Strategy consists of 4 steps

o Define a primary task
o Assess core competencies
o Determine order qualifiers and order winners
o Position the firm

Product Strategy->Process Strategy

Competitive Dimensions

Cost
Product Quality and Reliability
Delivery Speed
Delivery Reliability
Coping with Changes in Demand
Flexibility and New Product Introduction Speed
Other Product-Specific Criteria

Primary Task

a. Represents the purpose of the firm
b. Identifies the area in which it will be competing

An effective operating model aligns

all business processes to serve critical customer needs.

Strategic Operating Model

Cost
Fast Service
Flexibility
Quality

The Essence of Business Process Design (BPD)

1.Process components
2.Process choice/configuration
3.Production/service strategies
4.Process control
Configuring the process architecture to satisfy customer desires in an efficient way
Customers can be both internal and external
Internal customer requirements must be aligned with the desires of the external customers in the business strategy as we have seen

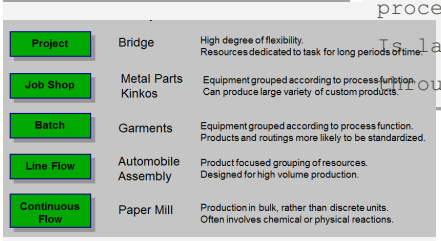
Fundamental Strategic Questions

What product or service should we produce?
How should we plan to compete?

Linking Processes to Strategy

a. Divide market into segments
b. Price, service, product characteristics, etc.
c. Evaluate order winners/qualifiers for target segment.
d. Translate order winners/qualifiers into process requirements.
e. Design processes to meet requirements
f. Equipment, facility, labor,
g. Design infrastructure to support processes.
h. Information system, accounting systems, management style, etc

Process Choices



Process Management

Step 1-Making Operational Trade-Offs
-Labor vs Responsiveness
Step 2-Overcome Inefficiencies
-Change current system
Step 3
-Evaluate Proposed Redesigns/New Technologies

Process Management Step 2

Overcome Inefficiencies
-Change current system

Process configuration

Configuration governs:
Where resources are deployed
The path of flow units
The structure of the network of activities and buffers
Process config ura tion:
Largely determines process capability
Is largely determined through process choice

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