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Subject Code: MB1341/R13

# M B A - IV Semester Regular Examinations, June - 2015 LOGISTIC AND SUPPLY CHAIN MANAGEMENT

Time: 3 hours Max Marks: 60

# Answer any <u>FIVE</u> of the following All questions carry equal marks. Q.No.8 is compulsory

- 1. a) ."The mission of logistics management is to plan and coordinate all those activities necessary to achieve desired levels of quality and service at lowest possible cost." Explain?
  - b). "A position of consistent superiority over competitors in terms of customer preference may be achieved through logistics. Explain how a firm gains competitive advantage through logistics?
- 2. a). Explain the concept of customer service from a logistics/supply chain perspective?
  - b). What are the various steps involved in achieving customer satisfaction in Supply Chain Management?
- 3. a). Explain the concept of Total Cost Analysis?
  - b). "A customer profitability analysis looks at each segment of the process of creating and selling products to customers." Explain?
- 4. a). "To evaluate the efficiency and sustainability of the logistics systems, developing logistics performance indicators is essential." Explain?
  - b). Mention the various types of issues that need to be addressed in supplier and distributor benchmarking?
- 5. a). Write about the various steps involved in the process of sourcing decision/purchasing procedure?
  - b). Briefly explain about the relative importance of the most important and major ways of transportation?
- 6. a). "Each stage of the supply chain optimizes only its own local objective by completely neglecting the impact on the complete chain because of lack of coordination." What is the impact of lack of coordination on Supply Chain performance?
  - b). Explain about the role of Information Technology in Supply Chain Management?
- 7. a). "Managing logistics operations within the country is very much simple than that of managing the flow of inventory and information across the global supply chain." What are the issues and challenges in global supply chain management?
  - b). What are the important reasons for worldwide sourcing/global purchasing?

### 8. CASE STUDY:

A manufacturer of cookware, bake ware, dinnerware and household tools made a series of changes in their supply chain network as a result of both organic growth and growth through acquisitions. The changes included the number and location of manufacturing operations, the number and location of distribution centers and the reconfiguration of the company's customer base (mass merchants, department stores, specialty retailers and online businesses).

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The management of the company concluded that to achieve the optimal supply chain network from the perspective of cost and service performance, the entire network needed to be redesigned. To do so, a special project team was then commissioned to manage the network redesign internally and Establish was engaged to create the new redesigned network.

#### The Solution

Establish developed a project methodology based on the project objective and scope and the firm's experience (30+ years) and judgment. The methodology was multi-stepped. Establish also selected a best-in-class network modeling tool to use for the work required.

The first step in the methodology was for the manufacturer's project team and the Establish team to meet to structure the project work, refines the project scope, develop planning factors and identify key contacts at the major locations and the sources for the data that would need to be gathered.

Second, site visits were scheduled to observe a number of the manufacturer's operations so that Establish would develop an understanding of current network to include the product groups in the network, their storage and shipping characteristics and requirements, customer's service requirements, current issues, etc.

Note: From these visits several quick fix opportunities were identified and implemented immediately. Implementation of these opportunities actually yielded benefits that offset the project costs.

Third, the data was gathered and analyzed, and developed as necessary to reflect the operation of the current supply chain. Progress meetings were scheduled to validate the data against the actual supply chain costs.

Fourth, a validation model run was prepared to confirm the accuracy of the model. Then, a 5-year forecast was applied to the validation model to create a model Baseline.

Fifth, a number of alternative scenarios were modeled to identify the optimal supply chain network. The alternative supply chain network scenarios were compared to the baseline. The overall best supply chain network, from the prospective of cost and service performance, was identified and then it was evaluated for practicality. Minor location adjustments were made, a few product groups were shifted and the completed result was the redesigned optimal supply chain network.

A business case was prepared for this redesigned optimal supply chain network and in it more than a 10 percent reduction in annual supply chain operating costs were identified along with improvements in customer's service performance. In addition, the redesigned network had a simpler configuration and it was easier to manage.

## **Questions:**

- a) Express your opinion about the manufacturer's strategies?
- b) How far the progress meetings mentioned in the case study are necessary?
- c) According to you, is there any need to redesign entire network for efficient service?

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