

# Brief Contents

<b>part 1</b>	<b>Introduction</b>	<b>1</b>	<b>part 5</b>	<b>Inventory Management and Scheduling</b>	<b>481</b>
	<b>1</b> Introduction to Operations Management	<b>2</b>		<b>11</b> Inventory Management	<b>482</b>
	<b>2</b> Competitiveness, Strategy, and Productivity	<b>34</b>		<b>12</b> Aggregate Planning	<b>540</b>
<b>part 2</b>	<b>Forecasting</b>	<b>63</b>		<b>13</b> MRP and ERP	<b>574</b>
	<b>3</b> Forecasting	<b>64</b>		<b>14</b> JIT and Lean Operations	<b>616</b>
				Supplement to Chapter 14: Maintenance	<b>648</b>
<b>part 3</b>	<b>System Design</b>	<b>119</b>		<b>15</b> Scheduling	<b>654</b>
	<b>4</b> Product and Service Design	<b>120</b>			
	Supplement to Chapter 4: Reliability	<b>155</b>	<b>part 6</b>	<b>Supply Chain Management</b>	<b>691</b>
	<b>5</b> Strategic Capacity Planning for Products and Services	<b>168</b>		<b>16</b> Supply Chain Management	<b>692</b>
	Supplement to Chapter 5: Decision Theory	<b>195</b>	<b>part 7</b>	<b>Project Management</b>	<b>725</b>
	<b>6</b> Process Selection and Facility Layout	<b>216</b>		<b>17</b> Project Management	<b>726</b>
	Supplement to Chapter 6: Linear Programming	<b>265</b>	<b>part 8</b>	<b>Waiting Lines and Simulation</b>	<b>777</b>
	<b>7</b> Design of Work Systems	<b>296</b>		<b>18</b> Waiting Lines	<b>778</b>
	Supplement to Chapter 7: Learning Curves	<b>335</b>		Supplement to Chapter 18: Simulation	<b>814</b>
	<b>8</b> Location Planning and Analysis	<b>346</b>			
	Supplement to Chapter 8: The Transportation Model	<b>374</b>		<i>Appendix A: Answers to Selected Problems</i>	<b>836</b>
<b>part 4</b>	<b>Quality</b>	<b>379</b>		<i>Appendix B: Tables</i>	<b>850</b>
	<b>9</b> Management of Quality	<b>380</b>		<i>Index</i>	<b>858</b>
	<b>10</b> Quality Control	<b>430</b>			
	Supplement to Chapter 10: Acceptance Sampling	<b>470</b>			



# Contents

## part 1 Introduction 1

### 1 Introduction to Operations Management 2

- Introduction 4
- The Scope of Operations Management 8
- The Operations Manager and the Management Process 11
- Operations Management and Decision Making 12
- Why Study Operations Management? 16
- The Historical Evolution of Operations Management 18
- Trends in Business 21

**Readings:**

- Why Manufacturing Matters* 27
- The Challenges of Managing Services* 28

**Cases:**

- Hazel* 28
- Total Recall* 29

**Operations Tour:**

- Wegmans Food Markets*, 30

### 2 Competitiveness, Strategy, and Productivity 34

- Introduction 36
- Competitiveness 36
- Strategy 38
- Productivity 47

**Reading:**

- Why Productivity Matters* 50

**Reading:**

- Productivity Gains at Whirlpool* 55

**Cases:**

- An American Tragedy: How a Good Company Died* 56
- Home-Style Cookies* 57

*Hazel Revisited* 59

**Operations Tour:**

*The US Postal Service* 60

## part 2 Forecasting 63

### 3 Forecasting 64

- Introduction 66
- Features Common to All Forecasts 67
- Elements of a Good Forecast 67
- Steps in the Forecasting Process 68
- Approaches to Forecasting 68
- Forecasts Based on Judgment and Opinion 68
- Forecasts Based on Time Series Data 70
- Associative Forecasting Techniques 85
- Accuracy and Control of Forecasts 89
- Choosing a Forecasting Technique 96
- Using Forecast Information 96
- Computers in Forecasting 97

**Reading:**

*Gazing at the Crystal Ball* 98

**Case:**

*M&L Manufacturing* 118

## part 3 System Design 119

### 4 Product and Service Design 120

- Introduction 122
- Legal, Ethical, and Environmental Issues 124
- Other Issues in Product and Service Design 125

**Reading:**

*Do You Want Pickled Beets with That?* 131

- Phases in the Product Design and Development 132

**Readings:**

- Manager's Journal: When Customer Research Is a Lousy Idea* 134
- Vlasic on a Roll with Huge Pickle Slices* 135

- Designing for Manufacturing 137  
**Reading:**  
*Making It (Almost) New Again* 140
- Quality Function Deployment 142  
 The Kano Model 145  
 Service Design 146  
**Reading:**  
*Time-Based Innovation* 150
- Supplement to Chapter 4:**  
 Reliability 155
- 5 Strategic Capacity Planning for Products and Services 168**
- Introduction 169  
 Capacity Decisions Are Strategic 170  
 Defining and Measuring Capacity 171  
 Determinants of Effective Capacity 173  
 Strategy Formulation 174  
 Determining Capacity Requirements 175  
 Make or Buy 177  
 Developing Capacity Alternatives 178  
**Reading:**  
*Would You Like That Rare, Medium, or Vacuum-Packed?* 178
- The Challenges of Planning Service Capacity 183  
 Evaluating Alternatives 184  
**Operations Tour:**  
*High Acres Landfill* 194
- Supplement to Chapter 5:**  
 Decision Theory 195
- 6 Process Selection and Facility Layout 216**
- Introduction 217  
 Process Selection 218  
**Reading:**  
*Tour de Force* 224
- Facilities Layout 227  
**Reading:**  
*Designing Supermarkets* 235
- Designing Product Layouts: Line Balancing 236
- Designing Process Layouts 246  
**Operations Tour:**  
*Morton Salt* 262
- Supplement to Chapter 6:**  
 Linear Programming 265
- 7 Design of Work Systems 296**
- Introduction 297  
 Job Design 298  
**Reading:**  
*Workplace Upheavals Seem to Be Eroding Employees' Trust* 300
- Reading:**  
*Living with a Self-Directed Work Team* 303
- Reading:**  
*What Works to Cut CTD Risk, Improve Job Productivity?* 314
- Work Measurement 315  
 Compensation 326  
**Reading:**  
*Making Hotplates* 333
- Supplement to Chapter 7:**  
 Learning Curves 335
- 8 Location Planning and Analysis 346**
- The Need for Location Decisions 347  
 The Nature of Location Decisions 348  
 General Procedure for Making Location Decisions 349  
 Factors That Affect Location Decisions 349  
 Service and Retail Locations 355  
 Global Locations 358  
**Readings:**  
*Global Strategy: GM Is Building Plants in Developing Nations to Woo New Markets* 358  
*Not-So-Clear Choices: Should You Export, or Manufacture Overseas?* 360
- Evaluating Location Alternatives 362
- Supplement to Chapter 8:**  
 The Transportation Model 374



## part 4 Quality 379

### 9 Management of Quality 380

- Introduction 381
- The Evolution of Quality Management 381
- The Foundations of Modern Quality Management: The Gurus 382
- Insights on Quality Management 386
- Quality Awards 393
  - Reading:**
  - The Baldrige Core Values and Concepts* 393
- Quality Certification 396
- Total Quality Management 397
  - Readings:**
  - What Keeps Six Sigma Practitioners Up at Night* 401
  - Quality Programs Don't Guarantee Results* 403
- Problem Solving 403
- Process Improvement 406
- Quality Tools 407
  - Reading:**
  - Continuous Improvement on the Free-Throw Line* 412
  - Reading:**
  - Benchmarking Corporate Websites of Fortune 500 Companies* 418
  - Cases:**
  - Chick-n-Gravy Dinner Line* 424
  - Tip Top Markets* 424
  - Reading:**
  - Aesop on Quality Systems* 426

### 10 Quality Control 430

- Introduction 431
- Inspection 432
- Statistical Process Control 435
- Process Capability 451
  - Cases:**
  - Toys, Inc.* 466
  - Tiger Tools* 467
  - Operations Tour:**
  - In the Chips at Jays* 468

### Supplement to Chapter 10: Acceptance Sampling 470

## part 5 Inventory Management and Scheduling 481

### 11 Inventory Management 482

- Introduction 483
- The Nature and Importance of Inventories 484
- Requirements for Effective Inventory Management 486
  - Reading:**
  - Chip Tags Tell Stores What's Not on the Shelf* 488
- How Much to Order: Economic Order Quantity Models 492
- When to Reorder with EOQ Ordering 504
- How Much to Order: Fixed-Order-Interval Model 511
- The Single-Period Model 514
  - Cases:**
  - UPD Manufacturing* 532
  - Harvey Industries* 533
  - Grill Rite* 535
  - Operations Tours:**
  - Bruegger's Bagel Bakery* 536
  - PSC, Inc.* 537

### 12 Aggregate Planning 540

- Introduction 541
  - Reading:**
  - Duplicate Orders Can Lead to Excess Capacity* 544
- Basic Strategies for Meeting Uneven Demand 547
- Techniques for Aggregate Planning 550
- Aggregate Planning in Services 558
- Disaggregating the Aggregate Plan 559
- Master Scheduling 560
- The Master Scheduling Process 560
  - Case:**
  - Eight Glasses a Day (EGAD)* 572

**13 MRP and ERP 574**

- MRP 575
- An Overview of MRP 576
- MRP Inputs 577
- MRP Processing 581
- MRP Outputs 588
- Other Considerations 589
- MRP in Services 590
- Benefits and Requirements of MRP 591
- MRP II 591
- Capacity Requirements Planning 593
- ERP 595

**Readings:**

- The ABCs of ERP* 595
- [Condensed from] The Top 10 ERP Mistakes* 600

**Case:**

- DMD Enterprises* 611

**Operations Tour:**

- Stickley Furniture* 612

**14 JIT and Lean Operations 616**

- Introduction 618
- Readings:**
  - The Nuts and Bolts of Japan's Factories* 618
  - Romantic JIT and Pragmatic JIT* 620
- Supporting Goals 621
- Building Blocks 622
- Reading:**
  - Pedal Pushers* 627
- Reading:**
  - Developing the JIT Philosophy* 635
- Transitioning to a JIT System 638
- JIT in Services 639
- JIT II 641
- Reading:**
  - JIT II* 641
- Case:**
  - Level Operations* 645
- Operations Tour:**
  - Boeing* 646

**Supplement to Chapter 14:  
Maintenance 648****15 Scheduling 654**

- Scheduling Operations 656
- Scheduling in Low-Volume Systems 658
- Additional Service Considerations 676
- Reading:**
  - Servicing Passenger Planes* 677

**part 6 Supply Chain  
Management 691****16 Supply Chain Management 692**

- Introduction 693
- The Need for Supply Chain Management 695
- Benefits of Effective Supply Chain Management 696
- Elements of Supply Chain Management 696
- Logistics 697
- Reading:**
  - Rise of the 3PL* 701
- E-Commerce 702
- Creating an Effective Supply Chain 704
- Readings:**
  - E-Procurement at IBM* 704
  - CPFR* 706
  - Using Information to Speed Execution* 710
- Purchasing 713
- Supplier Management 717
- Operations Tour:**
  - Wegmans' Distribution System* 721

**part 7 Project Management 725****17 Project Management 726**

- Reading:**
  - The International Space Station Project (ISS)* 727
- Introduction 728
- Behavioral Aspects of Project Management 729

**Reading:**

*Project Managers Have Never Been More Critical* 732

Project Life Cycle 734

Work Breakdown Structure 734

Planning and Scheduling with Gantt Charts 736

PERT and CPM 736

Deterministic Time Estimates 739

A Computing Algorithm 740

Probabilistic Time Estimates 747

Determining Path Probabilities 750

Simulation 753

Time–Cost Trade-Offs: Crashing 753

Advantages of Using PERT and Potential Sources of Error 756

Technology for Managing Projects 757

Risk Management 758

**Cases:**

*The Case of the Mexican Crazy Quilt* 773

*Time, Please* 774

Managerial Implications of Waiting Lines 780

Goal of Waiting-Line Analysis 780

Characteristics of Waiting Lines 781

Measures of Waiting Line Performance 786

Queuing Models: Infinite-Source 786

Queuing Model: Finite-Source 799

Other Approaches 805

**Case:**

*Big Bank* 811

**Reading:**

*Stopped at a Light? Why Not Read This, You May Have Time* 811

**Supplement to Chapter 18:**

Simulation 814

*Appendix A: Answers to Selected Problems* 836

*Appendix B: Tables* 850

*Index* 858

## part 8 **Waiting Lines and Simulation** 777

### **18 Waiting Lines** 778

Why Is There Waiting? 780