



Innovate | Create | Scale

SE Programming Day
Operations for Startups
9am -1pm

Rules of Engagement

- Safe environment
 - Everyone is engaged
 - Founders helping founders
 - Radical candor...but show respect
 - Exchange of ideas...not personal attacks
 - Give and receive constructive feedback
 - Be comfortable being uncomfortable
 - Get the most out of it...Be prepared
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Online Etiquette

- **Be on time**- arrive 10 minutes early
 - **Volume**- mute your mic when you are not talking or typing
 - **Presentation**-Turn on your video during breakout rooms and dress appropriately
 - **Work Space** – Choose a workspace that is suitable for the online classroom
 - **Speak up!** – Ask for help when you need it
 - **Enjoy it !** – engage in the class discussion through video , chat box and mic. Enjoy this new way of learning. It is new to a lot of people and it may take time to adapt
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Objectives

- Review & revisit The **Business Canvas Model**
 - Introduce key **Operations** Management Terms
 - Understand the **Operating Model Canvas**
 - Understand and illustrate a process map
 - Create an Action Plan
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Operations Management

includes of all the resources, activities, processes and systems that are required to create and deliver valuable products and services to your customers.

Operations Management

everything needed for...acquiring your resources, manufacturing your products or designing your services, setting up distribution channels in order to reach your customers, meeting customer demand, and implementing quality control processes to ensure that your customers are consistently satisfied with your venture's product or services.

What is a Value Chain ?

Value chain is used to describe all the business activities it takes to create a product from start to finish (e.g., design, production, distribution, etc.). And a value chain analysis gives businesses a visual model of these activities.



Value Chain Analysis

- **Value chain** analysis is a way for businesses to analyze the activities they perform to create a product. Once the activities are analyzed a business can use the results to evaluate ways to improve its competitive advantage.
 - **Competitive Advantage** is what sets your business apart from competitors. And to develop an advantage, you'll need a clear idea of your target market, the benefit your product provides to the target market, and a solid understanding of your competitors and their offerings.
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Value Chain Analysis Steps

1. Determine the business' primary and support activities.

Together, the primary and support activities make up the value chain. And they include each action required in the development of a product or service, from raw material to final product.

2. Analyze the value and cost of the activities.

Brainstorm ways each activity provides value to customers and the business as a whole. Compare the activity to the competitive advantage you're trying to achieve (cost leadership or differentiation) and see if it supports the goal.

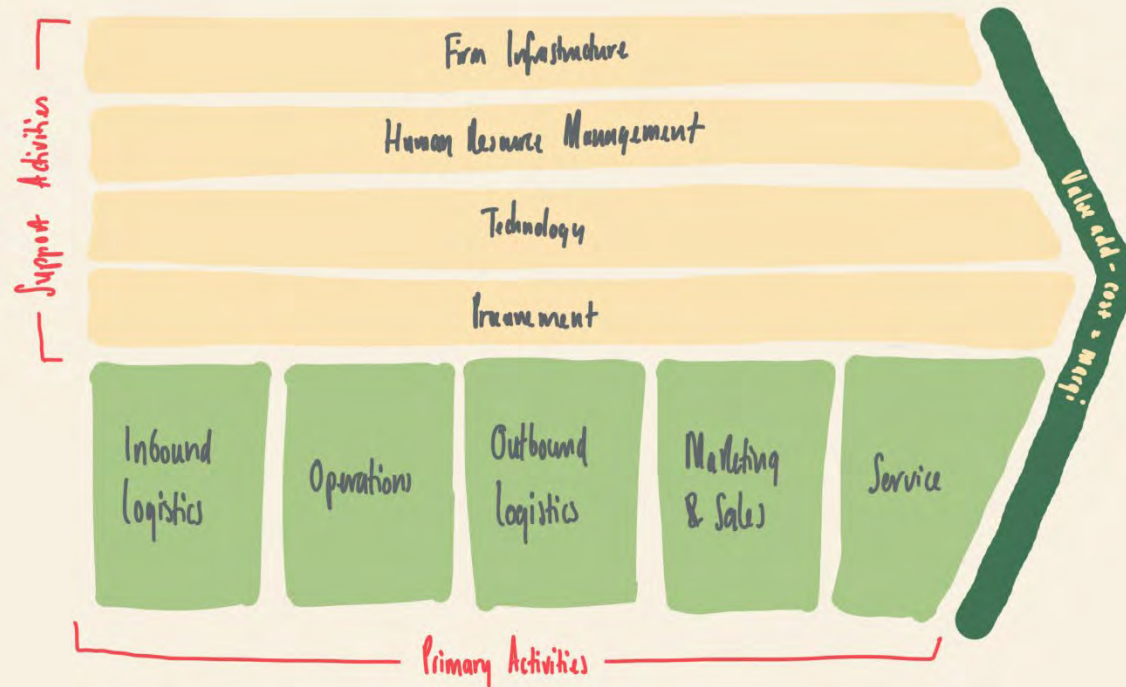
After the value analysis is complete, take a look at the cost of the activities. Is the activity labor intensive? How much does X raw material cost? Asking questions similar to these will help identify which activities are cost-effective and which are not. This where areas for improvement can be identified.

Value Chain Analysis Steps

3. Identify opportunities to gain a competitive advantage.

- Once the value chain analysis is complete, you can see an overview of where the business is excelling and where improvements can be made operationally.
 - Begin with the improvements that take minor changes and provide high-impact results. After the easy wins are identified and actioned, you and your team can tackle the bigger challenges that might be hindering efficiency.
 - The value chain analysis gives businesses a clear idea of how to adjust their actions and processes to provide the most value to their target market and increase profit margins for the company.
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— Porter's Value Chain —



Source: Porter

Primary Activities

1. Inbound Logistics

This is how materials and resources are gained from suppliers before the final product or service can be developed.

2. Operations

Operations are how the materials and resources are produced, resulting in a final product or service.

3. Outbound Logistics

Once a product or service is finished, it needs to be distributed. Outbound logistics describes this delivery process.

4. Marketing and Sales

This is how your product or service is presented and sold to your ideal target market.

5. Services

This is the support a business provides for the customer which can include support and training for the product, warranties, and guarantees.

Secondary Activities

1. Firm Infrastructure

This entails all the management, financial, and legal systems a business has in place to make business decisions and effectively manage resources.

2. Human Resource Management

Human resource management encompasses all the processes and systems involved in managing employees and hiring new staff. This is especially important for companies that provide in-person service, and excellent employees can be a competitive advantage.

3. Technology Development

Technology development helps a business innovate. And technology can be used in various steps of the value chain to gain an advantage over competitors by increasing efficiency or decreasing production costs.

4. Procurement

This is how the resources and materials for a product are sourced and suppliers are found. The goal is to find quality supplies that fit the business' budget.

Building Blocks of Operations

- **Sourcing** – finding all of the tangible and intangible resources that are required as inputs into your operation
 - **Production** – all of the steps that you need to complete in order to transform your resources into saleable products or services
 - **Delivery** – all of the steps that you need to complete in order to get your products or services to the customer
 - **Maintenance** – all of the steps that must take place after delivery to the customer
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McDonalds -Value Chain Example

Inbound Logistics

McDonald's has pre-selected, low-cost suppliers for the raw materials for their food and beverage items. It sources [suppliers](#) for items like vegetables, meat, and coffee.

Operations

The business has is a franchise and each McDonald's location is owned by a franchisee. There are more than [37,000 McDonald's locations](#) worldwide.

Outbound Logistics

Instead of formal, sit-down restaurants, McDonald's has fast-casual restaurants that focus on counter-service, self-service, and drive-through service.

Marketing and Sales

Its marketing strategies focus on media and print advertising, including social media posts, magazine advertisements, billboards, etc.

Break
15 minutes

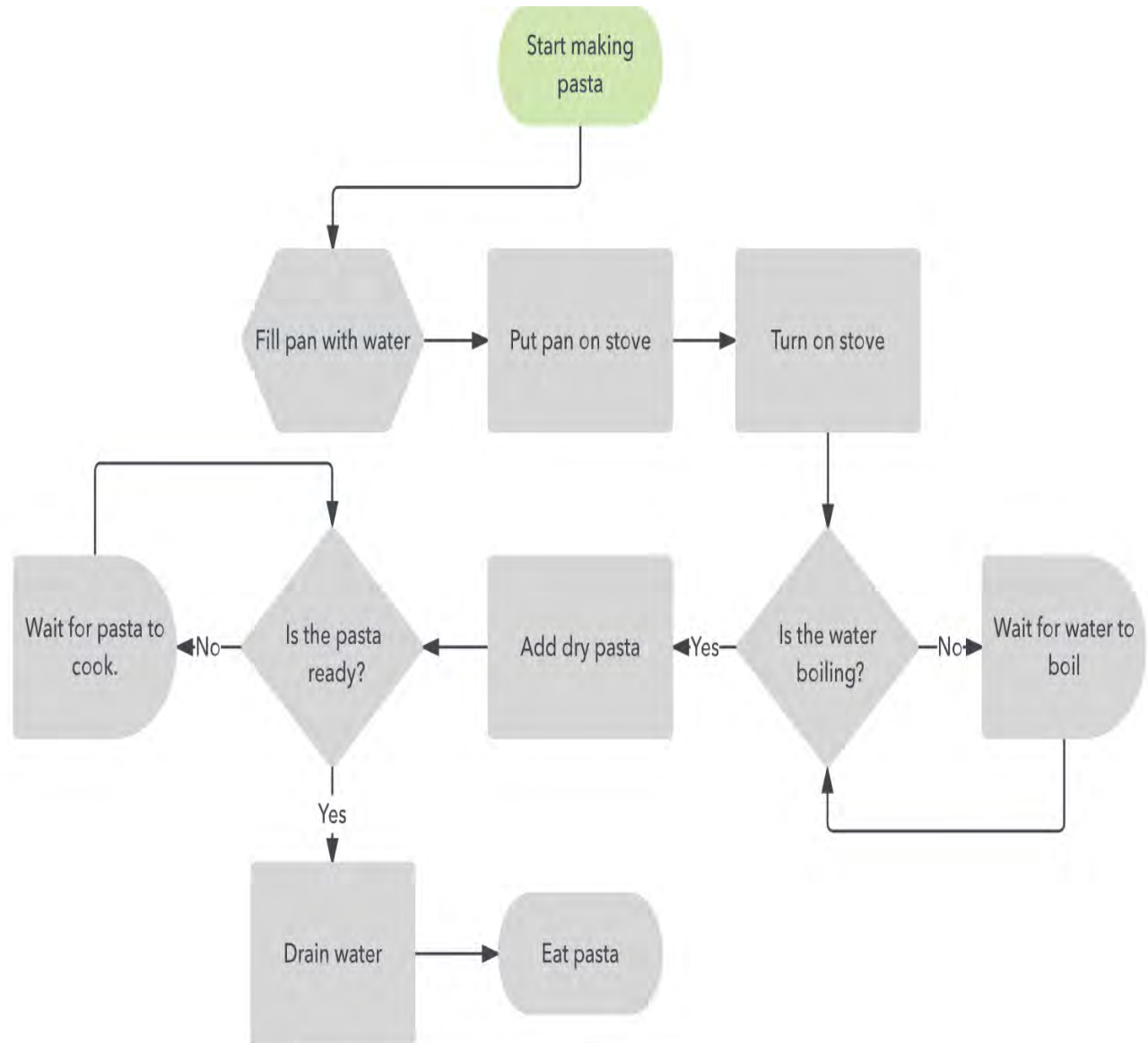
Activity
Please copy link from Chatbox

What's Process Mapping ?

- A process map is a planning and management tool that visually describes the flow of work.
 - A process map is also called a flowchart, process flowchart, process chart, functional process chart, functional flowchart, process model, workflow diagram, business flow diagram or process flow diagram. It shows who and what is involved in a process and can be used in any business or organization and can reveal areas where a process should be improved.
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Purpose of Process Mapping

- The purpose of process mapping is for organizations and businesses to improve efficiency. Process maps provide insight into a process, help teams brainstorm ideas for process improvement, increase communication and provide process documentation. Process mapping will identify bottlenecks, repetition and delays. They help to define process boundaries, process ownership, process responsibilities and effectiveness measures or process metrics.
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Understanding the Process

Benefits of Process Mapping


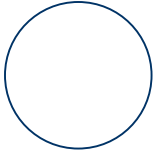
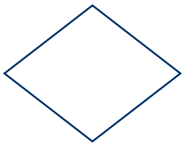


- Process mapping spotlights waste, streamlines work processes and builds understanding. Process mapping allows you to visually communicate the important details of a process rather than writing extensive directions.
 - **Flowcharts and process maps are used to:**
 - Increase understanding of a process
 - Analyze how a process could be improved
 - Show others how a process is done
 - Improve communication between individuals engaged in the same process
 - Provide process documentation
 - Plan projects
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Benefits of Process Mapping

Process maps can save time and simplify projects because they:

- Create and speed up the project design
 - Provide effective visual communication of ideas, information and data
 - Help with problem solving and decision making
 - Identify problems and possible solutions
 - Can be built quickly and economically
 - Show processes broken down into steps and use symbols that are easy to follow
 - Show detailed connections and sequences
 - Show an entire process from the beginning to the end
 - Process maps help you to understand the important characteristics of a process, allowing you to produce helpful data to use in problem solving. Process maps let you strategically ask important questions that help you improve any process.
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Common Flowcharting Symbols

	Direction of flow
	Starting, stopping, or control point
	Decision point
	Processing
	Input or output (<i>optional</i>)










Steps for Process Mapping

- Clarify purpose
 - Decide level of detail
 - Write down all steps
 - Decide start and end steps
 - Arrange steps' sequence
 - Check for completeness
 - Identify decision points (diamonds)
 - Develop alternate paths for decision points
 - Add flow lines and arrows
 - Number each step
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Tips for Process Mapping

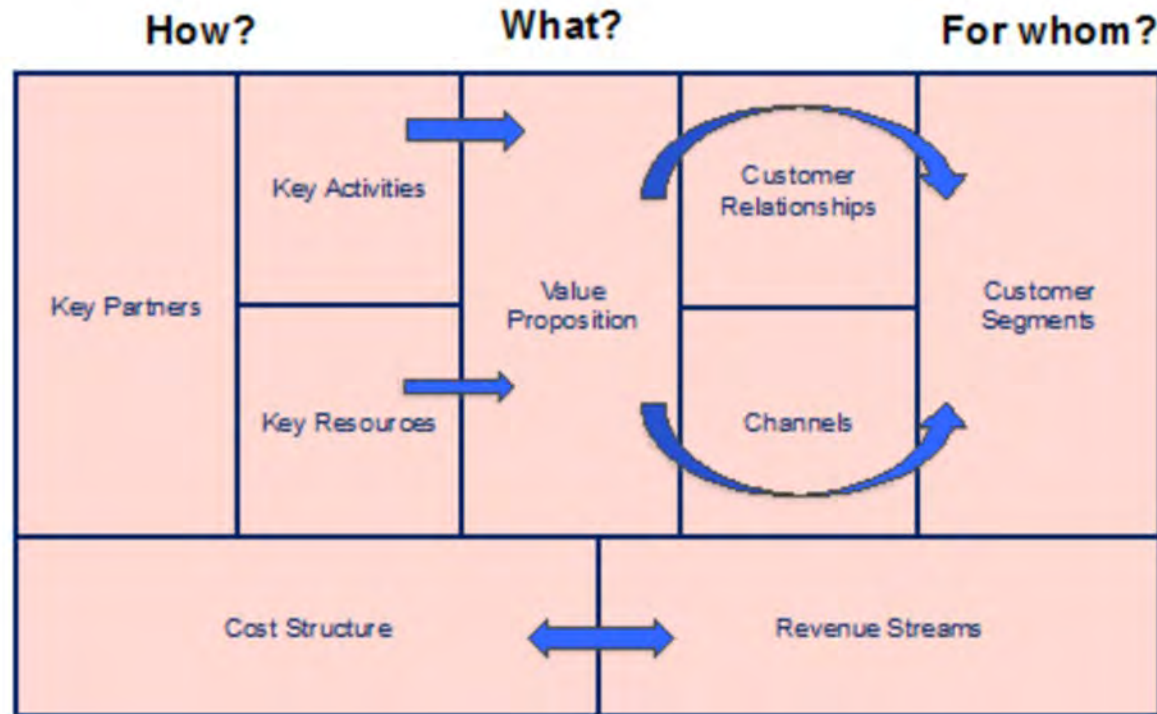
- Walk the process.
 - Draw first drafts manually.
 - Use numbered reference sheets.
 - Always date or provide version #.
 - Maintain version control.
 - Create a “parking lot” folder.
 - Concentrate on process, not symbols.
 - Ask lots of questions.
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Break
15 minutes

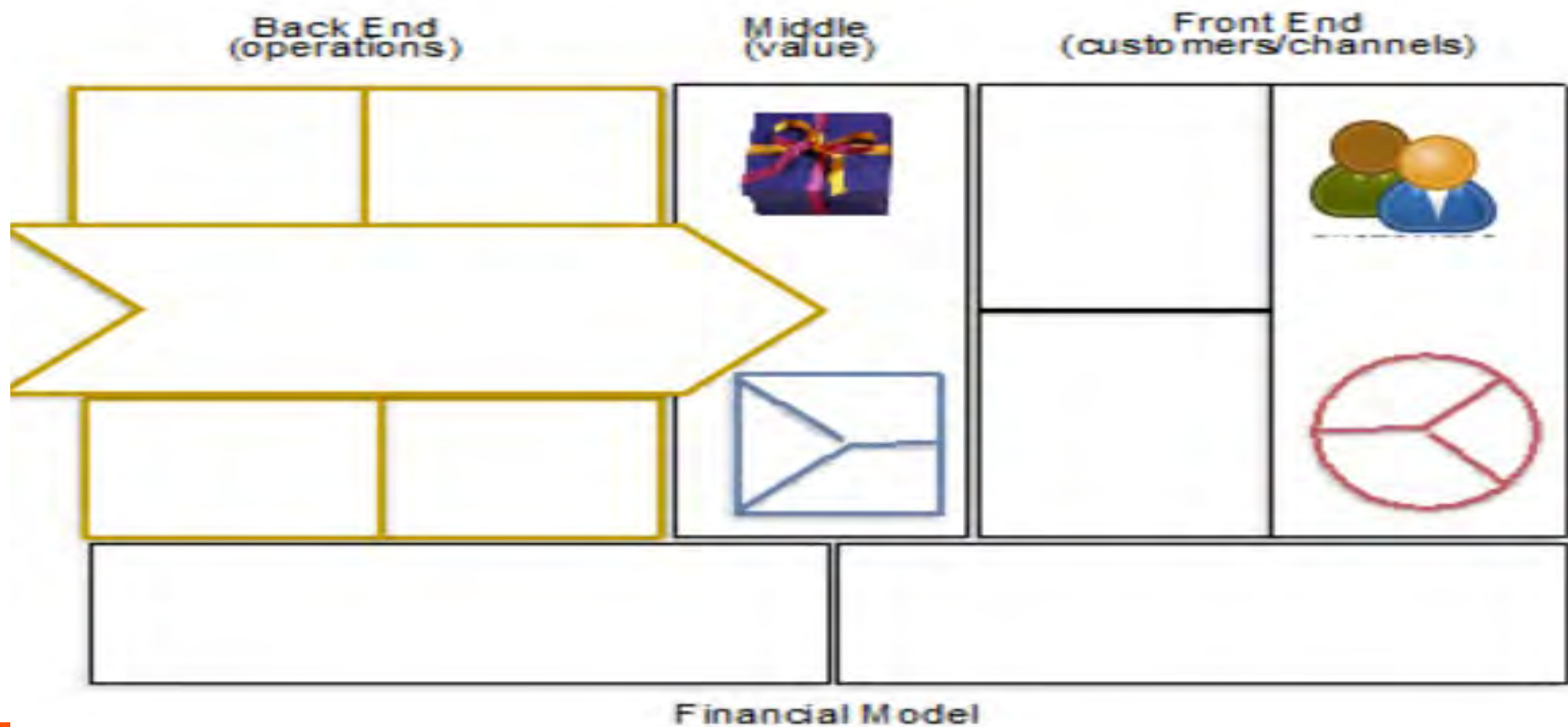
<p><i>Key Partners</i> </p> <p>6</p> <p>Who are our Key Partners?</p> <p>Who are our key suppliers?</p> <p>What are we getting from them? Giving them?</p>	<p><i>Key Activities</i> </p> <p>7</p> <p>What Key Activities do we require? Manufacturing? Software? Supply chain?</p> <p><i>Key Resources</i> </p> <p>8</p> <p>What Key Resources we require? Financial, physical, IP, HR?</p>	<p><i>Value Propositions</i> </p> <p>1</p> <p>Which of our customer's problems are we helping to solve?</p> <p>Which customer needs are we satisfying?</p> <p>What are the Key Features of our product that match customers problem/ need?</p>	<p><i>Customer Relationships</i> </p> <p>4</p> <p>How will we Get, Keep and Grow Customers?</p> <p><i>Channels</i> </p> <p>3</p> <p>Through which Channels do our Customer Segments want to be reached?</p>	<p><i>Customer Segments</i> </p> <p>2</p> <p>Who are our most important customers?</p> <p>What are their archetypes?</p> <p>What Job do they want us to get done for them?</p>
<p><i>Cost Structure</i> </p> <p>9</p> <p>What are the most important costs inherent in our business model? Fixed? Variable?</p>		<p><i>Revenue Streams</i> </p> <p>5</p> <p>How do we make money? What's the revenue model? Pricing tactics?</p>		



The Business Model Canvas



Enhanced Business Model Canvas



Activity
Complete Process Map and
Action Plan

Goal (What)	Success Indicator (Target)	Key Activities (How)	Lead (Who)	Timelines/ Completion Dates (When)	Resources Required (Supports)	Status
Human Resources						
Financial Management / Development						
Physical Plant/ Facilities						
IT Resources						
Communications						
(Insert name of system/structure)						

Common Mistakes in Operations

- Running without metrics
 - Creating Overly complex processes
 - Not focusing on customers
 - Not continuously improving the process
 - Automating bad processes
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Questions ?

Key Takeaways :

- What was your key takeaway today?
- What are your goals for :
 - Today ?
 - This week ?
 - Before next class ?



Assignment for : Continue working on Operations Plan and Flow Chart
