



Successful Operations and Administration

What is Operations and Administration and why is it so important? What does it mean to be successful in Operations and Administration?

Operations and Administration is comprised of the back office functions of the business. It is the “engine room” where necessary work gets done that few customers see. These functions are absolutely critical to the business, and as with the other Key Performance Areas, strengths in this area is necessary for the business to run smoothly, while weaknesses will cause a business to struggle or fail.

It is easy for company leadership to not pay enough attention to Operations and Administration. None of the departments within the Operations and Administration area create significant value by developing new products, penetrating new markets, or closing big deals, those are not their areas of responsibility. Their functions are not glamorous, and it is extremely rare that a department leader from Operations and Administration comes to lead a company without having first gone through one of the more prestigious departments (Sales, Marketing, or Product Development). The Operations and Administration staff are like the linemen on a football team: often ignored and undervalued, yet they are absolutely critical to the success of everyone else and the entire team as a whole.

Operations and Administration workers may have some difficulty understanding and appreciating the roles of others at the company, especially the Sales and Marketing staff. They may feel like “butlers” or “housekeepers”, and accepting the servant’s role often imposed upon them can be very uncomfortable. It is one of the great responsibilities of company leadership to establish a culture where the contributions of the Operations and Administration staff are respected and valued by everyone.

The Key Performance Area of Operations and Administration covers six functions:

- Human Resources,
- Information Systems and Telecommunications,
- Legal,
- Administrative services,
- Manufacturing, Assembly, and Kitting Operations, and
- Facilities.

Human Resources

Human Resources (“HR”) covers all of the aspects of acquiring and developing the people who run the business. The HR staff is responsible for working with other department leaders to define the roles and responsibilities of existing and new staff through job descriptions, recruiting new team members, conducting interviews, making offers, and managing compensation. They are responsible for establishing and administering benefit programs (e.g. health insurance, retirement, stock options, etc.), and often have payroll responsibilities as well. HR is charged with training and professional development programs, as well as managing compliance with city, state, and federal legal requirements. Unfortunately, they are also the ones who have the difficult job of managing terminations and layoffs.

Information Systems and Telecommunications

The Information Systems and Telecommunications staff is responsible for procuring, implementing, and managing the company’s Information Technology (“IT”) and Telecom resources. They buy the computers, set them up, train people how to use them, and fix them when they break down. They have the awesome

responsibility of ensuring that technology is up-to-date and compatible with other systems, both internally and externally. They also must ensure that the systems are secure and safe from disaster.

As our dependency on computers and telecommunication resources increases, the importance of the IT and Telecom department to the organization grows year after year. If the systems they manage aren't working, then the rest of the company isn't working either.

Periodically, they may have the opportunity to implement systems that provide a distinct competitive advantage, such as e-commerce systems or advanced scheduling and control systems. Even though these systems are best sponsored by other departments, they advance the importance of the IT and Telecom department even more.

Legal

The legal staff is responsible for developing, negotiating, and managing all contracts, and ensuring compliance with legal requirements. This is one of the functions most often outsourced, especially at smaller companies, and it can be very expensive. When the function is outsourced, attorneys in public practice can provide additional value: they can be wonderful business advisors, because they see so many other companies and can bring insight into what works well and what to avoid. It is not unusual for even the smallest of companies to work with multiple attorneys, having a general business attorney, an intellectual property attorney, a securities attorney, and others.

Administrative Services

This function is comprised of the executive assistants, administrative assistants, and clerical staff that support the managers and co-workers at the company. They perform word processing, make copies, enter data, make travel arrangements, control access to leaders, and may also act as personal assistants (running errands, planning vacations, etc.) when the leaders are working too hard to do it themselves. They are becoming a rare breed. Twenty years ago, before the proliferation of personal computers, almost every manager of any stature had a secretary; now, many more leaders and managers are expected to type their own documents, make their own presentations, schedule their own travel, and even make their own copies.

Manufacturing, Assembly, Kitting and Distribution Operations

This function is made up of all of the workers who turn raw materials into components, assemble components into finished products, package ("kit") the products into the form where they are delivered to the customer, ship them out the door, and manage the logistics of distribution (i.e. moving the products to the customer).

Almost every company has some back office functions where things are assembled and products are created. Printers gather artwork, print proofs, run the jobs, and then package them for delivery. Construction companies build things. Florists order product, create displays, and custom make bouquets and arrangements. Distributors pick products, package them together, and ship them out the door. Even accountants turn their tax operations into an assembly line for preparation, quality review, and packaging.

And, of course, at manufacturing companies, this staff may be the largest of any of the departments, and really deserves its own separate Key Performance Area designation.

Facilities

The facilities staff is responsible for finding office and plant locations, decorating them, allocating workspace (in close cooperation with Human Resources), interfacing with utility companies and other public organizations, and ensuring that the facilities are safe, secure, clean, and well-maintained. At the low end of the pay scale, they are the janitors and the maintenance workers; at the high end, they are chief real estate officers and may hold executive team responsibilities such as developing, building, and maintaining multi-million dollar facilities that form a substantial portion of the company's assets.

How are you performing in all if the Operations and Administration areas? Do you need training or coaching? Do you have successful processes in place in all of the areas, and are they running smoothly?

If we can help you be successful in Operations and Administration, or any other aspect of your business growth, please give us a call or email!

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