



INDIAN INSTITUTE OF MATERIALS MANAGEMENT
Post Graduate Diploma in Logistics Management
Paper 3

June 2012

STRATEGIES AND ORGANIZATION IN LOGISTICS

Date: 11.06.2012

Max Marks: 100

Time: 10.00AM to 1.00PM

Duration: 3 Hours

Instructions:

Part A answer all questions Total marks: 32

Part B answer any three questions Total marks: 48

Part C Compulsory Total marks: 20

Part-A

Q1. Fill in the blanks: (8 marks)

1. A -----is a limitation usually government imposed that restricts import sales or use.
2. -----are artificial price increases on foreign sourced products imposed by governments or home country operations to maintain the viability of local suppliers.
3. The ----- both decreases and increases decision complexity for logistics managers.
4. The ----- which is also known as companyism contrasts sharply to operations under a national perspective.
5. ----- and -----can be made across a wide range of global alternativeness.
6. The ----- is the fourth and the most advanced stage of development because it implies harmonization of economic polices beyond a common market.
7. ----- eliminates tariffs between member countries and establishes a common external tariff structure toward other regions and non member countries.

Q2. Say True or false : (8 marks)

1. Logistics system planning /coordination components form the information system backbone for manufacturers and merchandisers.
2. Capacity constraints and logistics manufacturing and procurement requirements evolve from the strategic objectives.
3. Secondary information drivers for many enterprises are strategic objectives that define marketing and financial goals.
4. Logistics information systems combine hardware and software to manage,control,and measure the logistics activities.

5. The combination of structured processes and large transactions volume places a major emphasis on information system inefficiency.
6. Bill of lading is issued by the shipping company.
7. Bank draft means payment for an import export transactions.
8. The performance cycle length is the similarity between domestic and global operations.

Q3. Expand the following: (8 marks)

WIP	WMS	FEFO	CPFR
DPP	POS	OMS	SKU

Q4. Select the right option from the given answers: (8marks)

Q4.1. If the focus of a retailer is to achieve leadership in cost, then which of the following phenomenon will hold good?

1. Customers will prefer a large variety of products but the retailer will not keep a large variety in the store in order to achieve economies of scale.
2. Customers will like to have convenience and the retailers will also set up a number of stores at different locations in order to provide convenience to the customers.
3. Customers will prefer a large variety of products and the retailer will also keep a large variety in the store in order to satisfy customer needs.
4. Customers will prefer short lead time for their products and the retailer will keep higher amount of inventory in order to satisfy customer needs in time.
5. Customers will prefer a large variety of products and the retailer will keep higher variety as also higher amount of inventory in order to satisfy customer needs.

Q4.2. The companies will realize the benefits of implementing IT when which of the following is undertaken?

1. Companies need to invest heavily in information systems.
2. Companies need to automate the existing supply chain systems and processes.
3. Companies need to re-engineer their supply chain structure.
4. Companies need to undertake revision in the supporting organizational processes.
5. Companies need to re-engineer their supply chain structure and undertake revision in the supporting organizational processes.

Q4.3. Ford supply chain is characterized by

1. Individual customization
2. Long-term relationship with the suppliers
3. Increased product variety
4. Loosely-held supplier networks
5. Vertical integration

Q4.4. Toyota supply chain is characterized by

1. Loosely-held supplier networks
2. Zero product variety
3. Vertical integration
4. Long-term relationship with the suppliers
5. Individual customization

Q4.5. Dell supply chain is characterized by

1. Long-term relationship with the suppliers
2. Individual customization
3. Vertical integration
4. Zero product variety
5. Lean production systems

Q4.6. Which of the following statements is true?

1. A 3PL company is a professional logistics service provider meeting the logistics requirements of an organization and can also integrate its resources, capability, and technology in order to provide comprehensive solution to its customers.
2. A 4PL company is a professional logistics service provider meeting the logistics requirements of an organization and can also integrate its resources, capability, and technology in order to provide comprehensive solution to its customers.
3. A 4PL company is a professional logistics service provider meeting only the logistics requirements of an organization.
4. A 3PL company is a professional logistics service provider meeting only the logistics requirements of an organization.
5. A 3PL is a logistics service provider meeting only the logistics requirements of an organization while 4PL is a logistics service provider meeting the logistics requirements of an organization and can also integrate its resources, capability and technology to provide comprehensive solution to its customers.

Q4.7. Which one of the following is not the supply challenge being faced by the Indian organizations?

1. Complex taxation structure
2. Poor infrastructure
3. IT implementation
4. Smaller pack sizes
5. Complex distribution structure

Q4.8. EDI stands for

1. Electronic Data through Internet
2. Effectuated Details in Internet
3. Electronic Data Interchange
4. None of the above.

Part-B

Answer any 3 from the following: (16*3 =48)

1. Compare and contrast a national perspective and a stateless enterprise perspective regarding customer value added offerings.
2. What is transportation infrastructure capability and how is it a barrier to international logistics performance?
3. Discuss the role that language plays in complicating logistical operations?
4. List the phases of logistics planning?
5. What is matrix organization? Give one suitable example.

Part-C

Case study : 20 marks (Compulsory)

ABCL Ltd is a leading fast food processing company operating from Thane. It is involved in the fast food business since last 10 years and has a tie up with a foreign firm operating in same field. It handles both vegetable as well as non veg products for which it arranges the required vegetables and chickens from local vegetable vendors and poultry farms as well as from far off places like Nasik, Pune and Aurangabad. It has very good markets in Mumbai, Pune and the surrounding cities. The products are sold in the brand name of nasta which is very popular brand among the young collegians and office goers. It has its most modern kitchen at New Mumbai to cater to the needs for fresh Nasta. Vegetables and chicken items are transported from the procurement centres of Nasik, Pune, Aurangabad using hired trucks. While transporting vegetables and chickens there were shortages damages and decomposition problems which varies from 10% to 15% and there is inconsistency in the transit time, the reliability of the raw material transporters is very low.

Packaging of Nasta is very good and attractive but it is not long lasting type. However the quality and taste are the reasons for its popularity. Nasta is sold in three different packs-party, family and individual. Nasta loses its taste and flavour after 8 hours, if it is not preserved in refrigeration. Nasta is distributed through 25 distribution centres including three at its main procurement centres of Nasik, Pune and Aurangabad. Logistics information network is not up to the mark. the procurement centers directly communicate to the operating centre at Thane. Due to lack of proper coordination at different distribution centres, it has started creating problems of stocks, spoilage, pilferage and wastage of raw materials as well as finished goods at certain distribution and procurement centres.

Transportation and storage problems are identified as the main culprits for the heavy losses being incurred at some centres. Holidays, festivals and collegians put a lot of pressure on the existing demand and supply situations of Nasta seasonally resulting in mismanagement and losses. Entry of multinationals into the market has increased the competition and put a pressure on Nasta. The managing director of the company has formed a team consisting of senior executives to suggest a concrete plan to fight the growing competition and overcome problems of transport storage and other related problems so as to increase the market share and margin.

The team of senior executives has recommended your name as a logistics consultant. You are required to put forward your suggestions for the following:

- a) Suggestions for improving purchases and distribution polices.
- b) Demand forecasting techniques to take care of the seasonality as well as reduction in the inventory overcoming shortages as well as other related problems.
