



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Materials Management
PAPER – 18 C (New)

Dec 2016

OPERATIONS STRATEGY

DATE: 18.12.2016
TIME: 2.00 p.m to 5.00 p.m.

Max. Marks: 100
Duration: 03 Hrs.

Instructions:

- | | |
|---|----------------|
| 1. The question paper is in two parts. | |
| 2. Part A is compulsory. Each question carries one mark | Total 32marks |
| 3. In part B answer 3 questions out of 6. Each question carries 15 marks. | Total 48 marks |
| 4. Part C is a case study which is compulsory | Total 20 marks |

PART A

32 marks

Compulsory -Each question carries 1 mark

Q.1 Fill in the blanks:

- Transportation method is a _____ approach.
- The operational strategy must be in line with the _____ goal.
- Collaborative Planning, Forecasting, and Replenishment (CPFR) a Web based tool used to coordinate demand forecasting, _____ and inventory replenishment between supply chain trading partners. .
- Most of the organizations adopt a defensive design R&D Strategy in an attempt to prolong the life of the product by employing new packaging, redesigning it, improving its reliability. This is _____ phase in product life cycle.
- Four important pillars capital, quality, _____ and technology. are responsible for positively as well as negatively affecting on the Productivity of the organization. .
- Planning workforce requirements, scheduling of the equipment and financial analysis are the major uses of _____.
- _____ means that the relevant parameters such as cost, capacity and demand have known values.
- The forecasting model that is based upon estimates of salesperson's expected sales is likely to be called _____.

Q. 2 State True or False:

- Leverage ratios do not provide measures of a firm's ability to meet its long-term financial obligations.
- The Strategic Planning Institute has determined that high-ROI firms tend to have high investment intensity.
- Strategies should be continually evaluated against competitive realities.
- Mission is the purpose or rationale for the organization's existence.
- An activity map analysis is used to link an organization's strengths, weaknesses, opportunities, and threats.
- One of the benefits of globalization is that a company may learn about new markets for its products.
- Use of foreign markets allows manufacturers to expand the life cycle of their products..
- Stockholder value does not mean the same thing as customer value.

Q. 3 Select the right answer:

- 1) Which one of the following would not generally be classified under the heading of transformation?
 - a. Assembling
 - b. Teaching
 - c. Staffing
 - d. Farming
- 2) Product design and process selection are examples of _____ decisions.
 - a. Financial
 - b. Tactical
 - c. System design
 - d. System operation
- 3) Which one of the following strategies specifies how the firm will employ its production capabilities to support its corporate strategy?
 - a. Tactical
 - b. Operations
 - c. Manufacturing
 - d. Production
- 4) Production systems with customized outputs typically have relatively:
 - a. High volumes of output
 - b. Low unit costs
 - c. High amount of specialized equipment
 - d. Skilled workers
- 5) Which is not a significant difference between manufacturing and service operations?
 - a. Cost per unit
 - b. Uniformity of output
 - c. Labor content of jobs
 - d. Measurement of productivity.
- 6) Which of the following is a recent trend in business?
 - a. Pollution control
 - b. Total quality management
 - c. Supply chain management
 - d. Competition from foreign manufacturers
- 7) Marketing depends on operations for information regarding_____.
 - a. Productivity
 - b. Lead time
 - c. Cash flow
 - d. Budgeting
- 8) Budgeting, analysis of investment proposals, and provision of funds are activities associated with the _____ function.
 - a. Operation
 - b. Marketing
 - c. Purchasing
 - d. Finance

Q. 4 Expand the words

- a) BCA.
- b) CRM.
- c) PDD.
- d) GIS.
- e) SQD.
- f) JIT.
- g) SRM.
- h) QS.

PART B

48 marks

(Attempt any 3 Questions, each question carry 16 marks)

- Q.5** What do you understand by services? Discuss its characteristics.
- Q.6** What is channel network? Define various categories also.
- Q.7** “Functional Strategy that impact Supply Chain Performance” Explain.
- Q.8** What is Production Process? Elaborate the main types of process.
- Q.9** How many factors affect the Environmental Changes? Explain.

PART C

Case Study - compulsory

20 marks

Q. 10 . Answer the questions given below the case.

Logistics Operations ABC Ltd. is the country's largest manufacturer of spun yarn with well-established market. ABC Ltd. has good reputation for quality and service. Their marketing department identified that the potential for global market is expanding rapidly and hence the company undertook exercise for expansion of the capacity for export market.

The team of Marketing and Materials department, after extensive study, came up with a report on global logistics that global logistics is essentially same as domestic due to following similarities:

- The conceptual logistics framework of linking supply sources, plants, warehouses and customers is the same.
- Both systems involve managing the movement and storage of products.
- Information is critical to effective provision of customer service, management of inventory, vendor product and cost control.
- The functional processes of inventory management, warehousing, order processing, carrier selection, procurement, and vendor payment are required for both.
- Economic and safety regulations exist for transportation.

The company had very economical and reliable transportation system in existence. For exports as well they decided to evaluate capabilities of their existing transporter.

The response for company's export was very good and the company could get as many as 15 customers within first two months and reached to a level of USD 250,000 per month by the end of first half of the year. After review at the end of the year, company found that export volumes had in fact come down to the level of USD 120,000 which was much lower than it had reached in the first half of the year.

The export manager after discussing the matter with the customers found that the feedback on the quality and price were good but the customers were very upset on the logistic services due to delayed shipments, frequent changes in shipping schedules, improper documentation, improper identifications, package sizes, losses due to transit damages etc.

After coming back, the export manager checked the dispatch schedules and found production and ex-works schedules were all proper. Whereas the logistics cost was very high and all the logistics people were de motivated due to overwork and were complaining of total lack of co-ordination and the system had become totally disorganized.

QUESTIONS:

1. Explain the problems experienced by ABC Ltd. What is the main cause of these problems?
2. What logistics model should the company go for to ensure proper operations of the company?
