

Session 5: 2010 Summer Business Building Teleseminar Series

Operating Strategy

The Operating Strategy details the procedures taken to run the business on a daily basis. This includes doing an assessment of what you need to produce your products or services. By putting your procedures in writing you create operating systems for the business. The Operating Strategy differs depending on the type of business.

Products Business

If you sell products or goods to consumers, your operating strategy must include a system for obtaining raw materials, manufacturing the products and delivering the final product to the customer.

You have to know how long it takes to get parts or inventory, and exactly what it takes to get the materials prepared for the consumer.

Services Business

The operating strategy for a service includes the preparation of the particular services to be delivered to a particular client. You need to determine the exact information to provide, the payment system, and how the information or service will be delivered in an efficient and timely manner.

Sample Operating System: Cake Baking Company

1. Check schedule to be sure the product can be completed on time and accept or decline the job.
2. Establish the payment schedule. Collect payment, down payment or arrange for payments.
3. Start with the deadline and work backwards to be sure you have everything needed to get the product out on time. Chart the starting point and what you'll do at each step to be sure the order is completed in a timely manner.
4. Check ingredient inventory and replenish as necessary
5. Determine time needed to prepare the product – mixing, baking, etc.
6. Check the cooking equipment to determine it's in working order
7. Prepare the product
8. Deliver the product
9. Collect balance of payment.
10. Check inventory and replenish products used as needed.

Write Your Operations Strategy. Detail each step in the operating process.