



The Leon Recanati Graduate School of Business Administration

1231.2412.03 – Introduction to Value Creation

Second Semester – 2018/19

Section	Day	Hour	Exam date	Lecturer	Email	Telephone
03	Thursday	15:45-18:30 (First half)	As posted on the list of exams	Prof. Yossi Aviv	yaviv@tauex.tau.ac.il	

Teaching Assistant (TA): Yaniv Grosman, yanivgro@gmail.com

Office Hours: By appointment

Course Units

1 course unit = 4 ECTS units

The ECTS (European Credit Transfer and Accumulation System) is a framework defined by the European Commission to allow for unified recognition of student academic achievements from different countries.

Course Description

This course considers the subject of value creation from an operations (process) management perspective, where operations are broadly defined as the processes by which firms create and deliver value. Operations Management is concerned with the production and delivery of goods and services. It encompasses the design of products and processes, the planning and execution of production, and acquisition and deployment of resources. Successful crafting and execution of operations strategy can provide organizations with strong and sustainable competitive advantage.

This course provides a rigorous introduction to the analysis, design, and improvement of business processes, relevant to all types of business contexts such as services, manufacturing, logistics and distribution, government, and for-profit or non-profit organizations.

Course Objectives

Upon successful completion of this course, you will be able to:

- Appreciate the importance of achieving proper alignment between operations management and the organizations' strategy, and the challenge of coordination in complex operational environments.
- Conduct basic capacity analyses of processes to identify bottlenecks and evaluate improvement strategies.

- Explain key concepts in capacity planning and resource utilization in service settings, and utilize basic waiting-line theory.
- Explain the cost of uncertainty and the value of actionable information in operational environments via fundamental theory, and propose practical ways for creating real options in such settings.
- Understand the underlying logic behind the lean management philosophy.

Evaluation of Student and Composition of Grade

Percentage	Assignment	Due Date	Group Size/Comments
20%	Group Assignment #1 – Covers sessions 1-3	March 29	Groups of 3-4 students
20%	Group Assignment #2 – Covers sessions 4-5	April 19	Groups of 3-4 students
60%	Final Exam	See school’s exam schedule	Individual

* According to University regulations, participation in all classes of a course is mandatory (Article 5).

* Students who absent themselves from classes or do not actively participate in class may be removed from the course at the discretion of the lecturer. (Students remain financially liable for the course even if they are removed.)

Course Assignments

A student must complete the following assignments.

Group Assignments

The assignments will cover quantitative and qualitative materials taught/discussed in class. Grading of the assignments will be done in a rigorous fashion, so please work on them seriously and with full participation of all group members. The assignments will also prepare you for the final exam. You will have at least 7 working days (excluding Fri-Sat).

Specific guidelines on how to submit the assignments will be listed on the assignment.

Final Exam

The final exam will be based on all material taught/discussed in class, and will consist of open ended and multiple-choice questions. The exam will be administered in a “closed-book” format. Calculators will be necessary, but no phone or wireless equipment will be allowed.

Students who are unable to complete an assignment or course requirement must notify the TA of the course in advance via email

Grading Policy

In the academic year of 2008/9, the faculty instituted a grading policy for all graduate level courses, under which the final average grade for elective course are confined to a given range. We will adhere to this policy by redistributing the grades in case the “raw” average score shall fall outside the aforementioned range.

Additional information regarding this policy can be found on the Faculty website.

Evaluation of the Course by Students

Following completion of the course students will participate in a teaching survey to evaluate the instructor and the course, to provide feedback for the benefit of the students, the teachers and the university.

Course Site (Moodle)

The course site will be the primary tool to communicate messages and material to students. You should check the course site regularly for information on classes, assignments and exams, at the end of the course as well.

Course material will be available on the course site.

Please note that topics that are not covered in the course material but are discussed in class are considered integral to the course and may be tested in examinations.

Course Outline*

Meeting	Topic
Feb.-28	Introduction to value creation – a process perspective. Operations strategy.
March-7	Productivity, constraints, and bottlenecks in processes. Process analysis fundamentals.
March-14	Capacity deployment in service operations. Resource pooling.
March-21 - No class (Purim Holiday)	
March-28	Operational planning under uncertainty.
April-4	Flexibility and postponement strategies.
April-11	Principles of the Lean Management philosophy
April-18	Lean Management philosophy (cont.). Course summary.

*Subject to change

Reading

There is no mandatory reading for this course. However, the following optional books are recommended:

(1) The following book is commonly used in top MBA/EMBA programs as a mandatory or recommended reference for core Operations Management courses: **Matching Supply with Demand**, by Christian Terwiesch & Gerard Cachon, 3rd Edition, McGraw-Hill, 2013. You may use any edition of the book.

(2) Goldratt, E.M., and Cox, J., **The Goal**, North Rivet Press, Croton-on-Hudson, NY (any edition).