

The academic field of operations management has often been called production management or production and operations management because of its close ties to manufacturing management. Now, however, roughly 80% of the U.S. economy falls within the “services” domain, giving a new perspective to operations management. The future careers of business school students tend to be even more extreme in their tilt toward services. Further, even traditional manufacturers such as Ford and General Electric now derive large portions of their revenue from their service businesses, rather than from their physical products.

The challenge before the operations management community is to keep our field growing and relevant by embracing the service economy. This book is written in response to that challenge.

Many traditional operations management tools and techniques presented by textbooks with manufacturing examples are also valuable in services firms, such as project management, process analysis, or inventory management. However, even with these traditional tools, the context and emphasis of their application in a service business often differs radically from a manufacturer. Consequently, this book contains many topics found in general operations management texts, but discusses those topics exclusively from the viewpoint of a service sector manager.

Other tools and concepts, such as yield management, data envelopment analysis, experience management, and scoring systems, are used nearly exclusively in services. Not only are these topics not found in traditional operations textbooks, but the major case study writing institutions also ignore them, leading to a general dearth of teaching material for these topics. Here, we not only include explanatory material for these topics, but also provide original case studies to offer the decision-oriented learning environment favored by many students.

## ORGANIZATION OF THE BOOK

The book is organized around both qualitative and quantitative themes, starting from a “top down” look at operations. The first half of the book is largely qualitative and presents conceptual frameworks to guide strategic operational decisions. The second half of the book is largely quantitative and focuses on using techniques to achieve the goals set forth in the strategically oriented material.

This book contains the following features:

- Learning objectives precede every chapter to keep students focused on key concepts.
- Nineteen original case studies are included.
- Boxed features throughout the text, called Service Operations Management Practices, provide practical contexts for theoretical points.
- Visit the textbook support site at <http://metters.swlearning.com> for additional support resources.
- The Instructor’s Resource CD (ISBN 0-324-22441-9) includes answers to chapter-end problems, discussion of cases, and PowerPoint® presentations.

## NEW FOR THE SECOND EDITION

### Text Material on the Student CD

For the second edition the book has gained both quantitative and qualitative material. The material actually on the text pages is more qualitative, as a significant portion of the quantitative material has been moved to the Student CD. The quantitative material is still here! In fact, a significant amount of quantitative material has been added to the queuing, location, and DEA chapters, and it is now found on the Student CD.

### New Chapters

New chapters have been added covering: “Outsourcing and Offshoring,” and “Six Sigma for Service Process Improvement.” Additionally, the “strategic planning” chapter has been completely reworked.

### New Cases

The first edition had 10 cases, this edition has 19. Every chapter after Chapter 1 has a case study, either in the text or on the Student CD.

Special thanks go to Michael Ketzenberg, Colorado State University, for writing the chapter on project management. Sherry Oh, University of Calgary; Vicente Vargas, University of San Diego; Ken Klassen, Brock University; and John McClain, Johnson Graduate School of Management, Cornell University also provided valuable additions to this work.

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He has published more than 20 articles in journals such as *Journal of Operations Management*, *Management Science*, *Operations Research*, and *Harvard Business Review*. Rich is on the editorial review boards of *Production and Operations Management*, and *Journal of Service Research*, and is an Associate Editor of *Decision Sciences*.

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In addition to holding a variety of management positions at IBM, SAS Institute, and Berol Corporation, she ran her own management consulting company for five years specializing in entrepreneurial ventures and start-ups. Since that time she has consulted with Arthur Anderson, Scott, Madden & Associates, and J. D. Power & Associates. Her particular consulting interests are services operations, strategic analysis, strategic and operational planning, and customer service satisfaction.

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Steve's teaching has been recognized with six teaching awards, including the university-wide Emory Williams Distinguished Teaching Award and the Marc Adler Prize for Teaching Excellence. His research interests include the application of Six Sigma to service operations, business-to-business electronic commerce and managing supply chains for both operational and environmental improvements. His research has been published in *Journal of Operations Management*, *International Journal of Operations and Production Management*, and several other journals.

Steve's consulting clients include The Home Depot, Delta Air Lines, McKesson Information Solutions, The Arthur M. Blank Family Office, Siemens Medical Systems, Synovus, Crawford & Company, Sigvaris, ZC Sterling, Great American Insurance Company, Atlanta Casualty Company, Kurt Salmon Associates, Crawford Long Hospital, and several technology startup companies.