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Key Concepts in Operations Management

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Introduction

Operations management may be considered, as a discipline, to be one of the orphans of the business world. It attracts, comparatively speaking, little interest either from graduates or from the press and public in general. Operations management extends beyond the area of manufacturing and includes the management of service industries, distribution, quality control and other disciplines.

In terms of world coverage, operations management only ever seems to attract the attention of the public when serious problems are encountered such as environment issues or the automation of systems, leading to mass unemployment in a given region. Yet the story of operations management is one of continuous change and quest for perfection. This quest has led operations management down several cul-de-sacs in the past, through a series of trends which have transformed the manufacturing and service industry base across the world, and continues to create systems and individuals who are determined to strive for perfect production methods.

Indeed, operations management was once known as 'production management', but it is now a far more all-embracing discipline that encompasses all of the areas already mentioned and many of those allied to these areas of business. From the extraction of raw materials, through their processing to finished goods, their storage and their distribution, to the complexities of service-based operations management, there are systems, processes, checks and controls to ensure quality and adherence to standards.

Operations management is not a discipline solely concerned with the maintenance of robotic systems which make, move and store products. It is a discipline deeply involved with innovation, quality, performance and, above all, those who design, run and maintain the systems of factories, call centres, distribution centres and a host of other organizations concerned with the discipline.

The structure of the glossary

Every attempt has been made to include all of the key concepts in this discipline, taking into account currently used terminology and jargon common throughout operations management in organizations around the world. There are notable differences in legislation and procedure when we compare production and manufacturing, warehousing and

storage, supply chains and distribution and the other subdivisions of the discipline in the United Kingdom, Europe, the United States and Japan. Increasingly in Europe, for example, there is a harmonization process in train which is gradually seeking to standardize regulations and procedures.

Each of the key concepts has been placed alphabetically in order to ensure that the reader can quickly find the term or entry of immediate interest. It is normally the case that a brief description of the term is presented, followed by a more expansive explanation.

The majority of the key concepts have the following in common:

- They may have a reference within the text to another key concept, identified by a word or phrase that is in **bold** type – this should enable readers to investigate a directly implicated key concept should they require clarification of the definition at that point.
- They may have a series of related key concepts, which are featured at the end of the definition – this allows readers to continue their research and investigate subsidiary or allied key concepts.
- They may feature book or journal references – a vital feature for the reader to undertake follow-up research for more expansive explanations, often written by the originator or a leading writer in that particular field of study.
- They may include website references – it is notoriously difficult to ensure that websites are still running at the time of going to print, let alone several months beyond that time, but in the majority of cases long-established websites or governmental websites that are unlikely to be closed or to have a major address change have been selected.

Glossary terms – a guide

Whilst the majority of the key concepts have an international flavour, readers are cautioned to ensure that they have accessed the legislation, in particular, which refers to their native country or to the country in which they are working.

It is also often the case that there are terms which have no currency in a particular country as they may be allied to specific legislation of another country. Therefore readers are cautioned to check whether the description does not include a specific reference to such law, and not to assume that the key concept is a generic one and that it can be applied universally to operations management.

In all cases, references to other books, journals and websites are based on the latest available information. It was not always possible to ensure that the key text or printed reference is in print, but the majority of well-stocked college or university libraries should have access to the original materials. In the majority of cases, when generic operations management books have been referenced, these are, in the view of the writers, the best and most readily available additional reading texts.