OPERATIONAL REVIEW
WORKBOOK
Case Studies, Forms, and Exercises

Rob Reider

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WORKBOOK
About the Author

Rob Reider, CPA, MBA, PhD, is the President of Reider Associates, a management and organizational consulting firm located in Santa Fe, New Mexico, which he founded in 1976. Prior to starting Reider Associates, he was a manager in the Management Consulting Department of Peat, Marwick in Philadelphia. His area of expertise encompasses planning and budget systems, managerial and administrative systems, computer processing, financial and accounting procedures, organizational behavior and theory, management advisory services, large and small business consulting, management information and control techniques, and management training and staff development.

Rob has been a consultant to numerous large, medium, and small businesses of all types in the aforementioned areas (in both the private and public sectors). In addition, he has conducted many and varied operational reviews and benchmarking studies and has trained both internal staff and external consultants in these techniques.

He is the course author and nationally sought after discussion leader and presenter for more than 20 different seminars that are conducted nationally for various organizations and associations. He has conducted more than 1,000 such seminars throughout the country and has received the AICPA Outstanding Discussion Leader of the Year award.

Rob is considered a national expert in the areas of operational reviews and benchmarking strategies. He provides specific consultation in the areas of general business management, development of internal and external consulting practices, organizational and management systems, and the development and conducting of continuing professional education and other training programs.
Rob is the course author of nine Reider Associates self-study courses marketed nationally. He is also the author of the following books also published by John Wiley & Sons, Inc.

*The Complete Guide to Operational Auditing*

*Operational Review: Maximum Results at Efficient Costs*

*Benchmarking Strategies: A Tool for Profit Improvement*

*Improving the Economy, Efficiency, and Effectiveness of Not-for-Profits*

Rob has also been a presenter at numerous professional meetings and conferences around the country and has published numerous articles in professional journals. He has been a frequent commentator on the educational video programs produced by Primemedia Workplace Learning such as The CPA Report, The Governmental Update, and the Accounting and Financial Managers Network.

Rob has earned the degree of Bachelor of Science in Business Administration and Master of Science in Business from Drexel University as well as Doctor of Philosophy in Organizational and Management Psychology from Southwest University. He is currently listed in *Who’s Who in the East and West, Who’s Who in the World, Who’s Who in Finance and Industry, Personalities in America, International Biography, Who’s Who of Emerging Leaders in America, and Who’s Who in Executives and Businesses.*

For more information about Rob Reider and Reider Associates, visit his web site at www.reiderassociates.com/otp/ or e-mail him at hrreider@reiderassociates.com.

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*It Is a Good Author*

*Who Knows His Own Material*
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Welcome to the how-to workbook accompanying the book Operational Review. Both the book and this workbook were developed and written by Rob Reider, CPA, MBA, PhD, President of Reider Associates, a management and organizational consulting firm located in Santa Fe, New Mexico. Dr. Reider is a nationally known consultant and seminar conductor and is considered an expert in the field of performing operational reviews. He has provided such operational review consultations to numerous clients in both the private and public sectors and has trained many individuals and groups in these concepts.

The objective in this how-to workbook guide is to help the reviewer understand the basic principles involved in planning and conducting an operational review, and to provide what the reviewer needs to know to use operational review concepts effectively. The materials in the book cover the fundamentals that the reviewer needs to be aware of in order to understand operational review concepts. The materials in the workbook are intended to reinforce the concepts covered in the book through exercises, tasks, checklists, sample forms and examples, case studies and situations, and other explanatory and reinforcing materials. These materials are designed to meet the reviewer’s needs, regardless of whether he or she has any prior experience in performing operational reviews. The book and workbook provide both basic knowledge for those with no previous hands-on experience, and reinforcement and additional learning for those who already have some prior operational review experience.

The book and workbook answers such questions as:

- What is an operational review?
- When should I perform an operational review?
• How can I perform an operational review effectively and efficiently?
• How can I effect positive change as a result of an operational review?
• How can I use operational review tools and techniques to maintain operations in an economic, efficient, and effective manner on an ongoing basis?

The materials presented in this workbook can be used by internal employees to perform effective operational reviews for their employers and by external consultants and others to serve their clients in the same manner. In addition, the tools and techniques presented in this workbook can be used by anyone to maintain their operations in the most economical, efficient, and effective manner. If the organization is thinking of starting or expanding the use of operational reviews, this workbook will assist the review team in the proper steps in performing results-oriented operational reviews.

Each chapter in this workbook reinforces the materials in the book and emphasizes an aspect of the operational review in which the reviewer should be knowledgeable. These chapters are as follows:

1. Overview of Operational Reviews
2. Planning Phase
3. Work Program Phase
4. Field Work Phase
5. Development of Review Findings
6. Reporting Phase

Review questions and operational review case studies and situations are included in each chapter for the reader to answer and then compare to the provided suggested answers. The purposes of the review questions are to reinforce the major points covered in the section and to assist the reader in retaining the relevant material. The purpose of the case studies and situations is to familiarize the reader with operational review examples and how to handle them in actual practice.

The forms, checklists, tools, and review aids are designed and presented in the workbook to be used by the reader in the performance of actual operational reviews. However, each such tool should be modified where necessary to fit the specific requirements of the reader’s organization.
Introduction

PURPOSE AND OBJECTIVES

In today’s many-faceted and multidisciplined economic environment, organizational management has placed ever more emphasis on increasing results with fewer resources through evaluation of the economy, efficiency, and effectiveness of the organization’s operations. The operational review is the tool used to perform such an evaluation, either singularly or as part of another procedure such as benchmarking, activity-based management, total quality management, and reengineering. This workbook presents the basic principles of planning and conducting such an operational review, as well as the fundamentals of which the reviewer must be aware to understand operational review concepts.

The objectives of this workbook are:

- To increase understanding of operational review concepts and the ability to use them effectively
- To increase understanding of the purpose and mechanics of conducting operational reviews
- To help identify the relationship and differences between operational reviews and other procedures such as benchmarking, activity-based costing/management, and reengineering
- To increase the skills and abilities needed to conduct operational reviews
- To increase awareness of operational review opportunities and to help in their identification