

SOLUTIONS MANUAL



Introduction to Operations and Supply Chain Management

Third Edition



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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. 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.
2. McDonald's 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 the 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 called Plan to Win.
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.
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.
5. 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 value 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.

6. 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.