that the benchmark target(s) should be performing at least as well as your organisation, preferably better.

**ASK YOURSELF:** How would you identify the target(s) to benchmark against? Consider both internal and external options. Who would you involve in the benchmarking process?

Assume you have responsibility for implementing the interventions to solve the problems of:

1. abnormally high patient numbers

2. insufficient medical staff scheduled.

**ASK YOURSELF:** What options do you have to implement a solution? Who are the stakeholders you would involve? How would you involve the emergency department?

(Relate this to your own examples if possible)

**Apply Your Knowledge**

***Kaizen*** is a Japanese term meaning ‘change’ **(*Kai***) to become good **(*zen*).** The philosophy supports a continuous process of small improvements within an organisation.

1. *Kaizen* results in improved quality. *Kaizen* can improve productivity which can humanise the workplace by eliminating overly difficult work.

a) Make a list of the outcomes you would expect from *kaizen*. As well as items such as waste reduction, include soft issues such as improvements in worker motivation.

b) Evaluate *kaizen* by considering whether small improvements can really make a difference. Draw a table listing advantages and disadvantages of *kaizen* to an organisation.

c) ‘Outside experts can help get *kaizen* started but direct involvement by internal management is critical to the success of *kaizen* ’. Discuss this statement and consider the extent of management involvement (if any).

2 In small groups discuss, document and present to the class thoughts on this assertion.

‘Introducing quality management into a failing company will bring immediate positive results.’

3 The world is moving at a fast pace and it could be considered that change needs to be made on a large scale rather than via small incremental improvements. Discuss this thought and think about continual improvement versus re-engineering.

4 a) List the functions carried out by managers in continual improvement projects.

b) How are these functions successfully achieved?

c) Develop a checklist that managers, supervisors or team leaders can use to facilitate continuous improvement and manage innovation.

5 a) Brainstorm to create a list of the likely advantages for organisations that place particular emphasis on the development of systems and the analysis of information to monitor and adjust performance strategies, and to manage opportunities for further improvements.

b) Discuss the benefits that organisations gain from the implementation of a formal quality system.

CASE STUDY 1: SECURE YOUR MONEY

Questions

1 There are many areas of this business that need improvement. What steps do you think should occur to improve:

a) debt collection process

b) process around the recruitment of staff including incentive structure.

Draw flowcharts and clearly document the areas of each process that require improvement.

2 The service quality provided to clients, referring to accounts for collection, is poor.

a) Define service quality for this business.

b) Explain how service quality can be improved.

c) Suggest ways on how information on service quality can be gathered.

d) Explain how service quality can be measured.

3 Use the Deming cycle to structure an action plan to improve this business.

4 How can a quality management system be used by this business? Refer to the eight AS/NZS ISO 9001:2008 quality principles that underpin an effective quality management system.

CASE STUDY 2: MANAGING QUALITY

Questions

1 What are the issues faced by Freeway Motel and why have no standards been set?

2 How would you analyse the quality issues faced by Freeway Motel? List and explain how different quality tools can be used to analyse the problems.

3 Create an Ishikawa fishbone diagram to analyse the problems and suggest ways to provide a defect free delivery of goods and services at Freeway Motel at the lowest possible cost.

4 Use Pareto analysis to find the major problem areas that need immediate attention.

**EXPLORING THE WEB**

**1** **Learn more about quality management systems by reading the ‘International Organization for Standardization’ website:** [**http://www.iso.org/iso/iso\_catalogue/management\_standards/understand\_the\_basics.htm**](http://www.iso.org/iso/iso_catalogue/management_standards/understand_the_basics.htm)**.**

**a)** What is the operating principle of ISO's management system standards? Explain the principle.

**b)** Enter the quality management principles related information site and prepare a précis of the key benefits organisations gain from application of the eight quality management principles.

**2** **The five phases of the DMAIC enables a continual improvement team to move in a logical ordered manner from defining a problem to implementing possible solutions. Learn about the steps required within each phase of DMAIC at the ‘Six Sigma’ website:** [**http://www.isixsigma.com/library/content/c020617a.asp**](http://www.isixsigma.com/library/content/c020617a.asp)

**a)** What would be the best practices to ensure the DMAIC works properly?

**b)** What can the team do to ensure that best practice solutions stay in place?

A few lean tools to assist:

**SIPOC**

[**http://www.isixsigma.com/tools-templates/sipoc-copis/sipoc-diagram/**](http://www.isixsigma.com/tools-templates/sipoc-copis/sipoc-diagram/)

**Value Stream Mapping**

[**http://www.isixsigma.com/dictionary/value-stream-mapping/**](http://www.isixsigma.com/dictionary/value-stream-mapping/)

**Five why’s**

[**http://www.mindtools.com/pages/article/newTMC\_5W.htm**](http://www.mindtools.com/pages/article/newTMC_5W.htm)

**Five S**

[**http://elseinc.com/5S-Principles.html**](http://elseinc.com/5S-Principles.html)

**DMAIC**

[**http://www.tech-faq.com/dmaic.html**](http://www.tech-faq.com/dmaic.html)

**DMADV**

[**http://www.tech-faq.com/dmadv.html**](http://www.tech-faq.com/dmadv.html)

**Question 4**

**(manage and promote a save and healthy workplace)**

Duty of Care

Section 19 of the Occupational Health, Safety and Welfare Act 1986 (SA) places a duty of care on employers to ensure that an employee is, whilst at work, safe from injury and risks to health and provides that an employer must provide and maintain:

* a safe working environment;
* safe systems of work;
* plant and substances in a safe condition.

<http://www.safework.sa.gov.au/show_page.jsp?id=2729>

Not only must managers, supervisors, team leaders and staff fulfil their duty of care on behalf of the organisation but they must also be able to prove the duty was fulfilled.

**ASK YOURSELF:** What legal obligations do you have to ensure the health and safety of yourself and others at work? What are the consequences of breaching your duty-of-care obligations? What legal obligations does your employer have?

Typical hazards identified in safety inspections include stored materials and trip hazards in walkways; inadequate lighting, obstacles and slippery treads on stairs; combustible waste and scrap; insufficient and overflowing bins; inadequate guards and strike hazards on equipment; worn and torn furniture; inadequate lighting and unsafe fittings and switches.

**ASK YOURSELF:** In your workplace do you have an OHS committee or OHS representative? How do you communicate concerns about hazards to them? What advantages does an organisation gain by having OHS workplace representatives? How do the members of your work group participate in the management of health and safety in the workplace? Why is it important for all employees to cooperate with management in managing OHS?

The benefits of better OHS management are fewer work-related injuries and illness, increased safety awareness, a systematic approach to identifying and controlling OHS risks and improved employee participation, satisfaction and morale.

**ASK YOURSELF:** How does OHS information sharing and communication benefit you at work? How does it benefit managers, supervisors and team leaders? How does it benefit the organisation?

A simple way to begin looking for hazards can be to divide your workplace into common groupings, such as tasks (driving, transferring valuables and filling ATMs); locations (office, in traffic, client sites and ATMs); and roles (driver, cash escort and cash carrier).

**ASK YOURSELF:** What groupings can you divide your workplace into? What are the hazards in each of those groupings? What options do you have to minimise or eliminate the hazards?

In your role as a manager, supervisor or team leader you have noticed some of your team members refusing to wear protective hearing devices when working in close proximity to very noisy equipment. The damage caused by loud noise while not always obvious may result in long-term health effects. You know you must make it clear to your team that OHS legislation places responsibility on them to ensure a safe and healthy workplace. Not wearing Personal Protective Equipment (PPE) is a breach.

**ASK YOURSELF:** What options do you have to gain their cooperation and compliance with the OHS requirement to wear PPE?

The basis of any consultative process is information. The effectiveness of consultation and participation depends on the quality of information about hazards, workplace OHS statistics, incidents or illness, policies and programs and its availability.

**ASK YOURSELF:** How does consultation benefit you? What are the consultation procedures in your organisation? Write one recommendation you could make to improve consultation in your workplace. Describe how your recommendation could be implemented.

EXPLORING THE WEB

1. **Learn more about OHS workplace consultative arrangements by visiting the ‘Comcare’ site at** [**http://www.comcare.gov.au/safety\_\_and\_\_prevention/managing\_OHS/workplace\_consultative\_arrangements**](http://www.comcare.gov.au/safety__and__prevention/managing_OHS/workplace_consultative_arrangements)

**a)** Briefly explain the required health and safety arrangements.

**b)** What is the composition and purpose of designated work groups (DWGs)?

**c)** What do health and safety representatives do?

**d)** What is the composition and purpose of a health and safety committee?

**e)** What actions are required of health and safety representatives in an emergency? (View Part 3 Workplace Arrangement of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*, Act No. 30 of 1991 as amended at **http://www.comlaw.gov.au/comlaw/Legislation/ActCompilation1.nsf/framelodgmentattachments**

**2** **Learn more about the work of WorkCover authorities by visiting the ‘WorkCover South Australia’ site at** [**http://www.workcover.com/Home/Aboutus.aspx**](http://www.workcover.com/Home/Aboutus.aspx) **and viewing their strategic plan.**

**a)** What is WorkCover South Australia's vision?

**b)** What are WorkCover South Australia's key areas of performance?

**c)** What are WorkCover South Australia's strategic priorities?

**d)** What are the behaviours valued by WorkCover South Australia?

**e)** Describe how WorkCover South Australia adds value for the South Australian community.

Visit the WorkCover or relevant OHS authority's homepage for the State or Territory in which you work. On the site find the publications section and search for information on one of the following:

<http://www.safework.sa.gov.au/show_page.jsp?id=2263>

• manual handling

• hazardous substances

• hazardous processes

• workplace injury management

• working environment

• OHS responsibilities.

b) Why is it important for those who have responsibilities for OHS to visit sites such as these regularly?

**Question 5**

**(manage risk)**

**ASK YOURSELF:** What is the tolerance for risk of your organisation or an organisation of your choice? How confident are you that your organisation knows the likelihood and consequences of the opportunities and threats it faces over the next 12 months. Give reasons for your answers

**ASK YOURSELF:** How are the risks identified in your workplace?

**ASK YOURSELF:** What would you colleagues say about your approach to managing workplace risk?

**ASK YOURSELF:** What are the risk factors in your workplace?

**ASK YOURSELF:** How would you work with stakeholders to prioritise the risks?

**Define the term** “risk”.

**ASK YOURSELF:** How do successful risk managers operate?

**ASK YOURSELF:** What does effective risk management do?

Create a list of the features of an effective risk management program

Discuss the following quote. “In all types of undertaking, there is the potential for events and consequences that constitute opportunities for benefit (upside) or threats (downside). Risk management is concerned with both positive and negative aspects of risk”.

**Apply your Knowledge**

Prepare a SWOT analysis for a current situation in your workplace or elsewhere. (Refer to page 458 for the format of a SWOT). Pay particular attention to your threats and weaknesses because this is where you will identify any uncertainties and risks.

|  |  |
| --- | --- |
| Strengths: | Weaknesses: |
| Opportunities: | Threats: |

For one of the risks identified in your SWOT analysis identify possible actions to minimise the risk.

Develop a register of possible exposure to risks in your current workplace. You may consider workplace relations, commercial and legal relationships, changes in economy, human behaviour, natural events, political circumstances, technological issues, management activities and controls, fraud and theft, innovation, refinancing or any others that are relevant to your workplace.

Assume your supervisor has instructed you prepare a briefing paper entitled “The purpose of risk management” for the next team meeting. Prepare the briefing paper (approximately 250 words).

Think about two people who have, in your opinions, been successful risk managers.

Discuss the behaviours that made these people successful risk managers

Create a job specification for a risk manager for any work team of your choice, including a statement of duties and desired qualities and qualifications.

Top of Form

Bottom of Form

Analyse the approach to risk management of any organisation of your choice.

Detail your analysis in a short report to the organisation’s manager of operations.

Present conclusions about your insights on the influence of the organisation’s culture on its approach to risk.

Analyse your workplace’s approach to the treatment of risk.

Identify at least one way to improve your workplace’s approach to risk treatment.

“The risk management framework should not prescribe a management system, but rather assist the organisation to integrate risk management into its overall managements system”. Discuss this statement.

Identify three advantages, to an organisation, on integrating risk management with the overall management system.

Discuss the likely problems when CEOs and senior managers only pay lip-service to risk management.

**Exploring the Web**

1. (a) Read the article ‘your risk management process – A practical and effective approach’ at:

<http://risk-management.bestmanagementarticles.com/a-15216-your-risk-management-process--a-practical-and-effective-approach.aspx>

(b) Analyse a risk in your workplace by carrying out the steps discussed in the article.

(c) Why should the risks be narrowed down to the most important?

1. View the swot analysis at:

<http://www.businessballs.com/swotanalysisfreetemplate.htm> to gather more information about identifying strengths, weaknesses, opportunities and threats.

Use the template to analyse your workplace, note if you have previously completed this above transfer the details.