

What does the **Operations Director** actually do?

The Operations Director ensures the assets in the business are used sensibly to create and deliver the company's specialist goods and services to the right quality, at the right place, on time and within budget. (See also article 11 – the Marketing & Sales Director)

The more complex operations roles are usually in manufacturing and include: **Operating profit margin, asset management, production control, delivery** and **technical quality**

Operating profit margin

The overriding purpose of a business is to provide value to its owners, and one of the contributors to that value is use of internal resources which might include stock, equipment, job sequencing, quality systems and staff capability. This all needs balancing to provide the ideal level of return.

Asset management

There can be a fine balance between investment in efficient new assets and 're-work' or reduced capacity with overtime. This balance may be swayed by volumes demanded or changing customer expectation. Any significant changes, additions or removals will normally be made with the support of fellow directors as decisions in this area can impact on all aspects of the company.

Production

Production is the activity that adds value – a piece of steel becomes a car door for example and the greater the value that can be added (often through complexity: different alloys, fancier chemicals, new financial instruments etc.) the more effective is the production facility. With this complexity comes the need for balanced investment in people and equipment.

Delivery

Logistics and the efficient control of distribution ensure this 'added value' gets to the customer in the right way. IT can play a part in opening new markets with their own delivery requirements and in some industry sectors (often finance or knowledge-based) IT has become the delivery mechanism itself.

Specified Quality

There are two sides to quality which are intimately linked: perceived quality (which includes brand strength) and delivered quality which is how close to specification is the product provided. The Operations Director has responsibility for the delivered quality of goods and services to support the perceived quality being generated and managed by Marketing & Sales.