

Some possible order-winners and qualifiers	Some typical areas for review and improvement
Price	Reduce costs in all areas particularly regarding materials and overheads which typically make up some 70–90 per cent of total costs
Quality conformance	Make products to specification. Build quality into the process and delivery system rather than checking conformance after the event. Also, improvements here impact costs
Delivery reliability	Assess on-time delivery performance by product and customer. Review current approaches to meeting orders – involves discussions on the extent to which products can be or are made to order and the role of activities and investments such as scheduling and inventory in meeting these requirements
Delivery speed	Review the elements of the operations process with the purpose of reducing the lead time in the various steps comprising the operations process
Product range	Review the process capability and skill base in relation to current and future product range requirements. Identify and supplement capabilities in line with proposed needs
Demand spikes	Assess current capacity provision in terms of the ability to rapidly increase in line with known or anticipated changes in demand. Approaches include short-term capacity and inventory-holding alternatives
New products – time to market	Identify the elements of lead time within the new product development process for which operations is responsible. Assess the work involved and opportunity to reduce the task content, current start times in relation to the overall procedures and opportunities to complete part or all of the task in parallel (rather than in sequence) with other elements of the process
Meeting specific customer needs	Assess current approaches to identify how standard products can be modified in line with specific customer requirements and the impact on costs, lead times, quality conformance and the overall schedule

SOURCE: Adapted from Hill, T. (2005) *Operations Management*, 2nd edn, Basingstoke, Palgrave Macmillan

EXHIBIT 2.17 Some possible order-winners and qualifiers and some typical areas for review and improvement