Final

[Name of the Writer]

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**Q1. In your own words explain, operations management?**

Operations management is accountable for the management of processes which guide in the manufacturing of products and services. These operations include planning, organizing, coordinating and controlling the resources which are required to produce a company’s products and services. Operations management provides a way of thinking to managers about the strategies which can help them in managing and improving organization’s operations (Anil Kumar & Suresh, 2009). Operation managers are responsible for operations management in the organization, and they are not only found in the organization but also in the manufacturing units.

The responsibility of operations managers is to perform various functions. The main functions include utilization of finance, implementation of strategies, optimizing the operations, designing of the product, forecasting and supply chain management. The results of an organization totally depend on how these functions are performed by operation managers. Strong skills are required of an operations manager for an effective operations management. For example, the duty of operations manager in an airline company is to provide excellent services to customers. They are also responsible for transporting customers and cargo to the actual destination.

The goal of the operations management is to provide more effectiveness in the production of products and services that will fulfill the needs of the clients. The decision in operations management must be strategic in nature which means that decisions ensure the long term survival of the organization. Operations management decisions include the type of technologies which organizations should use for their workforce environment, how much long-term effect those decisions will provide to meet customer needs and determining how they will use their labor and equipment. Operations management is responsible for providing the value to the customers, and it is essential that manager maintain the quality of product and services to meet the customer requirements.

**Q2. In your own words, what is Total Quality Management?**

Total quality management (TQM) is an effort of an organization to make a permanent climate in which employees continuously improve their ability to offer high-quality services and products to the customers. The requirement of TQM in an organization is to more focus on continuous improvement. Total quality management relies heavily on the tools and techniques which were previously utilized to provide quality to their clients. It is a management system in which all focus of the organization is to use all their assets to ensure that quality is being provided to their clients. Total quality management makes use of strategies and effective communication to achieve high quality into the company's activities and culture (Lyle, 2013).

The fundamental concept of the total quality management for an organization is that they should continuously increase the quality of the products and services with the help of systematic analysis and strategies to make improvements in their current working environment. The higher management is directly responsible for the improvement in the quality. Quality improvement is very important for every organization, and it is the duty of the organization to define the quality according to the customer's requirements.

In total quality management, all employees must involve in order to achieve the goals of the organization. Every process of an organization must be customer focused. Total quality management is an integrated system that consists of different departments. The main aim of Total quality management is to achieve the vision, mission, and goals of the company by using systematic and strategic approaches. It helps the organization to make improvements in their current operations which help them in finding ways to become more competitive, innovative and productive. The main principle of Total Quality Management is to be customer focused and provide continuous improvements.

**Q3.**

**In your own words, explain three quality costs.**

A quality cost refers to the costs that are related to the quality of the products. Quality involves production and delivering a product and service to the customer that meet their expectations and requirements (Omachonu et al., 2004). Quality is a very important factor in producing goods and services. Quality costs fall into three categories which are:

* Prevention costs
* Appraisal costs
* Failure costs

**Prevention costs**

It incurs in order to maintain the quality of the products. Prevention cost is the quality cost which is the least expensive and is highly recommended. These are the expenses of all tasks, particularly planned to precede low quality in the items. Prevention cost can include proper employee training in assembling products. The focus of prevention costs is to reduce the scrap costs. Prevention costs are considered part of the cost of quality.

**Appraisal costs**

Appraisal costs are the costs which company used to detect the defective list of products before it is shipped to customers. An appraisal cost is also known as inspection costs because the main concern of these costs is to inspect about the quality of the products, inspection of finished goods and inspection of materials delivered from suppliers. It is less expensive to incur appraisal cost than to lose the customers who are not satisfied and frustrated about the quality of products.

**Failure costs**

Failure costs are of two types

* Internal failure costs
* External failure costs

Internal failure costs

It is experienced when a defective product is produced by the manufacturers. An internal failure cost appears in the form of scrapped or refurbished product. The cost which is used for refurbishing products includes in this cost.

External failure costs

It is experienced when a defective product was produced by the manufacturers, but the current cost of a product is very expensive than the old one because it includes the cost of warranty claims, field service and refurbishing of product.

**Q4. What is a bullwhip effect? What are the causes?**

A Bullwhip effect is a supply chain management event which describes small changes at retail level can cause larger changes in demand at the supplier, distributor, manufacturer, and wholesale level. In supply chain management suppliers, manufacturers, customers, and salespersons all understand the demands partially, but all of them have a huge influence on the supply chain with their forecasting errors. There are many causes of the bullwhip effect in the supply chain management which affect the whole supply chain (Dai et al., 2017).

**Causes of the Bullwhip effect**

The causes of the Bullwhip effect include:

* Demand Forecast updating
* Order batching
* Price fluctuations
* Rationing and Gaming

Demand Forecast updating

Demand forecast updating is an individual task which is performed by all members of the supply chain individually. Each individual is responsible for updating its own demand forecast which is based on the orders received by its customers. At every stage of a supply chain, there are fluctuations which brought influence on the supplier orders. The more members in a supply chain, the less these forecast updates reflect end-customer demands.

Order Batching

It occurs when each member of the supply chain take orders in quantity from its customers and can't able to manage the delivery of orders quantity in time.

Price fluctuations

Price fluctuations occur due to many factors which include discounts on more quantity or sales tend to encourage customers by giving them heavy discounts on buying products in larger quantities. This behavior tends to add uncertainty to forecasts.

Rationing and Gaming

It occurs when a seller tries to limit the number of orders by setting up a percentage for the order quantity for a buyer. Rationing and Gaming cause many distortions in the system of the supply chain. It plays a game with the system by adding adjustment manually to the order quantity to limit the orders for the buyer.

**Q5. What is a strategic partnership? Give an example.**

A strategic partnership is a relationship between people in which both people rely on each other for the success of the company. They both are responsible for making important contributions, and both are responsible for the failure or loss. The strategic partnership is a type of business relationship that should create great opportunities for both partners. Usually, two companies establish a strategic partnership when each holds one or more expertise that will help the other partner by enhancing their business. In other words, we can say that one organization is helping the other organization to expand their business by helping with some expertise (Tjemkes, 2017).

There are many examples of successful strategic partnerships. One of the successful strategic partnership examples is of Apple and IBM. Both Apple and IBM brings a great service to customers. IBM will get the benefit of Apple's consumer experience, hardware, and software integration. Apple helped IBM to increase the status of their image in the market which was decreased in recent years. The partnership will also help Apple as IBM will provide them with sales consultants and software developers to help Apple to compete in the market. The partnership will help in adding a new class of apps which will help users to connect big data and analytics on their iOS devices.

There are many advantages of a strategic partnership. Strategic partnership helps in expanding business and creates an opportunity for an organization to implement their innovative ideas in the market. It helps one company to utilize the resources of other company to benefit both companies. Strategic partnership also raises many questions which are concerned about the intellectual property of the organizations which include the splitting of profits and expenses. Different development plans can also lead to a broken strategic partnership.

**Q6. Explain the challenges of outsourcing**

Outsourcing has become a new trend, especially for manufacturers. Outsourcers try to force clients in long term deals which are based on contract terms. There are many challenges of outsourcing which will be discussed in this section (Barfield, 2004). A cultural difference is one of the most important challenges in outsourcing. Different countries have different laws of outsourcing because of their cultural differences. The inescapable results are frustration, irritation and lack of understanding. Too many outsourcing causes many problems. Service providers may sign a contract with clients just to get their business going, but when they go further in the contract, they may demand more money based on the change of circumstances.

Outsourcing is becoming difficult to support because the processes are fresher than before leading to the “I have gotta win you have gotta lost" approach. According to this approach, in the short term, one party wins, and the other loses but in the long term all the party loses because of the frustration that comes from such type of partnership. The smaller short-term contracts have their own issues for the company of the client.

Customers want a flexible outsourcing partner who can help them by providing innovation in their processes. They want a partner who can help them in both managing costs and services. Customers also want someone who can understand their business and their specific requirements to run that business. There are significant languages, cultural and educational differences between different developing countries where outsourcing projects are usually sent. Outsourcing companies that allow services which are often not available 24/7 but the requirements of these services are 24/7 their success is limited. In the current era, many companies have decided to outsource different aspects of their company, but there are many risks which are involved in outsourcing and are becoming a major concern for the companies.

**Q7. What is a balance sheet? How does it support business?**

The balance sheet is a financial statement of the company which describes the assets, liabilities and owner’s equity of a specific time period which is usually at the end of the week, month or year. The balance is basically used to define the net worth of the business. The balance sheets also provide the complete details of the company of past years so that company can compare their business and find out what changes came in years and how the company can improve their current financial statement. The past data can also help the company in tracking their performance and identify ways which can help them in building up their finances (Stittle & Wearing, 2008).

The balance sheet is the most important statement from the three main financial statements which are used to determine the financial situation of a business. The other two important financial statements are Income statement and Cash flow statements. It is essential for incorporated businesses to include Income statements. Cash flow statements and balance sheet in their financial reports to stakeholders. Preparing balance sheets might be optional for the companies, but it can help a lot to support the business.

The balance sheet will be supportive for a business in a way that they will give the company an idea from their financial statement of how they can expand their business and manage their assets and liabilities. Balance sheet expresses the assets which company have and how they can use those assets to expand their businesses. It provides insights where cash needs to be collected and where the company should use that cash. The balance sheet is very helpful for a company to keep track of their cash to find out that they have enough cash to pay their bills and their employees.

**Q8. Identify a source of business financing.**

Cash is one of the important assets of any company or business whether it is small or large. Companies can find many sources which are available to provide financial assistance to businesses. Some sources which might be acquired from the lender are banks, government agencies, stockholders and other business owners. Business can also get loans that are provided by small business administration (Connolly, 2007).

There are many things which need to keep in mind when identifying sources of business financing. Venture capital is one of the business financing sources which is helping many entrepreneurs in developing a strong business. From the start, the company must be aware of venture capitalists that they are only looking for businesses with high growth potential in sectors like Information technology. Venture capital is not necessary for all the entrepreneurs but is a good source of providing an opportunity for startups.

One of the greatest sources for business financing is business incubators. They generally provide support for new businesses in many stages of development. Incubators also invite people to present their ideas and give them a chance to implement their ideas. Incubators provide the limited time resources to help the entrepreneurs. Once the product is developed, the companies have to move into the industry and have to expand their work on their own. Government agencies are also a great source of business financing they provide grants and subsidies for the businesses. There are various federal and provincial level programs which are held to help startups.

**Q9. Should a start-up organization invest in an IS immediately? Why or why not?**

No, this is not good for a start-up organization to invest in an IS immediately because the start-up organization could be responsible for unpaid payments or liabilities in the event the business fails. If the company go out of the business and have liabilities, all of the stakeholders from whom the company has acquired sources have the right to claim their sources, and those stakeholders will likely come after them. An organization should only invest in an IS at the startup if they are sure that IS will provide the real benefit. They will need an investment of valuable time and money that can use more effectively in the other areas of the business.

Establishing an IS system often requires larger costs and take longer time more than estimated requirements. To install the IS system, one should have someone with highly IS skills which can help the company past the troubles which the company might face while installing IS system. Investing in an IS system might be risky for an organization, but it is necessary for a company to have strong skills of IS. When investing in an IS it is important to think about the value of the business and current assets of the company, and this is one of the main reason why it is not recommended for the startup organization to invest in IS.

We can't say that we should not invest in an IS when starting a business because when a business grows rapidly and become larger, then that will be the most suitable time for the organization to invest in an IS system. When a company is well established they know how much amount they can invest and what are their profits. If any company throws their money in IS without having any knowledge it will be difficult for them to manage their business and they will see a huge fall down in business (Rogers & Paul, 2018).

**Q10. What is database management?**

The database is a structured collection of data which can be stored in a computer or online server and accessed electronically from a computer system. Database management is the practice of organizing data. Data is being managed on database management systems. Database management system (DBMS) is a set of programs which are used to store, modify and extract data from the database. There are many types of database management systems which are helping organizations to manage their data (Vidhya et al., 2016). Types of database management are:

* Network Databases
* Hierarchical Databases
* Relational Databases
* Object-oriented Databases
* ER model Databases
* Document Databases

The database management system can be designed manually for an organization. There are different platforms on which organization can design their database. Some of the leading Database platforms are mentioned below:

* MongoDB
* MySQL
* Microsoft SQL Server
* MS Access
* Oracle
* Redis
* IBM
* Amazon SimpleDB
* Aerospike

Database management receives instructions from the user usually Database administrators and makes changes according to the instructions provided by the user. There are different commands which can be used to select, retrieve, delete and modify the current database. The database can be managed manually or by using query format. There are different query languages for different platforms of the Database management system. The database management system (DBMS) is becoming important for every organization and businesses. From small enterprises to large enterprises, every organization has to save their records of the business.

In early age, People were used to saving their data manually on their personal diaries, but now database management systems have provided them a facility to save their data and recall at any time. Users can save a huge amount of data on the database management system (DBMS) as it provides a centralized view of data that can be accessed by multiple users. Database management systems also provide security to users. Users have the authority to control the access of their database and secure their sensitive data from unauthorized people. DBMS is offering both logical and physical data independence.

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