

TABLE 2.2: Infrastructural Decisions in Operations Management

DECISION AREA	QUESTIONS ASKED	FUNCTIONAL INTERFACES WITH OPERATIONS
Workforce	What type of workers and how many are needed? What skill levels and training do they need? What should be the workforce policies, incentives and reward systems, and level of employment security?	Human Resources
Sales and Operations Planning	How should demand be managed? What production planning procedures and decision rules should be in place? What quantities should be produced to meet demand effectively?	Finance, Marketing
Control Systems	What cost-control mechanisms should be in place? How should materials and inventory be managed and controlled? How should the company assess and control quality? How should performance be measured and monitored? How should workflow be controlled?	Finance, Human Resources
Product/ Process Innovation	What product and process improvement programs should be devised? How should knowledge be managed? How should change be managed? What is the timing and procedure for new product launches? How should intellectual property be managed?	Engineering, Human Resources
Organization	Should the organizational structure be centralized or decentralized? How many levels should there be in the organizational hierarchy? Who has the responsibility and authority for decision-making in each area?	Human Resources