

Facilitating and Learning Materials

NATIONAL PROFICIENCY LEVEL I

TRADE AREA:

CASHEW VALUE CHAIN

UNIT 9:

Basics of operational planning in a production environment



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Table of Learning Outcomes (LOs)

LO 1	DEMONSTRATE KNOWLEDGE OF OPERATIONAL PLANNING IN A PRODUCTION ENVIRONMENT.
LO 2	DEMONSTRATE SKILLS FOR PLANNING OF OPERATIONS IN A PRODUCTION ENVIRONMENT.

Introduction and preliminary notes



Due to the many changes in business, it is imperative to have an operational plan in place as it requires a great deal of anticipation about future business activities.

An Operational Plan is a highly detailed plan that provides a clear picture of how a team, section or department will contribute to the achievement of the organization's goals. The operational plan maps out the day-to-day tasks required to run a business and cover.

On completion of this unit, you will be able to demonstrate knowledge and skills of operational planning in a production environment

LO 1: Demonstrate knowledge of operational planning in a production environment



PC (a) Explain operational planning in a production environment:

Operational planning (OP) is the process of planning strategic goals and objectives to tactical goals and objectives. They link the strategic plan with the activities the organization will deliver and the resources required to deliver them. The operational planning is to combine the use of people, money, time and resources.

PC(b) State the importance of operational planning.

The importance of the operation plan is to incorporate the potential of effectively carrying out a business strategy and the achievement of the stated objectives and goals.

The importance of an operational plan is to explain the following:

- How to get your product produced and delivered.
- The methods to meet your goals,
- Who the people will be and what they will be doing
- The finances needed to reach the company's goals.
- Highlights the possible risks that could arise.

Cross-Functional Collaboration	Strategy & Planning
People	Growth
Money	Operations & Execution
Change & Communications	Data Management
Special Projects & Programs	Metrics & Reporting

PC (c) Identify the challenges of operational planning in a production planning:

When creating an operational production plan there are challenges to overcome. Each challenge presents an opportunity to learn and apply a solution. These are the challenges encountered when drafting an operational production plan:

Resistance to change:

Resistance to change becomes a challenge when the company changes a certain way of working with a new way to do the work. Some people feel that their position at work is at risk and they find it difficult to adjust.



Resistance to Change

People are so busy working in their own departments that in meetings they only have their own departments point of view and they struggle to see the bigger picture when planning with the other departments and seeing the company's goals.

Creative opportunities are limited:

During the operational planning process, employees may feel that their creativity and independence are limited when preplanning the company's objectives years and months in advance.

Budgeting:

When drawing up an operational plan budgeting becomes a challenge with the various department's wanting to spend money on the things that they need without considering the overall income and expenditure of the company.



Organizational structure:

The organizational structure becomes one of the main inputs when developing an operational plan, the challenge arises is when to get all departments plans aligned to that of company's goals.

The calendar of events

As the operational plan coordinates people, time, money and resources, the challenges arise is when the wrong information is supplied by the various departments resulting in the company's planning being incorrect.

Self-assessment:

PC (a)

Explain what operational planning is

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PC (b)

State the importance of operational planning

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PC (c)

Name 4 challenges in the operational planning in production environment.

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LO 2: Demonstrate the skills for planning of operations in a production environment.

PC(a) State the factors to consider in operational planning

Operational planning is a critical part of a manager or small business owner's job in a small company. A company's leaders must set goals and develop a plan for work activities, or operations, required to accomplish those goals. Taking the factors into account.

Timing factors:

In order to attract repeat business, the operations manager when planning service delivery, the operational manager must keep in mind the customer's needs and timing.



Quality factors

The operations manager must take into account the objectives when compiling an operational plan ensuring that the objectives that are set out defining the quality and processes advertised.

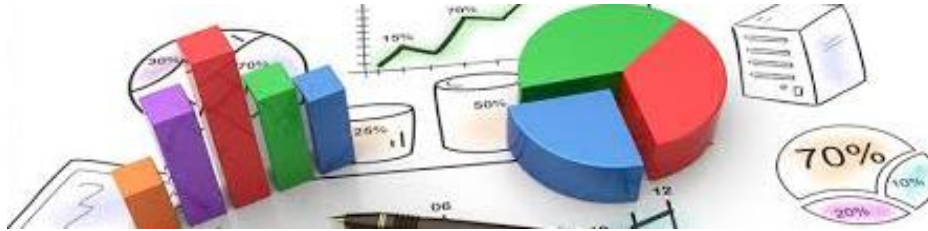
Cost factors

An operations manager when drawing up an operations plan must ensure that his objectives taken into account:

- Product surveys
- Costing
 - Products
 - Processing
 - Packaging
 - Marketing
 - Distribution
- Product handling and quality processes.



PC (b) Outline the steps in operational planning:



Develop a concept of business operation.

- Describe your product/service.
- Identify the key competitive practices and important players.
- Key Hires, Suppliers, Intermediaries.
- Identify operational goals and objectives.

Acquire necessary information

- Obtain facts from research, field tests and experts
- Identify staff (who does, what, when)
- Labour laws
- Conduct market research
- Determine location of operations.
- Determine facilities
- Code of conduct in place.
- Operational policies.
- Health & safety requirements
- Source of suppliers

Define the challenges.

- Focus on major costs and expenses.
- Present achievable milestones (6 months, 12 months and 24 months)
- Show where you are and what you hope to achieve at that point.

Build the plan

- Organise resources by logical functional categories:
- Present fact-based format with cost and time line:
- Ex costs.
- Ex turn over (turn- over)
- Convey tactical methods

Developing the concept of operations:

- Developing the concepts of operations restates the strategic position the business. It involves explaining your business model and how you intend to transmit value to the intended customer.

Acquire necessary information

- Use the methods previously discussed (primary and secondary) to acquire necessary information about your operations

Define the challenges

- From your research you should be able to identify key challenges for being successful in the industry.

PC(C) Prepare an operational plan:



Situation: You are working in the cashew industry and you have been tasked by your employer to prepare an operational plan.

Instructions

1. Follow the steps and procedure of operational planning
2. Prepare an operational plan
3. You have **30 minutes**

Performance Criteria

1. Steps and procedure of operational planning is followed
2. Operational plan is prepared
3. Time limited is adhered to

Use the checklist to follow the stated steps for preparing an operational plan. Rate your own performance critically and honestly after you have completed each activity.



Excellent



Okay



Try Again

Daily PM Activities	Rate
1. Steps and procedure of operational planning is followed	
2. Operational plan is prepared	
3. Time limited is adhered to	

Self-assessment

PC (a)

Explain the factors in operational planning

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PC (b)

State the steps in operational planning.

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Resources:

- https://en.wikipedia.org/wiki/Operational_planning
- <https://www.syndicatoroom.com/learn/glossary/operational-pla>
- <https://www.riskope.com/2014/04/03/lets-define-strategic-tactical-and-operational-planning/>
- <https://guthriejensen.com/operational-planning>
- <https://study.com/academy/lesson/what-are-operational-plans-for-a-business-definition-types-examples.htm>