
Chapter 17

Managing Operations and Staffing

Business Ownership

Mrs. Deady



Objectives

- Explain the significance of operational plans
 - Describe the purpose of operating policies, rules, and regulations
 - Explain the staffing process
 - Determine the need for additional policies
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Definitions 17.1: Managing Operations



Policy – a statement of guiding principles and procedures that serves as a guideline for daily business operations; they support the company's goals and objectives.

- Rule – a standard that is set forth to guide behavior or actions, leaving no room for interpretation.
- Credit – arrangement for deferred payment for goods and services
- Character – a borrower's reputation for honest dealings

Definitions, continued



- Capacity – a borrower’s ability to repay a debt, as judged by the lenders
- Capital – the overall assets of an individual
- Return policy – establishes the conditions under which items that have been ordered, shipped or delivered may be returned
- Rework policy – conditions under which items will be done again due to poor quality, customer’s lack of information

Typical Operating Policies

- Hours of Operation
- Credit Policies
- Return and Rework Policies
- Delivery Policies
- Customer Service Policies



Four Types of Credit Plans



- Bank Credit Cards include Visa, MasterCard and Discover Card – bank card issuers take a fee for each transaction.
- Charge Accounts are in the business's name, and the business applies finance charges for balances due
- Installment Plans – include a down payment and monthly payments
- Financing – usually reserved for expensive goods – a loan by the bank to the consumer

Customer Service Policies



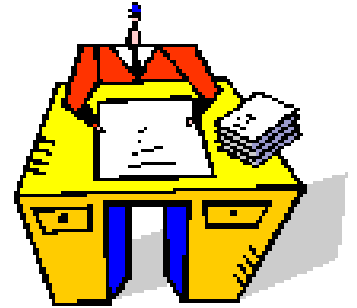
- Handling of complaints – “The customer is always right.”
 - Servicing of your product – if it stops working within a certain time limit, will you fix it?
 - Courtesy to customers – “Did you find everything you were looking for?”
 - Shopping climate – policy of lighting or housekeeping standards
 - Provision of restrooms – are they usable by customers upon request?
 - Response time – “all orders filled within 48 hours of receipt”
 - Warranties – guarantee of the materials and workmanship that go into their products
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Definitions 17.2: Staffing and Company Policies

- Line organization – Chart that shows managers and the areas for which they are responsible
- Staff – supervisors and others who provide support and advice for line managers
- Line-and-staff organization –incorporation of staff into line organization structure
- Project organizations – temporary organizations brought together for special projects



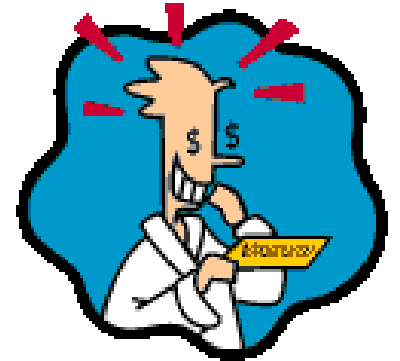
Definitions 17.2: Staffing and Company Policies, cont'd



- Job description – statement that describes the objectives of a job and its duties and responsibilities
- Job specification – document that details the abilities, skills, educational level, and experience needed to perform the job.
- Résumé – summary of academic and work history, skills, and experience
- Recruit – use of classified ads, employment agencies to bring in prospective employees

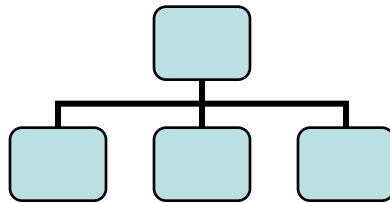
Definitions 17.2: Staffing and Company Policies, cont'd

- Wages – hourly pay
- Salary – fixed amount of pay received weekly, monthly or annually
- Benefits – extras workers receive on a job, like insurance, 401K, vacation
- Piece rate – a payment per unit produced
- Commission – a percentage of sales



Why create an organization chart?

The structure helps you delegate responsibility, authority and work as it includes all of the jobs in your business and how they are related.



The Five Major Areas of Personnel Policies

- Employee Standards
- Recruiting and Screening Employees
- Pay and Benefits
- Training and Development
- Personnel Records



Rules for Effective Interviewing

1. Define what you are looking for before the interview.
 2. Conduct interviews in private. Don't use panel interviews.
 3. Put the interviewee at ease. Treat him or her with respect.
 4. Ask general background questions first, more specific questions later.
 5. Encourage the interviewee to talk. Be a good listener.
 6. Confirm key observations several times during the interview.
 7. Provide an opportunity for the interviewee to ask questions.
 8. Look for how the interviewee conducts himself or herself, and note his or her attitude and enthusiasm.
 9. Look for what the person will bring to the job.
 10. Cover all of your planned areas in enough detail to allow you to make a sound decision.
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