

- Manufacturing productivity is higher than service productivity. Many service providers are becoming more like factories, with automated check-in processes, for example.
- Agriculture in Canada is relatively very productive, due to our high-tech machinery.

### Total Quality Management

- Quality must also be considered, not just productivity.
- Juran's Quality Trilogy: Quality Planning, Control, and Improvement.
- Total Quality Management (TQM): aka 'quality assurance'. Includes all activities necessary for producing high-quality goods.
  - No defects are tolerable and that all employees are responsible for quality standards.
- Customer-focus is the starting point, direct resources toward fulfilment of their needs.
- Planning for Quality: begins before products are designed.
  - Performance quality: overall degree of quality of the product and how well it performs.
  - Quality reliability: the consistency of the quality performance among produced units (few "lemons").
- Organizing for Quality: a separate 'quality control' department is no longer enough. Total quality management requires jobs across departments to solve quality control issues.
- Leading for Quality: managers must inspire employees to believe that quality belongs to each person to create in their job. This is the concept of 'quality ownership'.
- Controlling for Quality: designing processes that can detect and correct mistakes.

### Process Re-engineering

- Processes: regular routines performed by the business. They can add value or customer satisfaction.
- Business process re-engineering: improving both productivity and quality of business processes. Fundamental rethinking and redesign of the process.
  - Re-engineering process (6 pts.)
    - State envisioned customer benefits;
    - Identify activity to be changed;
    - Evaluate info and human resources to see if they can meet changes;
    - Diagnose current process' strengths and weaknesses;
    - Create new design; and
    - Implement new design.

### Adding Value Through Supply Chains

- Supply chain: flow of info, materials, and services starting with the raw materials and ending when the produce reaches the consumer.
- A company belongs to a network of firms. Each stage adds value.
- New strategies revolve around the idea that members of chain, working together as a coordinated unit, will gain a competitive advantage.
- Supply Chain Management (SCM): principle of looking at the chain as a whole to improve overall flow. Eg: Dell instantly informs Sony (a supplier of parts) of new orders and which parts are required. Efficient SCM means faster deliveries and lower costs to customers. Reduced unwanted inventories.

## Chapter 3: Managing Information Systems and Communication Technology

### Information Management: An Overview

- Businesses regard their information as an asset and private resource.
- Information managers: responsible for activities that generate and analyze information the company needs to make good decisions.
- Information management: an internal operation that arranges the firm's information resources to support the business.
- Data are raw facts and figures. Information is a meaningful interpretation of data.
- Information Systems (IS): transform raw data into information and transmit it for use in decision making.

### New Business Technologies in the Information Age

- Today, IS are crucial in planning. Also, there is increased interdependence between a company's business strategy and its IS.
- Electronic Information Technologies (EIT): IS applications based on telecommunications technologies. They (2 pts.):
  - Provide coordination and communication within the organization; and
  - Speed up correspondence and transactions with other firms.
    - 6 common types:
      - Fax machine (facsimile machine) to transmit digitalized images;
      - Voice mail to store phone messages;
      - Electronic mail (email) to send files and text;
      - Electronic conferencing eliminates travel and saves money. Date conferencing involves working remotely on the same document and video conferencing involves video screens to communicate.