



THE BALANCE BETWEEN OPERATION AND DEVELOPMENT



Purpose

The purpose of this tool is to create awareness of the orientation of the company and the employees towards operation and development. Development is here defined as business oriented development activities. It is not a question as to which activity is better than the other one; it concerns how companies work with and prioritize the balance between operation and development in their supply chain.

Participant(s)

Key employees from the company's supply chain processes.

Application

The tool is used continuously and when supply chain innovation projects are initiated. The tool can be used as an inspiration to discuss the balance between operation and development activities, in order to assess whether the company's supply chain is prepared to withstand future challenges.



Method

Working with the balance between operation and development starts by creating awareness of these challenges. It should be discussed whether the competences regarding operation and development should be located with the same employees in the company.

In order to create awareness and the opportunity to evaluate the company in respect to operation and development, five statements related to the operation of the supply chain and five statements related to the development of the supply chain are presented in the following.

The tool is applied by having selected key employees in the company's supply chain completing the two tables on the following pages. For each of the five statements the employees must mark to which degree he or she agrees, ranging from 1 (low degree) to 5 (high degree).



Statements related to Operation

Low degree

High degree

Statements about practices in the supply chain, related to operation	1	2	3	4	5
1. We are focused on improving the cost-effectiveness in our supply chain processes					
2. We are focused on smaller optimizations in our supply chain processes					
3. We are focused on reducing operational redundancies in our existing supply chain processes					
4. We have continued focus on smaller improvements in our supply chain processes and apply them					
5. We are focused on developing strong competences in our existing supply chain processes					



Statements related to development

Low degree

High degree

Statements about practices in the supply chain related to development	1	2	3	4	5
1. We regularly seek for and embrace new opportunities in our supply chain processes					
2. We focus on long-term development of new supply chain processes					
3. We constantly experiment with new solutions which enhance our existing supply chain processes					
4. We proactively pursue new supply chain solutions					
5. We have dedicated resources to strategic development of our supply chain					





When the forms have been completed, the average is calculated for each response of the employees to the five operating-oriented and the five development-oriented statements. These average values give each employee a plot in the chart on the next page. Additionally, calculations can be made for departments or the company as a whole.

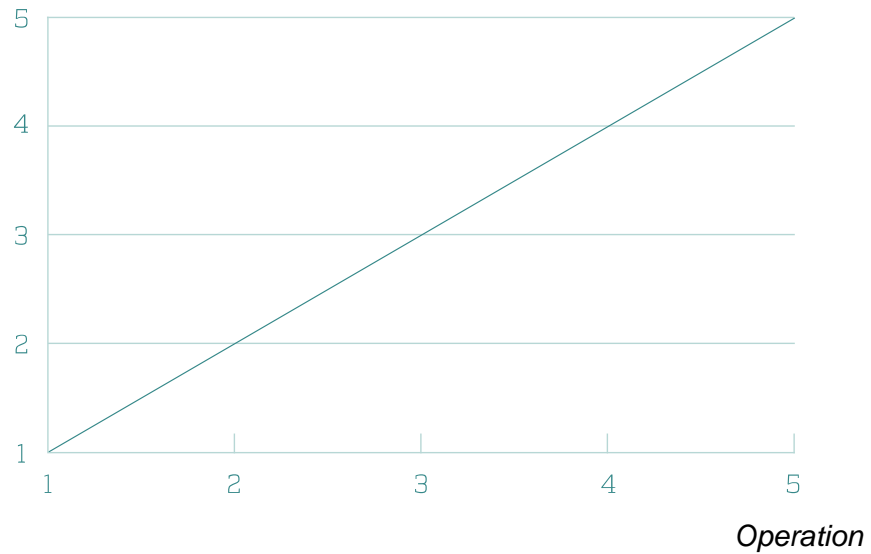
If your plot in the figure is below the line, you are likely to be operation-oriented. The more far away from the line, the more pronounced this is. Conversely, if the plot is above the line, you are most likely development-oriented.

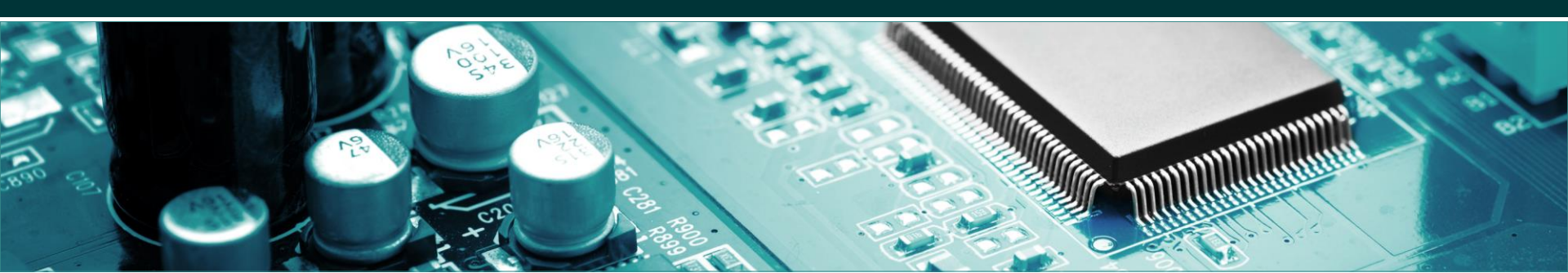
When larger supply chain innovation projects are initiated, it is often seen that dedicated resources are allocated for the implementation. This tool can help to select the right participants and to raise awareness of potential challenges before the process is started.



Operation vs. development

Development





Benefits

The advantage of this tool is to supply the company with an overview as to whether it is generally more oriented towards operation or development.

Output

The output is an overview of the individual employee and the company as a whole as regards orientation towards operation and / or development. In addition the awareness that operation as well as development tasks are present in the company supply chain.