

Operations Strategies And Change Management

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INTRODUCTION

According to Nigel Slack, Operations Management deals with the way organizations produce and deliver both goods and services by understanding the market and organizing both production and delivery. The core functions of operations strategies are marketing and sales, development of human resources, administration, and technology and store maintenance. Operations Management can contribute to the success of an organization by quality design, creating improvement, energetic planning and control. Operations Management reduces costs, increases productivity, reduces investment and enhances innovation. The strategy of operations relates to total business as an implementer, supporter and driver for the business strategy. It also deals with all the stakeholders and performs objectives, maintaining quality, speed, dependability, flexibility and cost effectiveness. It is inevitable to acknowledge that no company can survive long term without successfully emergent strategies catering towards the needs of the customers.

The present paper deals with various case studies, taking different organizations as cases, in respect of :

- a) Relationship with the customers
- b) Change Management
- c) Change Management Strategies

GLOBALCAST : RELATIONSHIP WITH CUSTOMERS AND ITS IMPACT ON THE COMPANY'S GROWTH

In any organization, Operations Strategy is nothing but changing inputs to outputs through a transforming process of resources according to the satisfaction of the customers. The products that are produced should be tangible, transportable and storable with quality suiting the needs of the customers. Different customers have different objectives and there will be a greater distinction between retail customers and corporate customers. However, let us summarize the customer relationship maintained at Globalcast.

1) An Overview Of Globalcast : Globalcast is a manufacturer of metal and plastic moulded components to every industry including automotive, consumer durables, telecommunication, computer, power tools, etc. with over 100 manufacturing units operating from every continent headed by a General Manager. The primary business is generated from existing customers for repeat business or new designs.

2) Relationship With Customers

a) Technical Advice To Customers : It is the practice of the company that a small technical sales team is stationed at each factory, who visits the customer and provides technical advice for the products.

b) Design Advice : Globalcast also provides design assistance to the customers and an exclusive advisor of the company suggests ways of simplifying the overall design, which would be cheaper for the customer.

c) Strategic And Regional Manufacturing Units To Cater To The Needs Of The Customers : The first major customers of Globalcast like - Hewlett-Packard, Dell, Ford, GM and Black and Décor - when these companies started their new factories in developing countries in view of rapidly developing economies, Globalcast encouraged the establishment of supply factories in the same regions, ideally on adjacent sites.

d) Procurement of Components From Other Competitors And Supplying To Customers : When most of the customers were in need of components of global standard designs from other competitors, Globalcast extended customer service by procuring the best products from other competitors and supplied them to their customers through their brand and service.

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e) Creating Demand For Value Added Components : Globalcast started adding value added components by providing alternative services to their customers and fulfilling their demands. It maintained delivery schedules and a stable relationship through affordable and quality supply of material to the customers.

f) Customer Relationship And Evaluation Of Customer Demands : Globalcast maintained a continuous relationship with all its customers from the beginning and developed a great network through different approaches. It has been the practice of Globalcast to deploy its technical teams for individual customers to be involved from the point of design, advising necessities, and promoting its own business. Thus, it focuses on building a strong relationship with its customers.

3) How Customer Relationships Impacted The Growth Of Globalcast's Business : By deploying technical advisory teams and also by providing design advice, the company's strategy is innovative as both the technical advice and design of the product will be suiting the existing products of Globalcast. It was easier for Globalcast to manufacture products as per the requirements of their customers within short spans of time at a cheaper price and the company became an approved supplier of their customers.

With the strategic installation of supplying units with the existing customers like HP, Dell, Ford, GM, etc., Globalcast not only expanded its business to other continents, but also continued as a prime and reliable supplier. Furthermore, it prevented the entry of new competitors. The company profited by maintaining the secrecy of its product value to customers. Globalcast, with its idea of procuring products like moulds, components, and spare parts made a greater profit as a middleman on the one hand, and successfully prevented other competitors to intrude into their domain of business. The major advantage of this strategy facilitated Globalcast to maintain the proprietorship of such moulds and parts as its own, and gained greater competitive advantage.

The strategy of customer evaluation and feedback, facilitated to understand the needs with changing technology and brought tremendous business growth through value added components to the customers. Thus, Globalcast promoted its business growth by maintaining a strong relationship with its existing customers and also by stretching to the potential and future customers.

ANALYSIS OF GLOBALCAST'S ABILITY TO FORESEE MAJOR CHANGES THAT WERE ABOUT TO OCCUR IN THE MARKET

There were three primary changes that took place in the market, and the company reacted positively to most of the needs. First was the change in the mindset and the strategic overseas business enhancement of its customers. When the companies started its new ventures, Globalcast remained as their preferred supplier, and it encouraged developing new market entry points by taking advantage of cheap labour, and infrastructure. The second change was about the demand of customers for certain components of global standard designs. It was a greater threat to Globalcast as it increased the bargaining capacity of customers and was likely to open floodgates to other competitors. However, Globalcast succeeded as a virtually approved supplier for any product and procured the required moulds and designs from other competitors and made a great profit.

The third significant innovation and demand of the customers was for value added equipment. Though it required extra investment for snapping together two parts, testing of assembled kits, storage space, and creating inventory of new products, Globalcast made a break - even to supply the products initially within twelve weeks. This step brought in ten times greater revenue with the moulds.

RECOMMENDATIONS

❖ Globalcast should realize that change is a social intervention, and it should focus on human relations. It appears that Globalcast recognized the need for change - now, the company needs to focus on developing human relations, recognizing and encouraging talent.

❖ Since Globalcast is operating in different continents, managing cultural change is another important strategy, and so is developing successful leaders who can understand different cultures and can cope with human resource challenges.

❖ The planning and control of Globalcast was not found to be prevalent. Similarly, the designs of their products as

well as the key performance areas of the employees also needs to be improved for its continued success.

- ❖ The supply chain management of Globalcast appears to be dependent on other competitors for certain global products, which may not be quality products. Therefore, Globalcast needs to focus on its own designs, moulds, manufacturing and services.
- ❖ Though the PEST and SWOT analyses of Globalcast do not suggest any danger to the firm, it has to prepare its future plans with innovation as well as farsightedness for its continuation in the business.
- ❖ Innovation and the development of human resources is of utmost importance for the success of organizations. Therefore, retention of talent through advancement of their career and development of their capabilities should be a primary area of focus for Globalcast.
- ❖ Technological changes and its entry into newer local markets, other than merely focusing on existing customers requires great insight, and thus, Globalcast needs to change its marketing strategies for its continuity in the future.
- ❖ Cost effectiveness and the trade secrets which have been adopted by Globalcast may be suitable for the time being and in the future, Globalcast would need to be transparent and consumer centric. Therefore, this strategy needs to be seized forthwith.
- ❖ Managing culture for success of organizations is of paramount importance. Globalcast need to focus on this issue. It can enter into M&As of local companies for its competitive advantage - both to prevent competitors and to promote its business in the long run.

SUCCEEDING WITH CHANGE

Tony Eccles (1994) stated, *"the pressure for change in an organization has to be countered with forces of inertia that will resist any significant displacement of the status quo."* Managing change is a complex issue and challenging too (Greinar L, 1972). Davis and Canter (1995) stressed the need to identify the change in job and organizations as social invention reflecting the culture, ideology, and the governing concepts of time. Various studies - Basil and Cook (1974), Moss Kanter (1989) Senge (1991) and Pedler et al. (1991) revealed that the social, political, scientific and technological changes are the sources of pressure in an organization, and there is a need to manage change with increased pressure on organizations caused with deregulation, changes in technology, foreign competition, modern human resources practices, and the scenario of the global village.

❖ Ryanair changed its strategy to compete with rivals in quality, comfort and ability by replacing its old flights with new flights with a policy of low fare, safer flights, and on time arrival, catering for the needs of 12 million passengers. Similarly, Kwik – Fit, the largest automobiles part repair and replacement firm, with a network of 8 million customers acknowledged that the customers make a distress purchase and are not interested in the breakdown of their vehicles and due to this, they may develop a strong suspicion against the company - that in its own interest, the company may recommend an expensive repair or replacement even when it is not necessary. Kwik – Fit summed up its performance objectives as per its code of practice and got it displayed with suggestions to customers as to how the maintenance costs can be reduced.

❖ **Need For Customer Comfort And Affordability** : The philosophy of IKEA in satisfying its customers was unique and remained sought after due to the furniture retailer's manner of organizing its products on display as per the needs of the customers. The excellent information system, approachability to both display and warehouse, creating environment, its unique system flat pack, and easy assembling facility of furniture developed customer comfort and affordability.

❖ **Transforming Resources And Processes** : In another example, Pret a Manger, who revolutionized the concept of sandwich making and eating, advocate that organizations should maintain quality for their products within affordable prices. The products of Pret are unique and fresh, and they do not use any preservatives and chemicals in their products. With regard to utilization of human resources, Pret uses its manpower for dual works, considers its employees as the soul of the organization, and offers opportunities for career advancement in recognition of an employee's talent. The customer feedback is evaluated and products are modified as per their patrons' needs. As a corporate social responsibility, Pret supplies unsold stocks of the day to charity homes.

❖ **Strategies Based On Future And Probable Competitors :** It is necessary to assess customer needs with a thought of the future and cost effectiveness as created by Boeing 777. On the demand of the customers, 25% of the space was widened in 676 Boeings to provide greater comfort to passengers and the organization also created a rear gallery with a seating capacity of 12 passengers. Though there are no competitors at present, Boeing made its design of flights with the forethought of competitors.

❖ **Maintaining Schedules :** In any of the strategies, the nature of planning and control always plays a vital role and the example of maintaining schedules, division of work among available resources as maintained in BMW dealership “Joanne” is a excellent case of success. The company manages its customers with a policy of same-day delivery, providing service cars to the customers who are leaving their cars at the workshop and the strategy of supply-chain management in maintaining the schedules also is a unique lesson.

The other important factors for succeeding with change can be said to be project management, inventory control, evaluation of capacity planning, supply chain planning and control and maintenance of quality.

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