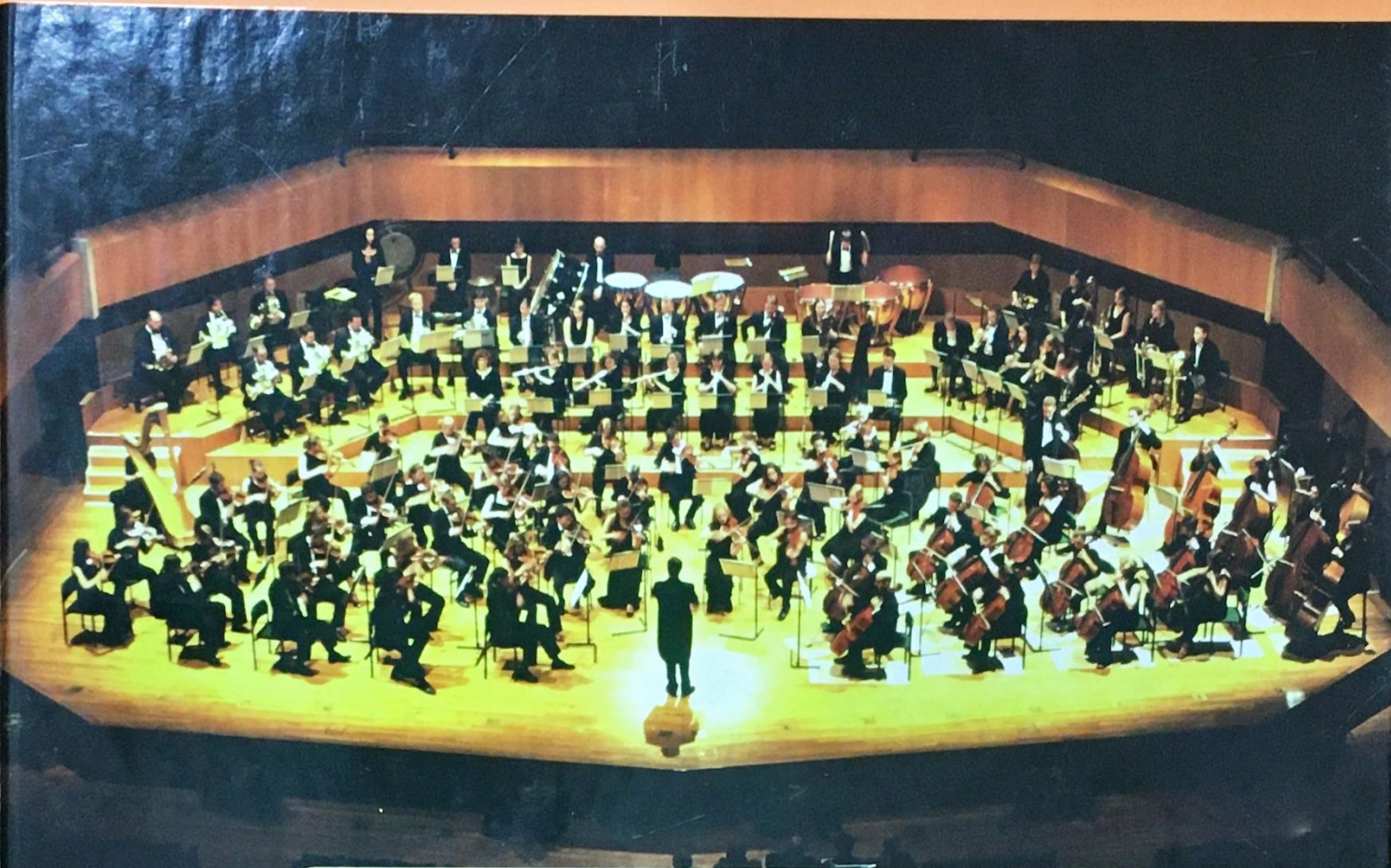


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BYRON J. FINCH

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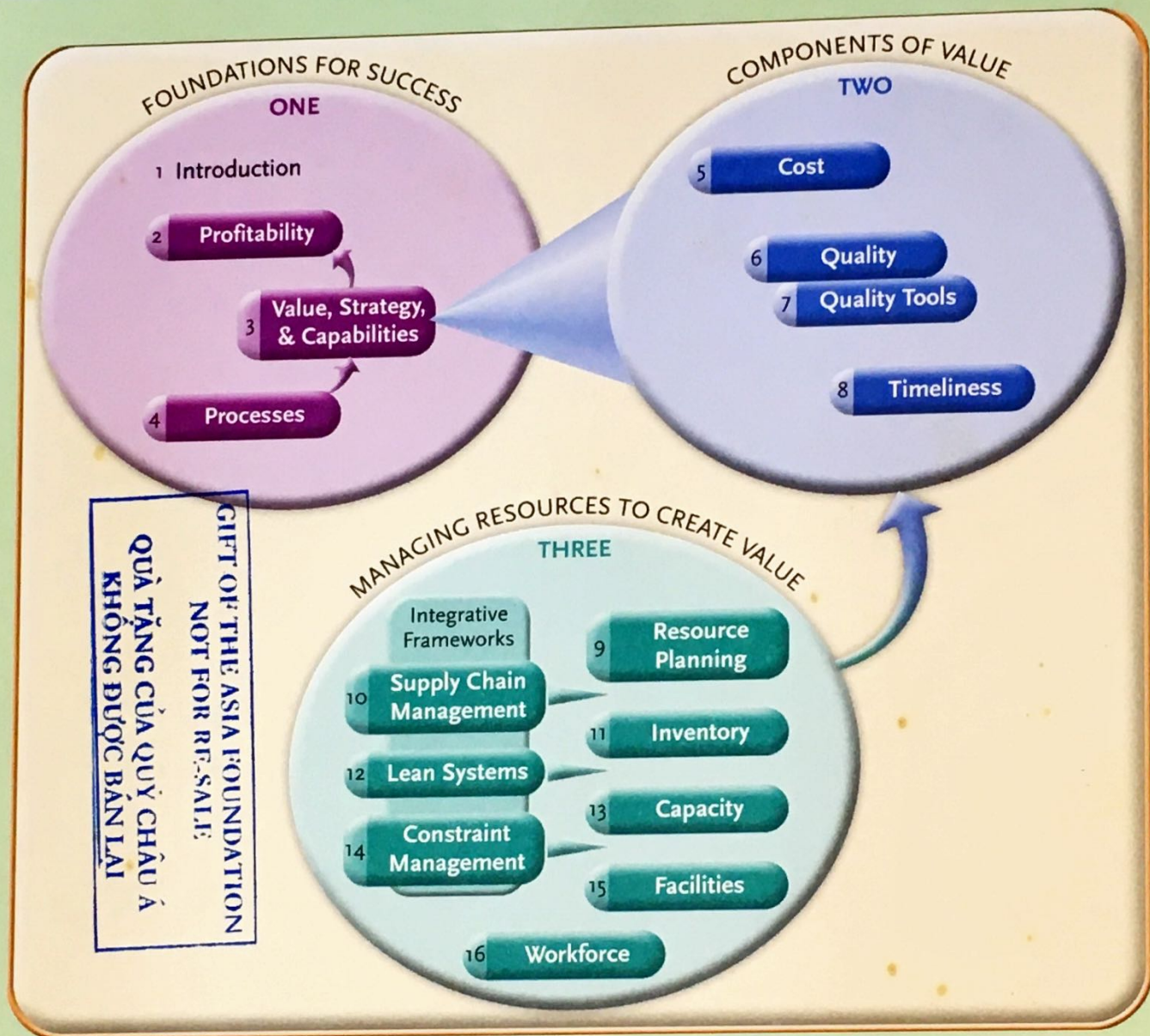


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THE RESOURCE/PROFIT MODEL



## A CONTEXT AND STRUCTURE TO REFLECT TODAY'S REALITY

The Resource/Profit Model presented on the facing page provides both an organizational structure and a critical context for discussion of operations management. The Resource/Profit Model addresses the true core of operations' relevance—the direct link to enterprise profitability.

Profitability forms the foundation of long-term business success. Value creation precedes profitability, and is maintained through strategic decisions. Value is viewed by the customer as a desired balance between the components of processes, costs, quality, and timeliness. Value components are achieved through effective management of resources, including inventory, capacity, facilities, and workforce. Broader decision-making frameworks such as supply chain management, lean systems, and constraint management assist managers in effectively managing those resources. All exist to enhance profitability.

The Resource/Profit Model places operations management into **real** context—the business and success. No business function can isolate itself from its impact on the enterprise as a whole. Today, integrated decision-making is the force that drives successful businesses. The Resource/Profit Model provides the means by which operations management content can be delivered in a context and structure to reflect that reality.



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**BYRON J. FINCH**

Miami University

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