INSTRUCTOR: Greg Magnan, Ph.D.  (gmagnan@seattleu.edu) [e-mail is best]
   Pigott 420 / phone: 206.296.6466

CLASS TIME:  12:45 – 15:45 Monday [Seattle campus … extended 20 mins per session]

OFFICE HRS:  11:00 – 12:00 M, 16:15 – 17:15 W (BEL; some online), 16:45 – 17:45 T, and appt.

MATERIALS:      
(1) CoursePack [ https://cb.hbsp.harvard.edu/cbmp/access/32264488 ] (required)
(3) Articles/readings linked in syllabus to SU digital holdings in Lemieux Library

Course Description

BRMB 5235 is designed to help students understand how the operations function—in both service and manufacturing industries—works with other functions to support the business strategy and add value to an organization by: providing superior products and services to its customers, improving the competitive positioning of the company, and supporting financial objectives.

When customers place orders for products or services, the order is eventually routed to the firm’s operations function for production and delivery. Operations is one of the last functional areas to touch the product or service before it reaches the customer. Therefore, characteristics of the transaction—having the right product or service, at the right price, in the correct quantity, delivered on time, at the correct quality level, and to the right location—affect how the customer perceives the entire company and brand.

Operations is the function with the greatest proportion of company assets and labor. As leaders are increasingly being evaluated on the value created by their firms, a well-run operations group can deliver significant returns through intelligent use of assets. The firm’s assets are used to transform purchased inputs into value-added goods and services at prices desired by customers and margins desired by leadership. In many firms, 40 - 70% of incoming dollars flow directly to suppliers, and the supply chain area (i.e., supply management) often has responsibility for managing the sourcing of goods and services. The ability of the operations function to efficiently manage the transformation process can deliver value to the company. Its effectiveness at managing the process can keep customers coming back.

Learning Goals & Teaching Methods

This class will incorporate a collection of lectures, cases, readings, simulations, and articles from academic and business periodicals to promote operations and cross-functional learning. In-class and online discussions are a major component of learning in this course as the experiences of class members help to teach us all. Learning objectives for BRMB 514 include:

- Identify and articulate ways in which a firm’s operations supports its business strategy
- Develop awareness of the systems-view of links between operations and other functions
- Demonstrate ways in which the operations function affects sustainability and responsibility
- Enhance critical thinking skills
- Improve written, verbal, and visual communication ability, including digital literacy

**Course Requirements**

As is the case in most service encounters, your perceived quality of this course is largely a function of the involvement of you, the student/customer. To that end, the bulk of responsibility for learning is **yours**—keeping current with the reading and participating in case and class discussions are critical to a successful course for all.

**I. OPERATIONS STRATEGY ANALYSIS (20%):** The operations strategy analysis (OSA) project provides an opportunity to assess the relationship between decisions in operations and the firm’s value proposition to its customers. Sub-deliverables include a project plan (5%), a digital presentation (85%), a thank-you letter and executive summary (10%), and a peer evaluation.

Students will form teams of about four (4) people and each team will arrange a visit to a local manufacturing or service company for a tour of their operations. Each team will analyze the practices and policies the firm employs within the operations function (i.e., their decisions) and evaluate how well they support the business strategy and value proposition. Decision areas for evaluation can include the layout/process flow, process technology, the use of quality tools, materials flow, planning systems, the role of inventory in the supply chain, people, environmental issues, etc. (note that these parallel the topics discussed in the course.) **Addressing the firm’s business strategy/competitive environment (e.g., priorities, customers, strategy) and how they are supported by firm’s operations, as well as a short set of recommendations, is required.**

The focus in this analysis is to identify how well the elements of operations support the firm’s business strategy. This analysis should include recommendations to improve the alignment between business strategy and operations.

Presentations will be graded on content (analysis of operations support/fit with business strategy) and process elements (e.g., organization, clarity, level of interest), as well as presentation effectiveness. A scoring rubric will be posted on Canvas.

Teams must also submit a copy of a **1-to-2 page written executive summary** of the analysis—which must also be sent to the target company—and a copy of the **thank-you letter.** The purpose of the executive summary is to provide the company the observations and recommendations from a team of sharp MBAs, your gift for their time and access. Teams are responsible for sending the executive summary and letter to the host companies.

Each team must select the firm they will visit and make all necessary arrangements. Please notify the instructor of your team’s choice ASAP so that duplications can be avoided. Keep in mind that, in addition to the larger local companies, there are numerous smaller firms that can be visited. Depending on the industry, companies with less than 15 employees should be avoided as the demarcation between functions and/or processes is often too blurred for proper analysis (Note: in general, wineries and breweries should be avoided as well—in my experience they do not make for interesting OSA projects).

Finally, please recognize that your role is **NOT** to prepare a marketing presentation of the merits of the firm you visit. Instead, your role is one of an **analyst of the operations strategy** of the target firm. **Determining recommendations based on the analysis is required.**

As part of this project, each team must submit a brief **project plan.** which includes a description, goals, milestones, work breakdown structure, and a responsibility assignment matrix. The project plan is due no
later than February 2, 2014.

At the end of the course, fellow team members will evaluate the contributions and efforts of students to their teams and individual OSA scores may be affected by the results.

2. **EXAMS (30%)**: The midterm (15%) and final exam (15%) will be “take-home” and are comprised of multiple-choice questions and short essay questions. The midterm is due February 9, 2014 and the final is due March 20, 2014. Exams will be posted on Canvas approximately two weeks prior to due dates.

3. **“THE GOAL” or RESEARCH REPORT (8%)**: There are two options for this requirement—you can report on the book *The Goal*, or a research report on a topic relating to the course. A scoring rubric for *The Goal* will be posted on Canvas. The write-up should be about 1,000 words and is due March 9, 2014. It should include:
   - Your opinion of what “the goal” is and a brief description of Goldratt’s measures (T, OE, and I) (~250 words or less)
   - Identify and briefly describe what you feel are the three most important steps Alex’s team took to improve the plant. Identify how the steps affect T, I, and OE (~250 words or less)
   - Finally, discuss how the concepts of the book might be applied in your firm, division, department, or group. Identify the goal, how you would measure T, I, and OE in your example, and the primary constraints faced. (~500 words or more).

4. **SUSTAINABILITY in OPERATIONS PAGE (8%)**: Each student will read a company’s most recent citizenship / social responsibility report and write about the primary social and environmental initiatives—as they relate to the firm’s operations—underway in the company and the relevant performance outcomes of these initiatives (if they are available). As a foil to the company’s self-reported information, spend some time researching what other organizations (e.g., NGOs) have to say about the company’s activities, checking to see if they are engaged in potentially harmful activities not mentioned in their report. Comment on these issues (or the lack of them), being sure to cite their sources. The Wikispaces page (see Canvas assignment) should be about 750 words and is due by March 2, 2014. A scoring rubric will be posted on Canvas.

5. **CLASS PARTICIPATION (10%)**: Participation, both in class and online, is required. The quantity of quality contributions to discussions in class AND on Canvas will be evaluated. Please be courteous of others at all times and cognizant of limited discussion bandwidth. Some of the criteria used to evaluate effective class participation for grading purposes include:
   - Is the participant a good listener?
   - Are points made relevant to the current discussion? Are they linked to the comments of others?
   - Is there willingness to participate? Is there willingness to test new ideas or are comments "safe"?
   - Do comments clarify and highlight the important aspects of earlier ideas and lead to a clearer statement of the relevant concepts and ideas?

6. **CAPSIM REFLECTION (8%)**: Upon completing the Capsim simulation, your reflections on the challenges faced, decisions made, and lessons learned will be submitted via paper or web posting and is due by March 20, 2014.

7. **SERVICESCAPE OBSERVATION (8%)**: Task is to visit a café and observe the servicescape, including physical setting, employees, and customers. Should be posted by February 21, 2014.
8. **QUALITY MANAGEMENT / VOICETHREAD COMMENTS (8%)**: Details forthcoming. Your post is due by **January 31, 2014**.

**Grading**

A straight grading scale will be used to determine final grades (A = 95-100, A- = 90-94, B+ = 87-89, B = 83-86, B- = 80-82, C+ = 79-77, etc.) Course requirements are assigned the following weights:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Operations Strategy Analysis</td>
<td>20%</td>
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<tr>
<td>Midterm exam</td>
<td>15%</td>
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<tr>
<td>Final exam</td>
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<tr>
<td>Class participation</td>
<td>10%</td>
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<tr>
<td>The Goal Report</td>
<td>8%</td>
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<td>Sustainability in OPS</td>
<td>8%</td>
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<td>Servicescape Observation</td>
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<td>Quality Mgt / VoiceThread</td>
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<tr>
<td>Capsim reflections</td>
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**Online / Technology**

We will be using a variety of Web 2.0 technologies to support our blended learning this quarter. As the tools are located within the Canvas system, none of the information posted by the class will available to the general public. As some of the activities require your audio or video comments, a computer headset or microphone is recommended, although your laptop mic and camera should work.

**More on Operations & Supply Chain**

Operations management (OM) generally refers to the management of processes that efficiently and effectively transform resources into goods (e.g., airplanes, ultrasound equipment, furniture) and services (e.g., health care, rented cars, education) desired by customers. These goods and services have characteristics that distinguish them in the marketplace, such as high quality, low cost, high customization or rapid delivery. In most instances, the operations area dramatically influences how well a firm meets the expectations of customers, and therefore can significantly affect overall company performance, from both a top- and bottom-line perspective. For many companies, a subset of the inputs (e.g., energy, people) and outputs (e.g., wastes, emissions) now place the operations function squarely in the center of company efforts to increase sustainability. Supply Chain Management (SCM)

O&SCM are collectively an extremely broad discipline, so we will be covering multiple topics in this course, including:

- operations strategy
- system & process design
- quality management
- product & service design
- responsibility / sustainability
- inventory management
- supply chain management
- facility layout
- lean / continuous improvement
- cross-functional relationships

Perhaps the most important contribution of the operations function is that of increasing a firm’s competitiveness through superior customer satisfaction, whether the customer is the next process (internal customer) or the end user (external customer). Managing the above issues across the globe increases the complexity as separations in both time and space complicate the efficient movement of goods and effective communication between organizations.

Successful companies demonstrate that world-class performance is achieved through cross-functional approaches. During this course, we will emphasize the integration between operations and other
disciplines, including finance (e.g., evaluating operations investment decisions), marketing/sales (e.g., providing customers what they want when they want it), and management (e.g., how people and processes are managed.) We will explore ways in which the functions of accounting (e.g., measuring “efficiency” and inventory) and engineering (e.g., how products interact with processes and the environment) affect the operations system.

Given the broad nature of operations management and that all organizations in the world offer a product or service (and therefore have “operations”), there are many opportunities to highlight the manner in which operations management interfaces with other functions and disciplines. Examples from student experiences and current employers will contribute to our understanding of what OM is and how firms are working to improve their operations.

A final objective is to introduce students to the tools and techniques of operations and supply chain, many of which apply to all functions of a business (as well as the processes within those functions.) As firms seek to identify and improve core processes, the operations toolbox associated with improving quality, time/speed, and productivity can (and should) be applied to all facets of an organization. This same toolbox can also be used to improve the firm’s ecological footprint, use of scarce resources, and sustainability performance. Staffing levels, capacity, facility layout and location, process flow analysis, quality improvement, and cycle time reduction are examples of topics in which the analytical tools can be applied to other functional areas.

University Policies

Academic Resources

- Library and Learning Commons (http://www.seattleu.edu/learningcommons/)
  (This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)

Academic Policies are on the Registrar website: (https://www.seattleu.edu/registrar/academics/performance/)

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy

Notice for students concerning Disabilities:

If you have, or think you may have, a disability (including an ‘invisible disability’ such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process.
# TENTATIVE COURSE SCHEDULE
BRMB 5235 (Seattle), Winter 2015 (v1.0)

<table>
<thead>
<tr>
<th># / Date</th>
<th>Date</th>
<th>Topics</th>
<th>Articles / Cases / Videos</th>
<th>Due</th>
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<tbody>
<tr>
<td>1</td>
<td>Jan. 5</td>
<td>Introduction to Operations &amp; Supply Chain Management</td>
<td>Skim: <em>Manufacturing—the missing link in corporate strategy</em> (HBR, 1969)</td>
<td>Create Teams</td>
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<td>CASE: American Connector [HBSP Pack]</td>
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<td>VIDEO: “Manufacturing Processes” [link]</td>
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<td>3</td>
<td>Jan. 19</td>
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<td>MLK Day – no classes</td>
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<td>Fixing Health Care from the Inside, Today (HBR, 2005)</td>
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<td>Fixing Health Care on the Front Lines (HBR, 2010)</td>
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<td>The Checklist (New Yorker, 2007)</td>
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<td>VIDEOS: Quality in Health Care (links)</td>
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<td>5</td>
<td>Feb. 2</td>
<td>Inventory Management &amp; Supply Chain Management</td>
<td>“OMR: Managing Inventory” [HBP Pack]</td>
<td>Project Plans</td>
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<td>VIDEO: Inventory Overview videos (3) [Quiz]</td>
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<td>Running Inventory Like a Deere (SCQ, 2007)</td>
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<td>At Kraft, Cash is King (SCQ, 2010)</td>
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<td>6</td>
<td>Feb. 9</td>
<td>Service Operations: Processes &amp; Customer Experience</td>
<td>Health Care’s Service Fanatics (HBR, 2013)</td>
<td>Take-home Midterm due</td>
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<td>The Truth About Customer Experience (HBR, 2013)</td>
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<td>The Four Things Services Must Get Right (HBR, 2008)</td>
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<td>SKIM: <em>Service Blueprinting: A Practical Technique for Service Innovation</em> (CMR, 2008)</td>
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| 6 Feb. 16 | SERVICE OPERATIONS: CUSTOMERS & QUEUING SYSTEMS | **SKIM: Servicescapes: The Impact of Physical Surroundings on Customers and Employees** [in Canvas module]  
**Designing the Soft Side of Customer Service (SMR, 2010)**  
"OMR: Managing Queues" (HBP, 2013) [HBP Pack]  
Queues video/voiceover ([link](#)) | Servicescape Observation & Post (Wikispaces) |
| 7 Feb. 23 | Supply Chain Management | **Supply chain strategies: Which one hits the mark?** (SCQ, 2013)  
"OMR: Strategic Sourcing" [HBP Pack]  
"OMR: Supply Chain Management" [HBP Pack]  
"When One Size Does Not Fit All" (SMR, 2013)  
**Competing in the Age of Omnichannel Retailing (SMR, 2013)**  
VIDEO: Demand Planning / MRP | |
| 8 Mar. 2 | Sustainability & Responsibility | **The Sustainability Imperative (HBR, 2010)**  
**Don’t Tweak Your Supply Chain—Rethink it End to End (HBR, 2010)**  
Kuehn, “Sustainability a CFO can love,” HBR, 2014. [skim]  
VIDEO: Story of Stuff | SUST in OPS post due (Wikispaces) |
| 9 Mar. 9 | Lean Systems | Virginia Mason Medical Center [HBSP pack]  
**Beyond Toyota: Root out Waste and Pursue Perfection (HBR, 1996)**  
**Lean Knowledge Work (HBR, 2011)**  
**Problem Solving By Design (SMR, 2009) [Skim]**  
**Toyota’s Secret: The A3 Report (SMR, 2009) [Skim]** | The Goal report |
| 10 Mar. 16 | Presentations | Operations Strategy Assessment Presentations | |
| 11 Mar. 20 | Finals | Take-Home Final Exam  
Capsim Reflections | Take-home Final and Capsim Reflections due by 6:00PM on Mar. 20 |