- 1. If a company uses the "wrong" manufacturing or service process, there will likely be a mismatch between what the customer wants and what operations can provide. For example, a job shop manufacturer that tries to make high-volume, standardized products at low cost will likely be at a competitive disadvange when compared to high-volume batch or line manufacturers.
- 2. Generally one would expect production lines to be upstream of the customization point in a supply chain because the focus would be on a standard product with minor customized parts. In contrast, in a job shop the production process would be downstream of the customization point because job shops are mainly focused around customized products and need high customer input to be able to determine what is required.
- 3. The customization point of these cups is after the initial white cup has been created. The white cup is generally just a standard cup that can be customized into anything the customer would want so companies would have large, standard stocks of these white cups upstream of the customization point waiting for customer input. After the customer contacts the company, it can customize the cups with any logos and colors and send them to the customers after the custom logos are added to the white cups. A white cup with a final process step of printing is likely a less expensive and more reactive supply chain design.
- 4. The Ford Mustang was originally produced on a production line. Nowadays, as these cars approach fifty years of age, what's required to restore them to like new will differ greatly from one specific vehicle to the next. As such, a job shop process, characterized by highly-skilled, flexible workers, will be the preferred process choice.
- **5.** Group technology resembles a batch process because it has dedicated personnel and equipment to make families or subfamilies of products with similar manufacturing requirements. Group technology processing is also like a production line because the cell is arranged to follow the dominant flow of activities for the product. A group technology process is able to make a work cell more efficient by grouping the product families together, but it does so at the expense of making the work cell less flexible.

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6. The main advantages of Web-based courses are their flexibility: Students can attend when it is convenient, and schools do not have to build and maintain physical classroom facilities. However, students in online courses may have fewer opportunities to engage directly with the instructor in an efficient manner. In a traditional class environment, the give and take between students and instructor can be very organic and lead to insights and examples that fall outside what the instructor had planned. A large lecture setting tends to steer an instructor to a limited set of presentation options—e.g., discussion and group activities can be difficult to manage with the sheer number of students and classroom layout. For the instructors, developing online courses requires considerable technical sophistication, especially as the richness of content (including online grading, presentations, etc.) becomes richer.

- 1. The key advantage of releasing a new product during the late-year holiday season is the potential spike in demand, especially for consumer goods like the iPod. The large seasonal "bumps" from the introduction of new generations of products coupled with the holiday shopping season pose significant challenges for its supply chain partners since they need to respond quickly to new requirements. Apple's business strategy puts a premium on suppliers that can demonstrate volume flexibility (not to mention, high levels of quality conformance) because Apple sells considerably fewer iPods from March to September than October to February, and Apple needs suppliers that can give them varying amounts of product in limited time frames. The match between supply and demand for the iPhone X is not as good as recent model introductions; demand far exceeded supply.
- 2. One example is McDonald's; their mission statement is as follows: McDonald's brand mission is to "be our customers' favorite place and way to eat." McDonalds' worldwide operations have been aligned around a global strategy called- 'Plan to Win,' centering on the five basics of an exceptional customer experience—People, Products, Place, Price, and Promotion. This is a useful mission statement because it addresses different functional areas of the company and in the end focuses on people and the customers' experience. Their operations and supply chain strategies are consistent with the mission statement because they execute their worldwide operations through an interconnected global strategy -.
- 3. The business strategy and the operation strategies are so interconnected that they can flow both ways, and core competencies derived within the operations and supply chain areas can be exploited through broader business strategies. Examples will vary.
- 4. Strategy experts have long said it's not what a strategy document may say; it's what the firm does that counts. For example, if the strategy document says that the firm will place a premium on introducing new, innovative products, but the firm's actual investments are in producing large quantities of standard products at the lowest possible cost, then it is the pattern of decisions it makes that set the strategy. The risk of not having an explicit rendering of the firm's strategy is

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that actions may be interpreted differently by individuals that have incomplete information about the motivations for the actions.

- 5. Answers will vary, but common responses include low cost, perceived quality of instruction or value of degree in the chosen field, flexibility of course offerings, availability of online classes, and proximity to home or work. Depending on the student, these items may be classified as order winners or qualifiers.
- 6. Customers can perceive the value of the same product or service differently because they evaluate products based on multiple performance dimensions and can assign different values for each of these dimensions. This means that the companies that can develop the best mix of the performance dimensions for their customer base will be able to maximize their product value and profits. Companies need to find ways to maximize the value of their performance dimensions so that they can deliver the best, most desirable product to their consumers.
- 7. Not all firms have to both develop and exploit core competencies in the operations and supply chain areas to be successful in business. For example, a local gas station may succeed simply by having a better location than its competitors, even though its cost and service quality may not be as good.

- 1. One could argue that Alcoa is not the first entity in the supply chain because other companies supply it with the tools and materials to get the aluminum out of the ground. Other suppliers for Anheuser-Busch would be the company that provides the hops and grains required to make its beer, and the supplier of brewing equipment. Anheuser-Busch needs to share sales information and forecasts with its suppliers so that they can plan capacity and production levels. All of the companies within the supply chain need to be as transparent with their data as possible so that products can be made and shipped out to the customers with a minimum of waste.
- 2. While it is true that operations management and supply chain management are integral to manufacturing firms, it is false that operations and supply chain apply only to manufacturers. Service industries also source products and services, and in some cases, need to consider how these will be delivered to the final customer. Amazon, which uses UPS to make deliveries, is a *prime* example.
- 3. There are many different supply chains that support products like the Apple iPhone, and without these the iPhone would not be nearly as successful. Apple has a company that creates the physical phone itself, suppliers that make the electronic components that go inside the phone, and even partner companies that monitor satellites to give the phone navigation capability. Apple uses the "App Store" to virtually manage the software application on phones, and through this store they can market apps, create the purchase transaction, and simultaneously deliver the good to the consumer.
- 4. There are numerous examples of where poor supply chain management undercuts a business. For example, a product may be well-designed, but if the company cannot source quality inputs, cannot produce the product to cost or quality targets, and cannot deliver it in a timely manner, the product will fail in the marketplace.

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