



Benefits of Operational Management

Definition of Operational Management



Operational management refers to the management of an organization's performance in order to achieve the maximum level of efficiency and effectiveness in relation to resource utilization. Operational management involves the activities, decisions, and responsibilities of managers to ensure that the various products or services provided by the organization to the public are high quality and great benefit.

Benefits of Operational Management

Good operational management provides many benefits to the organization as a whole. The benefits of operational management include:

1. Increasing Public Trust This is achieved by demonstrating accuracy, popularity, quality, and the value of the organization's products or services, and by managing the organization's operations well in order to meet the needs, preferences, and expectations of the public — as well as by delivering products or services on time and at reasonable and effective prices. When an organization is able to build public trust, its products or services will grow further, and it can also reduce promotional and advertising costs, because:

- The public will be happy to spread the word about the organization's products or services
- The public will be willing to spend money on the organization's products or services

- The public will confidently recommend the organization's products or services to others
- The public will continue to use and support the organization's products or services
- The public will provide honest feedback to the organization to help improve its shortcomings and make them better than before

2. Minimize unnecessary cost This focuses on the maximum utilization of all of the organization's resources by identifying appropriate strategies for resource use and continuing operations on an ongoing basis. Operations managers shall manage all of the organization's activities and ensure that all resources used are beneficial and economy.

3. Increasing Profit for the Organization An organization will earn profit and an excellent reputation due to the quality of its products or services, as well as the satisfaction of the public. All of these factors drive the organization's revenue to increase further, and own to public support.

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Reference: The Excellence of Operation Management by Internal Audit Unit of F.S.A.

