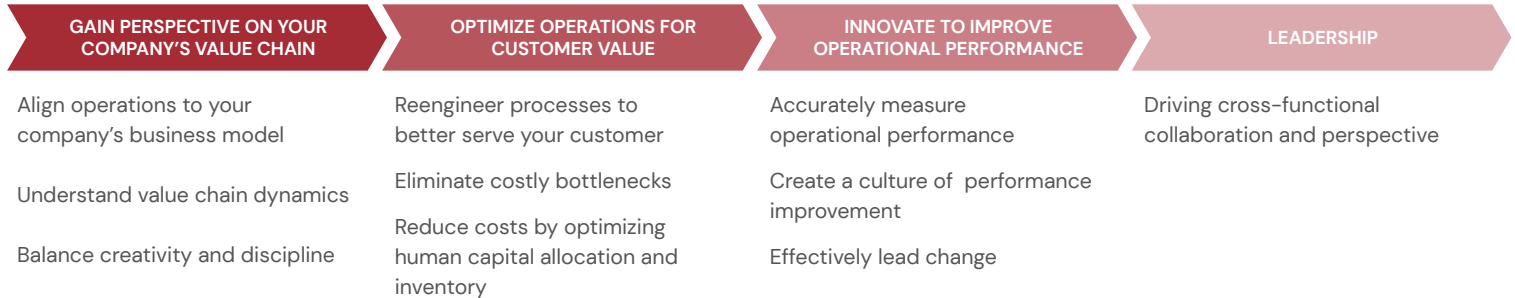


# Leading Operational Excellence

## Program Overview

Operations and non-Operations leaders, alike, must ensure that their organization's products and services meet or exceed their customer's expectations and that their business has the best working environment and processes. In Leading Operational Excellence, senior faculty from the MIT Sloan School of Management guide you through proven processes for innovating and systematizing product development, business procedures, and service design—from ideation and development to commercialization and ongoing product/service leadership. This high-impact program is highly applicable to a broad range of industries such as IT, Healthcare, Financial Services, Consumer Products, and Industrials. Transform your business.



CHARLES  
FINE



VIVEK  
FARIAS



ZEYNEP  
TON

# Leading Operational Excellence

## Key Conceptual Models

- ✓ **The Star Model:** Jay Galbraith's framework for analyzing the key attributes of an organization in order to ensure compatibility with proposed operational improvements: Strategy, Structure, Processes, Rewards, People.
- ✓ **Process Flow Diagramming:** Schematic tools for visualizing and analyzing operational processes.
- ✓ **Business Process Physics:** Professor Vivek Farias provides tools and techniques for analyzing process capacity, throughput, and wait times, as well as strategies for predicting performance and contending with unpredictable variability.
- ✓ **Newsvendor Model:** An essential tool for optimizing capacity when future demand is uncertain.
- ✓ **The Good Jobs Strategy:** Professor Zeynep Ton's leading-edge approach to work design that focuses on striking the optimal balance between Standardization and Empowerment and where appropriate, supporting those choices with Cross-Training and staffing with "Slack."

## Additional Program Features

- ✓ **Self-checks:** Interactive exercises provide practice in and confirm understanding of key concepts, including measuring capacity, computing throughput, build-up diagrams, process flow analysis, applying the Newsvendor model.
- ✓ **Case Studies:** Analyses of leading companies (e.g. IDEO, Toyota, Genentech) in a variety of industries provide illustrative examples of operations concept and process re-engineering approaches.

# Leading Operational Excellence

## Curriculum: Week by Week

### MODULE

#### One: **Balancing Creativity and Discipline**

Video Lectures: 78 Minutes

Assignments: 45 Minutes

#### Two: **Process Analysis**

Video Lectures: 55 Minutes

Assignments: 120 Minutes

Live Virtual Events: 90 Minutes

#### Three: **Analysis of Capacity**

Video Lectures: 93 Minutes

Assignments: 90 Minutes

#### Four: **Service Quality**

Video Lectures: 77 Minutes

Assignments: 90 Minutes

Live Virtual Events: 90 Minutes

#### Five: **Capacity, Demand, and Profit**

Video Lectures: 51 Minutes

Assignments: 90 Minutes

#### Six: **Operational Leadership**

Video Lectures: 76 Minutes

Assignments: 90 Minutes

Live Virtual Events: 90 Minutes

### LECTURES [VIDEOS]

- The Languages of Operations
- Balancing Creativity and Discipline
- The IDEO Process
- Creativity and Discipline at McDonalds

- Process Flow Diagrams
- Order Fulfillment and Production Control
- Capacity Utilization
- Process Diagnosis, Engineering and Principles

- Getting Capacity Right
- Business Process Physics
- Unpredictable Variability
- Non-Linear Magic

- PATA Overview and Process
- Predicting Performance
- Evaluating Possible Solutions
- PATA Solution

- Decision Time: Genentech
- Taking A Closer Look at Demand
- A Tool for Managing Uncertainty
- Applying the Newsvendor Model

- Toyota Production System
- Excellence through Design and People
- The Good Jobs Strategy
- Just-In-Time Operations

### KEY LEARNING

Professor Charles Fine will introduce participants to the different languages of operations. They will examine their organization's characteristics and approach to designing operations.

Participants will review an existing process and use a process flow diagram to accurately depict the structure and flows. This diagram will be used to promote shared understanding and provide a foundation for process optimization and improvement.

This week's module enables participants to develop a quantitative understanding of input rates, processing rates, throughput, and capacity, as well as the capability to display this information graphically.

Applying the learnings from previous modules, participants will focus on diagnosing bottlenecks and other process pain points, pinpointing root causes, and developing remedies.

Participants will learn how to optimize capacity decisions based on financial considerations. They will also develop a plan for operational improvements within their organization.

The module experience concludes with best practices for quality management. Participants will understand how to implement a high-performance work design and invest in people to support an optimized system.

\* Module = 1 Week \*\*Live Events may be subject to change

NOTE: Orientation Pre-Requirement Work (90 minutes) and Final Presentation at end of program (90 minutes).

# Leading Operational Excellence

## Project Examples

NAME	DESCRIPTION	PROJECTED BUSINESS IMPACT	PROJECTED FINANCIAL IMPACT
<b>Data Quality Improvement</b>	A Director of Maintenance Planning for a consumer products company improved the company's data quality issues by establishing a baseline for what a quality incident and work order look like.	Increased Quality 15%	\$1,400,000
<b>Improving Spare Parts Demand Fill Rate</b>	A VP for a large retail firm developed a proposal to create a regional warehouse, with the goal of decreasing fulfillment time.	Increased Speed 25%	\$20,000,000
<b>Parts Return Process</b>	Instead of relying on field engineers to manage and return their own parts, a Director of Service Operations for an industrials company implemented a new process whereby employees receive a list of parts that they must return each month to maintain inventory.	Increased Efficiency 29%	\$4,000,000
<b>Sales Compensation Audit Process</b>	By implementing an explicit audit dispute process where there was not one present in the past, a Managing Director of Global Risk Management for a financial institution was able to reduce overall processing times.	Increased Employee Productivity 15%	\$350,000
<b>Support Case Escalation</b>	By increasing the knowledge base available to their support team, a Director of Technical Solutions from a semiconductor company improved their case escalation process.	Increased Efficiency 70%	\$500,000