



OPERATIONAL ADMINISTRATIVE PROBLEMS IN A MEDIUM-SIZE ENTERPRISE

Mario Alberto De la Garza Villarreal
Idelfonso Vázquez #1492 Col. Francisco I. Madero Monterrey, N.L.
mario_guitar_tigrillo@hotmail.com

Pedro Antonio Chavana Salazar
Alonso de León #226 Col. Campestre Mederos Monterrey, N.L.
Pedro_chavana@hotmail.com

Néstor Fernández García
Santa Lucia #135 Residencial San Isidro 2º Sector, N.L.
nestorjfernandez19@gmail.com

Facultad de Contaduría Pública y Administración (FACPYA), UANL

Fecha de envío: 20/Abril/ 2015

Fecha de aceptación: 17/Mayo/2015

Problem

Learning curve.

When I assumed the responsibility of running the company, I realized we had many years working in the same way. For example, when I visited the company store, I noticed that workers used the same tool, racks and shelves, plus the same procedures that were not necessarily the most effective. There was much disorder among shelves, some materials were not well accommodated, and some others had several years of being on hold without being able to move.

Analysis of the process.

Another problem facing us was not have well-defined processes. This became especially at times affect two areas or departments where they entered operation while sales were made more concrete. Sometimes, special discounts offered to key customers under volume programs. This allowed increasing our market share and free spaces in our store. However, once our commercial area registered sales, credit and collection area did not have full information about special discounts that were agree at that time with customers. This caused them to spend too long to corroborate discounts between commercial and customers when receivable.

Hypothesis

As Hypothesis of the operational administrative problems, they also thought in the model of manufacture and administration in which many enterprises have been benefited. It is a very efficient model that is called TPS (Toyota Management System) and also is called The Toyota way, and it is a model of production, òa production system which is steeped in the philosophy of "the complete elimination of all waste" (TOYOTA, 2015) imbuing all aspects of production in pursuit of the most efficient methods. òThis production control system has been established based on many years of continuous improvements, with the objective of "making the vehicles ordered by customers in the quickest and most efficient way, in order to deliver the vehicles as quickly as possible.ö (LEAN SYSTEMS PROGRAM NEWS, 2014)

The production area is very important in the enterprise because is in which they produce a product or service, thanks to the model TPS that support this area.

Abstract

The first operational administrative problem presented was that the enterprise was working in the same way in many years; the workers used the same tool and the same procedures that were not effective, the method they used as solution was the concepts of 5S to achieve having order and cleaning for the storage. The results were positive because they begin to have benefits such as optimize the process of shipping of merchandise to customers.

Another important problem that had the enterprise was that they didn't have well-defined processes, it affected when two areas entered when sales were made more concrete, the method they used as solution was de Ishikawa diagram through the analysis cause-effect. It was missing improve the process for document the information in their system, TI support them and as result they achieve streamline prices and conditions of payments agreed with the customer.

Key terms

- 5σ method
- Ishikawa diagram
- TPS (Toyota Management System)

Content

Introduction

This research is about the operational administrative problems that have an enterprise, in this case, we are going to mention some problems about a medium-size enterprise and also how it worked to find some solutions to resolve them and what results they obtained.

This research involves responsibility to analyze the problems, find solutions to resolve them and take decisions of what they needed to do to have positive results. It is important to find solutions to resolve the problems, because if an enterprise doesn't find them it can have some different risks that are going to affect generally the organization or some specific areas, loss of control, bad evaluation, take bad decisions, etc.

One important point to operational administrative problems is to have Administrative analysis techniques to find the solutions, to use the techniques in this case first it is important to locate the problems, then to see if they need changes, analyze them to take a decision, research or look for something that can be useful to resolve them, think for some different solutions (planning), do what we found to resolve them, and finally get the results and compare them with another ones to know if the results are considerable (evaluation).

An important role in the analytic process is the employees because they are engaged in this kind of problems, why? Because the employees also support in the decision-making, thanks to the recommendations that they give to other specific areas.

Efficiency and effectiveness is another important role that has this research, because it was necessary to implement a program to improve the Operations area. The efficiency the

quality of the product and synonym of productivity and effectiveness mean when the product or service accomplish the objectives required.

In this research, the enterprise took decisions of how to manage the organization, because they begin to see that they were working in the same way for many years, that's why they needed to change those problems and also a problem of well-defined processes. Through this research we're going to see step by step how the problems were presented, how they did to resolve them and what results they had.

Theoretical Framework

It is a very important phase because it consists in developing the theory that will explain the project, in this case the company issues already selected. The theoretical framework must demonstrate an understanding of theories and concepts that are relevant to the topic of your research paper and that relate to the broader areas of knowledge being considered. (Swanson, s.f.) Once selected the theme object of study and the questions guiding the research following it would be to make a rigorous review of the subject.

In this paper, we explain several issues that were in a distributor of parts for cars and engines. Let us see which the main problem was and find solutions for it, also to understand every step of the process of managing the business.

The main problem in the company was that they did not use the best material and tools because when he visited the warehouse of the company, he could note that workers used the same old tool, racks and shelving, as well as the same procedures that were not necessarily the most effective. There was much disorder between shelves, some materials were not well accommodated, and some others had several years living in hold no one could move.

Another problem facing us was the do not have well-defined processes. This became mainly affect us in moments where two areas or departments came into operation while sales are concretized. This allowed increasing our market share and freeing up space in our warehouse. It was also synchronize areas of distribution of sales by that sometimes the product had been sold and had not registered for sale. This also affects the company pocket.

In this case, the company to solve all the problems that had decided to resort to people trained to see which the best solution was for the company and came to **5s method**, which is a Japanese method that was employed in 1960 by the company Toyota, which is a well-known global auto brand, was the best solution. (EPA United States Environmental Protection Agency, 1995) The 5S are called because they are the initials in Japanese, which are SEIRI, SEITON, SEISO, SEIKETSU and SHITSUKE. It is order, classification, standardization, and maintains discipline.

The purpose of the 5S is to:

É Improve working conditions and staff morale. It is more pleasant and safe work in a clean and tidy place.

É Reduce time and energy costs.

É Reduce risks of accidents or health.

É Improve the quality of the production.

É Improving safety at work.

Also used the diagram of Ishikawa which is cause and effect and noticed a big difference as the 5S with the main idea of the diagram is

É Identify the real causes, and not only its symptoms, of a given situation and group them by category.

É Summarize all of those relationships between the causes and effects of a process.

É Promote the improvement of the processes.

É Consolidate those ideas of the team members on certain activities related to quality.

É To promote also the thinking of the team, which will lead to a greater contribution of ideas.

É View a global and structured in a particular situation since carried out an identification of a set of basic factors.

The solutions employed by the company were the most successful first nothing to notice there was a problem after searching for the best solution and hired foreign people who had nothing to do with the company and could file the problem from the roots then start applying what was recommended by the consultants and also told us that are already in process of obtaining the ISO 9000 that for any company is a great certification.

All made by the company has served and benefit to all areas and including even in economically, for something as basic as it is to keep the order the company has failed to carry much better control. It is a great idea the 5S as the same as the diagram of Ishikawa. They take a great decision investing good time in their company.

Methodology

“The research methodology is a discipline of knowledge, responsible for develop, define and systematize the set of techniques, methods and procedures that should be followed during the development of a research process for the production of knowledge. It is oriented the way in which we are going to focus on an investigation and the way in which we will collect, analyze, and sort the data, with the aim that our results have validity and relevance, and meet standards of scientific requirement.” (Writing your Dissertation: Methodology, s.f.) The methodology of the research, in this sense, is also part of a research project where are exposed and reasonably describe the criteria adopted in the choice of methodology, whether quantitative or qualitative.

“Methodology also refers to the series of methods and techniques of scientific rigor applied systematically during a research process to achieve a theoretically valid result. In this sense, the methodology works as the conceptual support, which governs the manner in which we apply procedures in an investigation.” (Alvarado, 1999) Companies have been organized based on departments or areas that operate in isolation. In this way is difficult the implementation of strategic plans and the orientation towards the customer. Today organizations move in a dynamic environment, which provides large impacts on their ability to meet the goals and objectives. This requires attention to the processes of the organization.

There are different work methodologies, which differ in the sequence of steps to be carried out and in cases where it can be applied to management by processes.

There is a unique way to represent and visualize processes in organizations, but that different criteria are related to the representation and description. Not all the processes of an

organization have the same influence on the satisfaction of customers, costs, or the satisfaction of staff

On this occasion they first detected the problem they had in all areas, then had a brainstorm and came to the decision that the best idea was to hire people external to the company so that they will help you with the problems that had, the experience of these people came to the 5S which is a large part of the solution of all problems which had similarly came to use **Ishikawa diagram** and was also part of the solution, "The fishbone diagram is a cause-and-effect diagram that can be used to identify the potential cause(s) for a performance problem" (Gupta, 2007), if the company did not have a big problem but with this we give has the important thing is to maintain order and control of all things either from the offices as up to the wineries, because in the holds much material is wasted without knowing whether it had or merchandise not available.

At the end, they realized that "they have been a little more than one year worked with 5's in our warehouse and we have seen benefits in the amount of material that we can put in the same space. Also, has reduced the number of accidents per year. In addition, optimized the process of sent merchandise to customers since it is much easier to identify in a clean and orderly warehouse part numbers." (Silva, 2015)

The process of collection is has streamlined once that there is already a bill where specified in system prices and payment conditions agreed upon with the client. Also has lowered the level of wear and tear caused departments to correct documents and rework in general.

Currently the approach by processes in the management of companies is an element to elevate their competitiveness. The identification, analysis and improvement processes ensure the solution of the problems of efficiency, efficacy and effectiveness.

To achieve the visualization of processes and sub-processes, enterprises, rely on the representation of these diagrams and chips from processes that allow to obtain preliminary information on the extent of them, their times and their activities, although there is a way to represent them and describe them. Just as there are different methodologies of work to develop a process-based management.

The entire process was done correctly and there the results obtained of all this, as already mentioned it being a company with much disorder now are in search of the certification ISO 9000. We expect and they can get it. With hard work and dedication like the owner said that "they can get everything including the stars, but we have to work very hard before."

Results

"We have a little over a year working with the method 5's in our store and have seen benefits in the amount of material that can be placed in the same space" (Silva, 2015) This is because it is required personal and lasting commitment of all workers so that the company is a true model of organization, cleanliness, safety and hygiene to separate the necessary things and which are not maintaining the necessary things in a convenient place and at a suitable location.

"It has also reduced the number of accidents per year." (Silva, 2015) This is because all companies must have some accident rate, but to reduce the risk, the company trains the operating personnel in handling hazardous materials, training of operating machinery, implementation of brigades and drills, medical care in the company.

"In addition, we have optimized the process of sending goods to customers because it is much easier to identify the part numbers in a neat and clean store." (Silva, 2015) This is because in the process 5's in the section "hygiene and visualization" Hygiene is the maintenance of order. Who demands and makes quality takes good care appearance. In a clean environment will always be safe. Those who do not take good care of himself he cannot make or sell products or services quality. This could also be named as part of the integral safety of workers, as management processes were planned for generating documents in and out of store products.

"We used the collection process once there is already a bill where specified in the system, pricing and payment terms agreed with the client." (Silva, 2015) The benefit is that you are charging products and get the money in time and shape due to the timely billing, which is derived from a good system the prices and payment terms agreed with the same client. Another benefit would be edit the generation of extra costs due to the use of personal or telephone

reminder to customers on debt, another benefit would be avoid losses by not generating interest by not having to pay money or time.

"Furthermore, it has lowered the level of wear in the departments caused by correcting documents and re work in general." (Silva, 2015) This means that it has reduced administrative and labor costs by making continuous improvement in the line of document processes.

Conclusion

As a conclusion we think that the analytic process they used to resolve the operational administrative problems was excellent, because as professionals they tried to use some Management tools or programs to resolve their problems such as the Ishikawa diagram that identifies many potential causes for a specific problem or effect, in this case they used this diagram when they didn't have well-defined processes that affected when two areas entered when sales were made more concrete, also TI supported them and as result they achieve streamline prices and conditions of payments agreed with the customer.

We think that the diagram as method they used was good to resolve the problem and also the TI that supported the enterprise because when the commercial area did the special discounts to customers of a manual way in sheets of negotiations authorized by the direction was not correct, they needed to do changes, that's why they look for help of TI to change it and they began to do that but in a systematic way, as result they accelerated the process of collection and it exists a bill that has the system of prices and conditions of payments agreed with customers.

We think that it was a good option to accelerate the process of collection, they achieve to be more effective and an enterprise that is effective and efficient is going to be successful.

The other operation administrative problem was that the enterprise was working in the same way in many years because the workers of this enterprise was using the same tools of work and also the same procedures that were not necessary the more effective. It was a lot of disorder in storages and there was disorganization in tools of work and other things that were not acceptable, so as solution they look for some professional persons to find support and as solution

they thought that they needed to transmit some culture of order and cleaning in the storage, with that solutions they achieve to improve the reception and shipping of merchandise.

To set the course they used as method concepts of the ~~5000~~ is a Management tool that helps to evaluate the workplace organization capability and visual management standards, as a result they began to have more benefits such as having more quantity of merchandise because they have a best storage clean and spacious, the reception and shipping of merchandise has increased it has been optimized, and the accidents of workers has decreased, thanks to those changes.

We think that is very important through the years to have ideas of how change the work system of the Organization, because if the enterprise works always of only one way is going to be boring and not motivate for workers, Globalization has an important role in this kind of problems, taking decisions of innovation and make changes is a good point and the best way to resolve these kind of problems, obviously using Management programs or tools to find support.

Bibliografía

Alvarado, G. S. (Octubre de 1999). *METODOLOGÍA EN ADMINISTRACIÓN*. Obtenido de http://dcsh.xoc.uam.mx/curric/sergio_monroy/pdf/metodologia_en_administracion.pdf

EPA United States Enviromental Protection Agency. (1995). Obtenido de Lean Thinking and Methods: <http://www.epa.gov/lean/environment/methods/fives.htm>

Gupta, K. S. (2007). *FISHBONE DIAGRAMS* . Obtenido de <http://siteresources.worldbank.org/WBI/Resources/213798-1194538727144/9Final-Fishbone.pdf>

LEAN SYSTEMS PROGRAM NEWS. (October de 2014). Obtenido de <https://www.lean.uky.edu/reference/terminology/>

Silva, J. N. (20 de April de 2015). (M. A. Villarreal, Entrevistador)

Swanson, R. A. (s.f.). *USCLibraries*. Obtenido de <http://libguides.usc.edu/c.php?g=235034&p=1561763>

TOYOTA. (2015). *TOYOTA*. Obtenido de http://www.toyota-global.com/company/vision_philosophy/toyota_production_system/

Writing your Dissertation: Methodology. (s.f.). Obtenido de <http://www.skillsyouneed.com/learn/dissertation-methodology.html#ixzz3aFInT21e>