

# Chapter 7

## Operative Management of Industrial Production

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### ABSTRACT

*Conceptually, the operative management of industrial production is in fact the operative management of all an industrial company's functions, meaning the operative management of development research, of commercial activity, of financial-accounting activity, of human resources, of logistics. The operative management is in fact a component of the industrial company's management, and under the structural aspect, it includes programming, releasing, monitoring, controlling, and re-updating the production schedules. In the operative management, the dispatcher emphasises the management of the system led by the leading system, taking into account a certain flow of information. The use of the data processing computerised system in the operative management leads to establishing the system of an industrial company's aggregated indicators by fields of activity, meaning for production, commercial activity, financial-accounting activity, human resources, etc. Making the operative management more efficient also implies the use of the balanced dashboard in its entire complexity, meaning the presentation of information regarding the clients, presenting the information on the development of the industrial company, etc.*

### THEORETICAL CONSIDERATIONS REGARDING THE CONCEPT OF OPERATIVE MANAGEMENT OF THE INDUSTRIAL PRODUCTION

The improvement of the industrial production management is impossible without increasing the role of the managerial activity operational component within industrial companies. This view allows the reduction of the duration of

informing-decision-action-control cycle and increase of the managers' possibility to complexly assess the results.

The operationalisation of management in the space of the industrial company's process organisation needs to constitute the management at the level of all functions and activities performed within the industrial companies, which allows the identification of the following forms of operative management by company's businesses (Aho,

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Hopcroft, & Ullman, 1983), and namely: the operative management of research-development; operative management of commercial activities; operative management of the financial-accounting activities; the operative management of human resources; operative management of logistics. This is accomplished by tactic and strategic decisions that provide the fulfilment of the industrial company's objectives under enhanced economic efficiency conditions.

The operative management of industrial production is a component of the industrial company and represents a process of knowingly determining and achieving the derived objectives, by means of the five basic managerial functions in the field of manufacturing the products, preparing the production, technically controlling the quality, auxiliary and serving activities, by efficiently using the company's human, material, technological, informal, and financial resources.

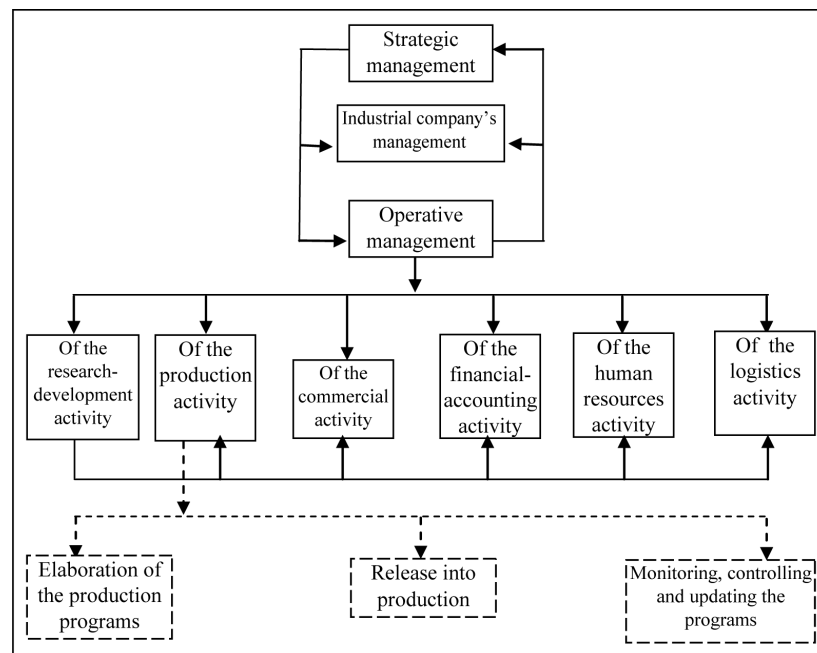
As within the system of productive activities the core location is of that of manufacturing, meaning the construction of products, the opera-

tive management of the main basic productive activities focuses on programming, preparing and monitoring the industrial production (Figure 1).

The company's systematic approach allows dealing with the industrial production operative management by analysing its components, and namely:

- **The Components of the System:** Consisting in their turn in elaborating the production programs, setting into the manufacturing process and control of achieving the production programs;
- **System Variables:** Classified into input variables (originating from the majority of activities performed in the industrial company, but first of all from the technical and material-organisation preparation of production, supply, etc.), output variables (materialised in information regarding the quantities of products manufactured on decreased time intervals and structural manufacturing subunits, quantities

Figure 1. The relation of operative production management: industrial company's management



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