



INDIAN INSTITUTE OF MATERIALS MANAGEMENT  
Post Graduate Diploma in Materials Management  
PAPER No. 16

June 2017

Business Strategies and World Class Practices

Date :15.06.2017

Max. Marks :100

Time : 2.00 p.m to 5.00 pm

Duration : 3 Hrs.

Instructions:

1. The question paper is in three parts
2. Part A is compulsory. Each sub question carries one mark. **Total marks-32**
3. In Part B answer any 3 questions out of 5. Each question carries 16 marks **Total marks-48**
4. Part C is a case study with sub questions and it is compulsory. **Total marks-20**

**PART A** **(32 marks)**  
**(Compulsory. Each sub-question carry 1 mark)**

**Q. 1. Fill in the blank.** **[8 marks]**

- i) Take stock of current business situation both in terms of enterprises itself & the business environment in which it operates-----Analysis.
- ii)The primary function of \_\_\_\_\_is to identify something by labeling the item,
- iii) \_\_\_\_\_ is estimating the future demand for products and services and the resources necessary to produce them.
- iv) World class producers view advanced production \_\_\_\_\_ as the competitive weapon.
- v) Inventories are drastically reduced by adopting ----- manufacturing.
- vi) Total Quality Management is \_\_\_\_\_ centric.
- vii) ----- card acts as an authorization to dispatch products, parts or components to a customer.(both internal & external)
- viii) -----is a philosophy that believes in defect prevention rather than finding and fixing defects.

**Q.2. State True or False** **[8 marks]**

- a. Excellence requires balanced performance.
- b. The actual performance should match the forecast 100%.
- c. One cannot be successful with JIT or Total quality with out total people involvement.
- d. World class manufacturing is a process- driven approach to improving manufacturing operation
- e. Juran has given list of 14 steps of quality improvement.
- f. The first step of MBO process is to establish objectives for the organization and for its various positions.
- g. Quality circle is based on voluntary employees involvement.
- h. Kaizen is change for better.

**Q.3. Expand the following [8 marks]**

- |        |        |        |        |
|--------|--------|--------|--------|
| a) CAD | b) AIS | c) FMS | d) CRP |
| e) CIM | f)SQC  | g) PDM | h) WCM |

**Q.4. Match the following:- [8 marks]**

SNO	A	B
1	Reverse Engineering	Workout performance gaps ,the process of improving overall performance by examining the long terms strategies & approaches to enable high performers to succeed in comparison with world class operations and practices.
2	Competitive bench marking	Time is money save customers time and they will give you more money, this is simple to say , obvious to everyone yet elusive to many manufacturing
3	Global benchmarking	It consist of any type of data including binary or alphanumeric and be of 3116 Bytes in lan group technology
4	Internal bench marking	Deals with the search for functional best or world-class work practices it may even be from non competitors
5	Process& Product benchmarking	Deals with product & process oriented comparisons with major competitors to address gap areas in terms of product features & specifications and process parameters & technologies.
6	Data matrix	Technical in nature, engineering approach to product comparisons, Product break downs, material and process analysis and even costing
7	Time based competition	In multi divisional organizations similar functions can be compared in different units.
8	Strategic Benchmarking	Deals with global environment &its implications for an organization, viz., foreign trade, regulatory policies & other external factors.

**PART B**

**48 marks**

**(Attempt any 3 . Each question carries 16 marks )**

- Q.5. a) What are the compulsions to Indian industry to change in order to be globally competitive?  
b) What is the role of information technology in business excellence?
- Q.6. a) Discuss Hall's frame works of value-added engineering?  
b) Explain Deming's deadly diseases and sins?
- Q.7. a) Explain in detail the Statistical quality control?  
b) What is Poka Yoke? Give examples.
- Q.8. a) What are the advantages of TQM?  
b) Briefly describe morale and team work?
- Q.9. Write short notes on any four
- SMED.
  - GT(Group Technology)
  - Hoshinkari (compass)
  - Rapid prototyping.
  - Six sigma.
  - Cost of Quality

## PART C

20 marks

### Q. 10. Case study – Compulsory

To replace a legend is never easy; to replace a legend when the legacy needs a major overhaul is even more difficult. And that was the challenge facing Rajiv Bajaj in 1998 in the process of gradually taking over the leadership responsibilities at Bajaj Auto from his father, Raul Bajaj.

With its large turn over (Rs 39bn in Fy 99), wide product sweep and high profitability, cash rich Bajaj Auto was ranked India's fifth most valuable company. Internationally, it was the world's largest scooter producer and fourth largest two wheeler manufacturer, behind Japan's Honda, Yamaha and Suzuki. The company's builder Rahul Bajaj enjoyed the reputation of being one of India's most admired business leaders. Much more than a mere industrialist. He was a national celebrity an outspoken iconoclast who was regularly in news not only as a spokesman for Indian industry in general, but also for the forward thinking and blunt views on variety of social and economic issues that affected the country.

Rahul Bajaj had inherited a young company in a protected market and overseen its growth over a period of forty years into a large and profitable company, In THE MID 1980s, however, the environment changed as the government liberalized the two wheeler industry.

Permitting the global giants to set up shop in India, Bajaj auto market share initially rose steadily, despite competition to 49,3% in 1994 but gradually declined to 40 % in 1998. In response to the erosion of market share, the company was changing its focus on a standardized product to a wide range of models and variants designed to appeal to a broad cross-section of the market. It has recognized its problems on product, both in terms of features and in terms of quality expectations of an increasingly demanding customer. Both of these being addressed and the company was in the process of recasting itself.

Rahul Bajaj had always been at the helm of affairs at Bajaj Auto, Rahul had carried the torch for 35 years. Those who knew him well, knew the company meant everything to him. But he felt it was now time to hand over the baton. Rahul was clear that his elder son was the person who should be groomed as his successor.

Rajiv had studied mechanical engineering and graduated at the top of his class, besides he had grown up in the Bajaj Auto Colony, having lived there ever since he was born. He was young, bright and hungry; everything that Rahul had been when he had stepped up to the plate in 1968. Rajiv came aboard as a general manager with responsibility for new product development and progressed quickly to become the vice president-products ( In charge of product and manufacturing engineering and marketing functions) Rahul remained the 'BOSS' as chairman and managing director, but every one was quite clear in 1998 that Rajiv was the de facto Chief Operating Officer. His management team consisted of experienced stalwarts who had typically been with the company for decades tempered with some new young faces chosen for their specialist skills. His younger brother Sanjiv Bajaj was a general manager in finance and materials and had been an understudy to the CFO since He had returned with MBA from Harvard.

When Rajiv took on the responsibility of super heading the company's products and market thrusts in 1996 at the age of 32, he found he had inherited a lumbering giant. His priorities thus included accessing new technologies, introducing new models, making strong presence in the rapidly growing motorcycle market, creating a marketing culture, revamping manufacturing practices, focusing on quality, improving the supply chain and helping the new managers integrate into a conservative corporate culture.

When asked for the ambition for the company, Rajiv said My limited ambition is to compete the transition (to new Bajaj Auto) in order to fulfil this ambition, however, some key issues and questions needed to be addressed.

**QUESTIONS :**

- 1 What are the primary strengths and weaknesses of Bajaj Auto? Is the company working on right priorities?
- 2 How important is a global leadership? Does Bajaj Auto's mission statement need updating ?
- 3 Would it be better to effect changes in one area at a time or working on all areas simultaneously?
- 4 What is the future of Bajaj Auto?

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