

# Heizer Operations Management Solution

**Review Questions**

1. The first step in the process of operations management is to determine the customer requirements for the product or service. This is done by identifying the customer's needs and expectations, and then translating these into specific requirements for the operations function. This process is often done through market research, customer surveys, and focus groups.

2. The second step is to design the operations system. This involves determining the processes, equipment, and facilities needed to produce the product or service. This step is often done through process design, layout design, and capacity planning.

3. The third step is to plan the operations system. This involves determining the resources needed to produce the product or service, and then developing a plan for how to acquire and use these resources. This step is often done through financial planning, human resource planning, and material planning.

4. The fourth step is to control the operations system. This involves monitoring the performance of the operations system, and then taking corrective action when necessary. This step is often done through quality control, inventory control, and production control.

5. The fifth step is to improve the operations system. This involves identifying areas of the operations system that are not performing well, and then developing and implementing strategies to improve them. This step is often done through process improvement, lean manufacturing, and Six Sigma.

**Problems**

1. A company is considering two different production processes for a new product. Process A has a fixed cost of \$100,000 and a variable cost of \$10 per unit. Process B has a fixed cost of \$200,000 and a variable cost of \$5 per unit. The company expects to produce 10,000 units of the product. Which process should the company choose?

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