MBAD 6209 – Management of Service Operations

Course Outline
Fall 2012

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Office Hours: Center City Building: Tuesdays, 3:15 – 4:15, Wednesdays, 4:30 – 5:30,
by appointment. Additional times also available by appointment.

Course Material:

Course Overview:
Operations is the study of how organizations transform, produce, and deliver value to the customer, client, or user of the product or service created by the organization. This course explores the role of operations in service organizations at the strategic, tactical, and operational levels. In so doing, we seek to identify and to understand better the principal issues, activities, challenges, and opportunities arising in the management of service operations. A major part of the course will be devoted to studying various concepts, principles, models, and tools, for assisting the service operations manager in analyzing and resolving these issues. Another aspect of the course will concentrate on developing familiarity with different types of service organizations and to identify and analyze issues that are specific to their operations.

Course Objectives: The objectives of this course are:

i) to provide a greater understanding of the basic issues, challenges, and opportunities arising within the management of service operations.

ii) to develop and refine those qualitative and quantitative skills that are necessary for the identification, modeling, and resolution of these basic issues, challenges, and opportunities.

iii) to understand the vital role that the operations function plays in the formation and delivery of the competitive strategy of a service organization.

iv) to study in depth several service operations (utilizing the case method as well as group projects and presentations) and to compare similarities and contrast differences among these service operations.

v) to consider and better understand global management issues, as well as social and ethical issues, that arise with respect to managing the operations of a service organization.
Course Pedagogy:

This course makes extensive use of the Case Method of teaching, which is based on the Socratic Approach to teaching and learning. The use of this method is consistent with the adult learning model which asserts that “adults retain only 10% of what they read and 20% of what they hear, but 70% of what they say and 90% of what they do.” Your active participation in class discussion will contribute not only to what you learn but also to the overall breadth and depth of the knowledge that is experienced in class. It is therefore essential that you attend class and that you thoroughly prepare each case and assigned article in advance of each class session. Class participation constitutes a significant percentage of your final grade, and your contributions to class discussion will be assessed on the basis of the quality, rather than the quantity of your comments.

Class Web Site:

You are required to access regularly the Moodle class web site (https://moodle.uncc.edu/), and in particular, before each class. In addition to containing helpful information, Moodle will be used to communicate information on assignments, changes to the syllabus, and other announcements of general interest.

Diversity and Inclusion:

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

Grading:

The evaluation of student performance in the course will be based upon the following components:

(1) Class Participation        25%
(2) Midterm Exam              20%
(3) Group Assignments         25%
(4) Final Exam (in-class, cumulative)     30%

where the percentages indicate the target weights to be associated with these components in the determination of the final course grade. Note, however, that acceptable performance in each of these components is a necessary condition for successful completion of the course. The instructor reserves the right to modify these requirements and weights during the course of the term.

Class participation refers to: regular class attendance, contributing positively, regularly, and significantly to class discussion, being well-prepared for class, as well as the timely and accurate completion of assigned homework and exercises. While homework assignments will not be collected regularly, on some occasions students may be asked to turn in their assignments to be graded.

There will be an in-class quiz on The Goal on Tuesday, October 23. This will be an open-book, open-notes quiz that will test your understanding of the concepts brought out in The Goal. The quiz will be subject to a time constraint, so even though it is open-book, if you have not read through the book carefully, it is highly unlikely that you will do well on it. The grade on this quiz will constitute 5 percentage points of the Final Exam (which is worth a total of 30 percentage points).
**Group Assignments:**

To strengthen your ability to work effectively in a group setting and also to encompass within the requirements of the course assignments that either through the magnitude of their scope or the effort and skills required to complete them might easily surpass the capability of an individual, you will be required to complete two group assignments. The first of these assignments is a group exercise, and the second is a group project. While both group assignments are important, the group project will constitute the preponderance of the group assignment grade. The group project will allow students working in group teams (formed exclusively among students in this course section) to observe firsthand how the material and concepts discussed in the course are applied in an actual business setting.

Groups (teams) of 4 or 5 students will be formed (exclusively among students enrolled in this course section). **Groups may not have fewer than 4 members or more than 5 members.** In keeping with diversity as one of the core principles of the Belk College, individual group compositions should reflect the diversity of the class. The mechanism for forming groups will be discussed in class.

The first group exercise will take place on Tuesday, September 4. The details of the exercise will be explained in class. The remainder of this section addresses the group project. Early in the semester, your group should begin to discuss possible types of service organizations that are of interest to members of your group. As you begin to narrow your scope of interest, it is both helpful and important to confer with the instructor during this process, since a number of factors need to be taken into account (e.g., size of the organization or organizational unit to be studied; whether or not the organizational unit has been recently studied or has been proposed by another group, whether or not the organizational unit presents a conflict of interest for anyone in the group, and so forth). Once the group had decided upon a target organization, the group should submit the name of its proposed organization to the instructor for consideration for final approval. This will need to be communicated by e-mail to the instructor no later than **Wednesday, October 24**, and preferably well in advance of this date. The instructor will then consider the proposal for approval. To avoid multiple requests to the same organizational unit, **do not contact the organization before conferring with the instructor.**

**It is absolutely vital to avoid any potential conflict of interest between individual group members and organizations.** If, for example, you are currently employed, it would not be acceptable for your group to study in depth a direct industry competitor. Other potential conflicts of interest are possible. In your group proposal to study a particular organization, your group will need to certify that there is no conflict of interest among any team member in regard to studying the proposed organization.

Once the assignment of a group to an organization has been approved, it is your group’s responsibility to make contact with and gathering information from the organization. After securing permission from the organization’s management, each team will study the operations of the organization, identify a set of issues or concepts that we have discussed in this course, and then discuss (in the form of a written report) how these issues are addressed in the organization. Groups will present their reports during the last class session of the course. **Note:** this report is expository in nature, and groups are **not** expected to make recommendations (in fact, it is preferred that you do not). Also, you should emphasize to management that the purpose of this project is to study the operations of their firm; hence, **there is no need for your group to have access to sensitive financial data, nor will you need to have access to sensitive demand or market data or confidential customer/patient data.**
The final written report is due at the beginning of class on **Tuesday, December 4, 2012**. Each group will present its project during that class session. The length of the presentations will depend on the size of the class and the number of groups and will be specified at a later date.

The instructor will assign a grade to each group project and presentation. A percentage (0% to 100%) of this assigned grade will then be signed independently to each group member by the instructor using data collected in group peer evaluations, which each group member will be asked to fill out at the end of the semester. For example, suppose that a group with 4 members submits and presents their group project. Of the 4 members, two work very hard, one hardly shows up for any group meetings and contributes half-heartedly, and the fourth member decides that watching *American Idol* is more valuable than contributing to the group and does not contribute anything. Despite the Herculean efforts of the two hard-working group members, the project turns out to be assessed a grade of 75% (and could easily have been a 90% plus project, if the 37 – 45% of total group capacity had not been lost to free-riding). In the group peer evaluations, the contributions of the fully contributing members are acknowledged and assessed at 100% each, that of the third member is assessed at 50%, and that of the *Idol* fan is assessed at 0%. Then, the first two group members would receive group project grades each of 75%; the remaining group members would receive group project grades of 37.5% and 0%, respectively. **Important implication:** free-riding has the potential to diminish the quality of the overall project. Another core value of the Belk College is excellence. There is no room in an excellent program for free-riding. Your group should actively manage this from the outset.

**Academic Integrity:**

> “Integrity and the credibility it produces underlie successful leadership and are fundamental to success in life. It is everyone’s most valuable asset and should be protected at all cost.” George G. Daly, Former Dean: McDonough School of Business, Georgetown University; Stern School of Business, New York University; College of Business Administration, University of Iowa.

Integrity is another core value of the Belk College. Students are responsible for knowing and observing the UNC Charlotte Code of Student Integrity ([http://www.legal.uncc.edu/policies/ps-105.html](http://www.legal.uncc.edu/policies/ps-105.html)). **All work on exams and quizzes is to be done on an individual basis.** This may also be extended to certain assignments, and will be specified as such in class. In a course that uses the case method, class discussion, and course projects, there is always the possibility and temptation to consult with someone who has had the course (or class) previously or to consult case/class notes or project reports from another section or from a previous year or semester or that might be available on the internet. This practice is **strictly prohibited** under all circumstances and unequivocally constitutes a **violation** of the **Code of Student Integrity**. Obviously, group projects involve cooperative effort. Everyone however, is **required** to contribute to the effort for this class, and individual contributions will be evaluated through group peer review.

**Recording of class sessions is prohibited.**

The content of class lectures and discussions are protected by copyright law. The recording (audio or video) of class lectures and discussions is expressly prohibited.
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Tentative Syllabus

Note: There are likely to be additional required readings that are not listed in the syllabus and that will also be assigned during the course of the semester. It is important to check the class (Moodle) web site regularly to keep apprised of assigned articles and homework problems, as well as revisions to this syllabus.

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<tr>
<th>Session</th>
<th>Date</th>
<th>(Subject &amp; Assignment)</th>
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| 1       | Aug. 21| Lecture and Class Discussion (L): Introduction to Operations Management and Service Operations  
Case – read and prepare for class discussion (C): “Benihana of Tokyo”  
This case, despite its vintage, remains as one of the most popular cases in the Harvard Business School collection and serves as an excellent introduction to operations management. Prepare this case for class discussion (some thought questions follow). What are the key ingredients in Benihana’s successful recipe? How does Benihana differ from a typical restaurant (compare the operating statistics of Benihana Chicago with those of a typical restaurant such as in Exhibit 1)? How does this restaurant operate? What are your concerns for Benihana’s future? |
| 2       | Aug. 28| L: Service Processes, Service Concept  
C: “Shouldice Hospital (Abridged)”  
How successful is the Shouldice Hospital? How do you account for its performance? What actions, if any, would you recommend that Dr. Shouldice take to address the hospital’s capacity issues? What are the general lessons to be learned from this case study? |
| 3       | Sep. 4 | Group Case Analysis: C: “Great Northern Bunk Beds” |
| 4       | Sep. 11| Capacity Management – Waiting Lines and Variability  
C: “University Health Services: Walk-in Clinic”  
Evaluate the performance of the Walk-in Clinic. Are the waiting times now acceptable? Why are “walk-in appointments” a problem? What should Ms. Angell do about them, if anything? What other actions, if any, would you recommend to Ms. Angell? |
|         |        | L: Introduction to Queueing (Waiting line) Theory |
5 Sep. 18  Capacity Management
   L: More on Queueing
   C: “Global Financial Corp.”
The manager of a loan processing office is faced with the challenge of reducing turnaround time or face the likelihood of losing business to a competitor. How is the Bakersfield Office doing? What are the causes of its problems? What is the utilization of each activity? If you were in Ms. Rodríguez’s position, what would you recommend that GFC do? Note: Assume that the data provided in the case (e.g., Appendix C) for the processing times of the Evaluation and Analysis step applies to the two-person team operating as a single unit.

6 Sep. 25  Capacity and Inventory Management
   L: The Learning Curve
   L: Inventory Models
      Newsvendor model
      EOQ Model

7 Oct. 2   Midterm Exam (open book, open notes, in class)
Oct. 9 Fall Recess
8 Oct. 16  L: Inventory Models
   Article - read and prepare for class discussion (A): “Stock-Outs Cause Walkouts,” HBR.
   L: Productivity and Work Measurement

9 Oct. 23  Quiz on The Goal (Open book, open note, but only 20 minutes), followed by class discussion of the key principles
   L: Quality Management, Service Quality

10 Oct. 30 C: “Triangle Copy Store” (to be distributed in class)
   L: Total Quality Management and Six Sigma
   A: “Make Your Service Fail-Safe,” SMR.

11 Nov. 6  L: Lean Production
   A: “The Lean Service Machine,” HBR.
   Supply Chain Management
   “The Beer Distribution Game”

12 Nov. 13 Supply Chain management (continued)
   A: “What is the Right Supply Chain for Your Product,” HBR
13 Nov. 20  Productivity and Professional Services
C: “Intermountain Health Care.”
How well is Intermountain Health Care performing? What is Intermountain’s approach to the management of health care delivery? Why does Intermountain do it this way? Why don’t all health-care delivery organizations do this?
A: “Manage Your Human Sigma” *HBR.*

14 Nov. 27  Service Strategy and Global Services
C: “Four Seasons Goes to Paris: ’53 Properties, 24 Countries, 1 Philosophy”
What historically has made the Four Seasons successful? Does corporate culture play a role in Four Season’s success? If so, how? What was good or bad about Four Season’s entrance strategy for the Paris market? How do the principles from this case apply generally to service companies entering new markets internationally?
A: “Delivering Excellent Service: Lessons from the Best Firms,” *CMR.*
A: “Will You Survive the Services Revolution?,” *HBR.*

15 Dec. 4  Presentation of Group Projects
Course Wrap-up

Dec. 11  Final Exam 11:00am – 1:30 pm