

CEU Business School



Central European University

BUSI 5119 **Operations Management** *(2 credits)* **Winter 2017**

Instructor:	Paul Lacourbe
Class meets (day and time):	according to the schedule
Classroom:	please always consult your schedule
Instructor's Office:	
Office hours:	<i>after each session or by appointment</i>
E-mail:	lacourbep@ceubusiness.org
Office hours:	
Program Coordinator:	Zsuzsanna Kis (kiszs@ceubusiness.org)

1. PREREQUISITIES

None

2. POLICY ON ADMITTING NON-MBA STUDENTS

The policy is available at the academic office.

3. REQUIRED READINGS

◆ *Readings will be posted on Moodle*

4. COURSE OBJECTIVES

Operations management is the design, operation, and improvement of systems. It examines in detail how organizations do things. Understanding how operations impact the firm is important for managers regardless of their field, as operations management is not only concerned with production facilities, but also health care, insurance, hotel management, banking, airlines... Operational issues include

purchasing raw materials; controlling and maintaining inventories; managing capacity. This course in operations management is intended to be a survey of operating practices and models in many industries. Therefore we cover a wide range of topics rather than focus on a few topics with depth.

5. MAIN TOPICS

- Operations strategy
- Service level
- Supply Chain Management
- Productivity
- Total Quality Management
- Lean manufacturing & JIT
- Capacity management
- Revenue Management

6. INTENDED LEARNING OUTCOMES

<i>Core Learning Area</i>	<i>Learning Outcome</i>
<i>Interpersonal Communication Skills.</i>	Students will be able to express and supplement their own analysis and conclusions in financial terms, the common business language.
<i>Cultural Sensitivity and Diversity</i>	Students will have increased understanding and acceptance of diversities of viewpoints
<i>Quantitative Reasoning</i>	Students will learn how to apply mathematical and statistical models
<i>Critical Thinking</i>	Students will be encouraged to question the applicability of conventional prescriptions, as well as the impact of non-quantitative information.
<i>Ethics and Responsibility</i>	Students will be motivated to consider the ethical limitations of shareholder wealth maximization.

7. HOW THE CLASS SESSIONS WILL BE CONDUCTED

The class sessions will be conducted through a combination of lectures and case discussion. There will be guest speakers from practice. This course also includes two field trips.

8. POLICY ON THE AVAILABILITY OF LECTURE NOTES

Slides for each session will be posted on Moodle before class.

9. Written Assignments and Final Exam

Students will submit written assignment individually.

Individual preparation is absolutely essential for enabling students own learning as well as the groups learning through active and dynamic discussion (learning from each other is a critical aspect of the program). This includes sharing experiences ad asking questions about the theoretical ad practical elements of the class.

Written assignments

- Question Sets will be posted on Moodle
- Cases are to be written in formal business style, typically structured with a) problem statement, b) detailed analysis of the problems and opportunities (using course material), and c) recommendations and conclusions
- I expect students to make a business case for their recommendations based on financial costs and benefits based on a) available data and b) assumptions
- Please submit assignments in either hard or soft copy (preferred) – At the beginning of each session.
- AVOID: introductions that merely summarize and repeat facts

Final Exam

- Open book exam
- Calculation questions only
- 4 Questions
- Similar to Question Sets in both topic and style

10. POLICY ON CLASS ATTENDANCE

Regular and punctual attendance at every class session is a requirement of all degree programs at CEU Business School. Each class covers material not found in the readings. Furthermore, participation in class discussions is an important part of the learning experience for all students as well as a factor in grading. If illness or another unusual circumstance requires missing a class, please do your best to inform me (or, if I cannot be reached, the Program Coordinator) in advance. A grade of “AF” (Administrative Fail) may be assigned for failure to regularly attend a course, to drop the course in time, or to complete requirements on time. This is a general CEU regulation that the Business School also follows. The “AF” grade earns no credit, 0 points, and affects your GPA in the same way as a regular “F” grade.

11. CLASS PARTICIPATION

Students are encouraged to participate in class discussion in a way that brings value to the learning process.

12. GRADING

final exam

40 points

homework assignments

30 points

Class participation
Maximum total

30 points
100 points)

13. ACADEMIC INTEGRITY

The Business School expects all students to adhere to the fundamental principles of academic integrity in any and all behaviors associated with their course work and otherwise, as stated in the CEU Honor Code (see Student Handbook). Attempted cheating of all forms is treated extremely seriously and can result in dismissal from the School and University.

14. LIBRARY AND INTERNET LIBRARY RESOURCES

The CEU Library, at Nador St. 9, has the largest collection of English-language materials in the social sciences and humanities in Central Europe: 180,000 monographs and 30,000 volumes of periodicals, working papers, dissertations and so on. CEU faculty and students have access to 30,000 electronic journals, searchable via the Journal Search tool on the library catalogue page (<http://goya.ceu.hu/>; the icon is in the upper right corner).

CEU Business School core faculty, students and staff are automatically eligible for full membership in the Library, after registering at the Circulation Desk. (To use the Library, adjunct faculty should first obtain a pass at the B School Academic Office Rm 311.)

The CEU Library has 5,000 business-related titles, supplemented by leading electronic databases, accessible through <http://www.library.ceu.hu/databases.html> **(Click on the icons and then click on the tag next to “connect to”.)** The Ebsco Host Business Source Complete contains 3,700 periodicals in full text, many monographs, some case studies, and videos of the Harvard Faculty Seminar Series. *Emerald Management Journals* collection has a portfolio of 175 journals in management, marketing, econ and finance.

New business databases include *OneSource*, the most comprehensive company & executive information. *Global Market Information Database* has comprehensive data and reports across industries, countries and type of consumers. *Thomson One Banker* provides data on internationally quoted companies, international stock exchange indices, private equity, and financial deals. *Science Direct* is an extensive full-text database covering authoritative titles from the core scientific literature. *The Company Dossier* in Lexis Nexis Academic allows users to browse in-depth company profiles and industry reports. Core statistical databases include IFS, GFS Online, OECD Main Economic Indicators, National Accounts Statistics, and Tax Statistics. *Econlit* at the CSA/Proquest platform provides bibliographic coverage of a wide range of economics-related literature.

Business dailies and weeklies can be accessed through the library. **Business Eastern Europe** by EIU is a weekly briefing on operating a business in Eastern Europe. **Country Reports** also by EIU provide in-depth economic, political and business analysis and short-term market outlooks. Electronic versions of *The WSJ* are in

PressDisplay. *The Economist* is included by EbscoHost. For *The Fin. Times online*, see Journal Search.

News on economic and social developments in the Caucasus and Central Asia can be downloaded directly (not via the CEU Library):

<http://www.icegec.hu/eng/index.htm>.

15. COURSE OUTLINE AND SESSION ASSIGNMENTS

Session 1 –

Topics: Introduction to Operations Management

- ◆ Readings: Chapters 1: Introduction to Operations Management
- ◆ No Assignments due

The first class session will review class structure and procedures, assignments, grading, etc. We then focus on introducing the role of the operations function and its relationship to other functions in a business organization, none profit or start ups.

Topics: Business continuity, Sustainability

Session 2 –

- ◆ Topics: Process Analysis and Little's Law
- ◆ Readings: Chapters 3: Process Flow Measures.
- ◆ Assignment 1 due: Question Set A

In this session, we learn how to classify different types of process and to analyze the performance of a process. The Essence of Process Flow. Three Key Measures. Flow Time, Flow Rate, Inventory.

Session 3 –

- ◆ Topics: Waiting Line Analysis
- ◆ Readings: Chapter 7: Variability and Its Impact on Process Performance
- ◆ Assignment 2 Due: Question Set B

In this session, we learn how variability impacts the waiting time of customers in the system. Key concepts: waiting time, service time, variability

Session 4 –

- ◆ Topics: Inventory Management
- ◆ Readings: Anupindi Chapter 6

Inventory management is one of the most important topics facing an operations manager and ultimately a CEO. We will review how different inventory management

techniques help managers to ensure customer satisfaction while optimising costs. We will examine the costs associated with inventory and its impact on financial performance.

Session 5 –

- ◆ Topics: Quality Management
- ◆ Readings: Cachon and Terwiesch Chapter 9

Quality control refers to reducing defect rate in service and production. It is one of the pillars of an efficient system. We discuss some of the major tools used to reduce defect rate.

Session 6 –

- ◆ Topics: Capacity Management
- ◆ Readings: Cachon and Terwiesch Chapter 10

In this session, we discuss how to combine regular capacity with reactive and expensive capacity to achieve customer satisfaction.

Session 7 –

- ◆ Guest Lecture: Operational Efficiency in Service Design
- ◆ Assignment 3 Due: Question Set C
- ◆ Assignment 4 Due: Make up assignment

Session 8-

Final Exam

- Open book exam
- Calculation questions only
- 4 Questions

Additional Sessions: Optional Field Trips

There will be several field trips available. Participation will be optional. The timing and format will be posted on Moodle.

16. BRIEF BIO OF THE INSTRUCTOR

Paul Lacourbe is Associate Professor of Operations Management at CEU Business School. He holds a Ph.D. from INSEAD in France, and he served on the faculty at ESSEC in France before joining CEU Business School.

Currently, his research deals primarily with the management of new product innovation and supply chain. He is particularly interested in the psychological aspects and environmental issues in product design and in managing supply chains for East-West trade. His work has

appeared in *Production and Operations Management*, *European Journal of Operational Research*, *International Journal of Innovation Management*, *Current Issues of Business and Law*, *Revue Française de Gestion*. His chapter, "The Role of Hungarian Railway on the New Silk Road," appeared in the book, "Managing Supply Chains on the Silk Road: Strategy, Performance, and Risk". He has been invited to give a talk on New Silk Road at TEDx Danubia.

At CEU, he teaches Operations Management and Supply Chain Management, China, Global Business and Product Design. He is the faculty director at CEU for the Global Supply Chain Forum and EMBA. He is also a member of the faculty team at CEU Business School that oversees the new entrepreneurship incubator at CEU, which was funded by George Soros.