



Guildhall College, London

Report:

SM3038: Strategic Business Operations and Management

Resit/resubmission Period:

August 2010

Programme:

BA (Hons.) Business Administration

Module Leader:
Isaac Osei-Kwame

Submission Date:

Friday, 13 August 2010 (01.45 pm)

Submission Location:

**Assignment Drop Box, Nelson Street Campus
(Please ensure you keep your acknowledgement receipt)**

DRESSING MEDICAL

Since founding her company over ten years ago, Dr. Laura Dressing had never been either so anxious or so enthusiastic about the future of Dressing Medical (DM). The company had enjoyed considerable success, both financial and in terms of market share by designing, manufacturing and supplying a range of medical equipment to hospitals and clinics throughout the USA. Starting with cardiovascular devices, their range expanded to include neurological stimulators and monitoring diagnostic devices.

‘Success has come largely from our research and development culture. Although around 50 percent of our total manufacturing is done in-house, our core competence is an ability to understand the needs of clinicians and translate those into our products. We were among the first to expand the range and functionality of this type of equipment and integrate it with sophisticated diagnostics software. Admittedly our products tend to be relatively highly priced and we are coming under some cost pressures, but because of our technical excellence and our willingness to modify equipment to individual customer needs, we avoid too much pressure on our prices’.

DM’s operations planning and control systems had been relatively informal. A team of specialist sales technicians discussed individual clinical needs with customers and wrote a ‘product specification’ for manufacturing to work to. Around 70 per cent of all orders involved some form of customisation from standard ‘base models’.

Manufacturing would normally take around three months from receiving the specification to completing assembly. This was not usually a problem for most customers; they were more interested in equipment being delivered on time rather than immediate availability. The manufacturing department was largely concerned with assembling, integrating and (most importantly) testing the equipment. Most components were made by suppliers who had been doing business with DM for some years and were capable of accommodating their strict quality requirements and their need to customise components. Laura Dressing knew the strengths and weaknesses of her manufacturing operations.

‘Manufacturing is really a large laboratory. It is important to maintain that laboratory-like culture because it helps us to maintain our superiority in leading-edge product technology and our ability to customise products. It also means that we can call upon our technicians to pull out all the stops in order to maintain delivery promises. However, I’m not sure how manufacturing, or indeed the rest of the company, will deal with the new markets and products which we are getting into’.

Dr. Dressing was referring to a new generation of ‘small black box’ products which the company had developed. These were significantly smaller and smarter devices which were sufficiently portable to be attached to patients or even implanted. For example, a cardiac defibrillator which, when necessary, can jolt the heart into maintaining a healthy rhythm and diagnose how and why the heart has gone wrong. Other products included drug delivery systems and neurological implants.

All these new products had two things in common. First, they took advantage of sophisticated solid-state electronics and second, they could be promoted directly to consumers as well as to hospitals and clinics. Dr. Dressing was under no illusions about the significance of these changes.

'On the market side we have to persuade health care and insurance companies to encourage these new devices. They may be expensive in the short term but they can save money in the long term. We are hoping that customer pressure will act in our favour. What is more problematic is our ability to cope with these new products and the new market they are addressing. We are moving towards being a consumer company, making and delivering a higher volume of more standardised products where the underlying technology is changing fast.

We must become more agile in our product development. A new base model currently takes over three years to develop; we cannot afford to develop the new products in any more than 12 months. Also, for the first time, we need some kind of logistics capability. I'm not sure whether we should deliver products ourselves or subcontract this. Manufacturing faces a similar dilemma. On one hand it is important to maintain control over production to ensure high quality and reliability; on the other hand, investing in the process technology to make the products will be very expensive.

There are subcontractors who could manufacture the products for us, they have experience in this kind of manufacturing but not in maintaining the levels of quality we will require. We will also have to develop a 'demand fulfilment' capability which will be able to deliver products at short notice. It is unlikely that customers would be willing to wait the three months our current customers tolerate. Nor are we sure of how demand might grow. I'm confident that growth will be fast but we will have to have sufficient capacity in place not to disappoint our new customers. We must develop a clear understanding of the new capabilities which we will have to develop if we are to take advantage of this wonderful market opportunity. Who knows, it could become the first step in transforming the whole company. I see no reason why, eventually, we should not move into running health management clinics ourselves. We are already developing technologies that could monitor patients at a distance. We can even re-programme implanted devices, without surgical intervention, based on our diagnostic systems. I know all these actual and potential changes suggest that we need to develop separate types of operation to service the different markets, but I really am reluctant to destroy the culture of technical excellence we have built up with our current operation.'

REQUIREMENTS

Write a report identifying these issues and analyse how it affects the organisation.

Your analysis should involve:

- a. Discussion of the current and new markets
- b. Draw a polar diagram illustrating the relative importance of the performance objectives for the current and new markets.
- c. Suggest and evaluate the strategic options available to the management
- d. Finally evaluate how the strategic decision areas of the two different products are likely to be different and draw operations strategy matrix for the current product.

Your Report should also adopt the academic conventions expected at Bachelors Level which requires you to

- (a) Read widely to incorporate theories and concepts
- (b) Critically evaluate and Synthesise these theories and concepts to develop a coherent argument and demonstrate that all business decisions have a trade off
- (c) Acknowledge your reading and arguments with citations and list these citations as References at the end of your Report using Harvard Author Date

GUIDELINES ON WRITING GROUP REPORT:

Marks:	60 marks
Word length:	2,500-3,000 words
Due date:	Friday, 13 August 2010 (01.45 pm)
Peer adjustment:	20% (Based on the minutes of meetings attached)
Referencing:	Harvard Referencing

Your report should include the following headings:

Introduction	Briefly describe context and identify	5%
	Define the specific objectives (based on requirements) for this report	
	Signpost the report structure	
Discussion and Analysis	The main body of the report (approx. 2/3 – ¾ of the word length), is divided into logical sections and subsections to answer the requirements.	70%
Conclusion	<p>This section summarises the key findings of the report, as outlined in the Discussion.</p> <p>The Conclusions should:</p> <ul style="list-style-type: none"> ➤ Relate specifically to the requirements/objectives ➤ Identify the major issues ➤ Be specific, and succinct 	5%
References	Use Harvard Referencing Systems (HRS) for both in-text and reference list.	10%
Minutes of the meetings	You should demonstrate that you have met with group members at-least 3 times over the course of your assignment. You should have 3 minutes of the meetings appended at the end of the report, these minutes should show the individual contribution made by each member of your group. The lecturer, based on the minutes of the meetings, will do peer adjustment.	10%

Harvard Referencing Methods

Harvard Referencing System

We expect students to use the alphabetical or name-date method known as the HARVARD system. There are two parts in this system:

1. Citation within text or body of the report:

In this the author's surname and year of publication are cited in the text, e.g. (Bond, 2004).

2. Reference List:

A reference list (of these citations) is included at the end of the assignment, in alphabetical order by author. The reference list also includes additional details such as the title and publisher.

A **bibliography** lists relevant items that you have used in the preparation of the assignment but not cited in your text. A bibliography should also be in the Harvard style and the inclusion of such a list shows that you have read widely beyond the items you have cited.

Examples of citations within text or body of the report:

1. Cormack (1994, p.32-33) states that.....
2. This view has been supported in the work of Cormack (1994, p.32-33).
3. Jones (1946) and Smith (1948) have both shown.....
4. Corporate Author: 1st citation: Royal College of Nursing (RCN), 2007
2nd citation: RCN, 2007

Examples of listings in reference list:

1. **Books with one author:**
Redman, P., 2006. *Good essay writing: a social sciences guide*. 3rd ed. London: Open University in assoc. with Sage.
2. **Books with two, three or four authors**

The required elements for a reference are: Authors, Initials., Year. *Title of book*. Edition. Place: Publisher

Kirk, J. & Munday, R.J., 1988. *Narrative analysis*. 3rd ed. Bloomington: Indiana University Press.

3. Books with more than four authors

For books where there are more than four authors, use the first author only with surname and initials followed by "et al".

The required elements for a reference are:

Author, Initials., Year. *Title of book*. Edition. (only include this if not the first edition)

Place: Publisher

- Grace, B. et al., 1988. *A history of the world*. Princeton, NJ: Princeton University Press.

4. E-books

For e-books the required elements for a reference are :

Author, Year, *title of book*. [type of medium] Place of publication: Publisher

- Fishman, R., 2005. *The rise and fall of suburbia*. [e-book]. Chester: Castle Press.

If available at website:

- Fishman, R., 2005. *The rise and fall of suburbia*. [e-book]. Chester: Castle Press.

Available at: [libweb.anglia.ac.uk / E-books](http://libweb.anglia.ac.uk/E-books) [accessed 5 June 2005]

5 Journal articles

Author, Initials., Year. Title of article. *Full Title of Journal*, Volume number (Issue/Part number), Page numbers.

Perry, C., 2001. What health care assistants know about clean hands. *Nursing Times*, 97(22), p.63-64.

6 Newspaper articles

Author, Initials., Year. Title of article. *Full Title of Newspaper* Day and month before page numbers of article.

Slapper, G., 2005. Corporate manslaughter: new issues for lawyers. *The Times*, 3 Sep. p.4-5.

7 Journal articles from an electronic source

Boughton, J.M., 2002. The Bretton Woods proposal: an indepth look. *Political Science Quarterly*, [online]. 42 (6), Available at: <http://www.pol.upenn/articles> (Blackwell Science Synergy) [accessed 12 June 2005]

8 Internet

National electronic Library for Health. 2003. *Can walking make you slimmer and healthier?* (Hitting the headlines article) [Online]. (Updated 16 Jan 2005) Available at: <http://www.nhs.uk.hth.walking> [accessed 10 April 2005]

The title of a web page is normally the main heading on the page.

9 E-version of annual reports

Marks & Spencer, 2004. *Annual report 2003-2004*. [Online]. Available at: <http://www-marks-and-spencer.co.uk/corporate/annual2003/> [accessed 4 June 2005]