

**Supply Chain Strategies**

**SBS MBA SPECIALIZATION**

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**Total Marks: \_\_\_\_\_\_\_ / 60**

**PLAGIARISM**

Plagiarism is a form of **cheating**, by representing someone else's work as your own or using someone else's work (another student or author) without acknowledging it with a reference. This is a serious breach of the Academic Regulations and will be dealt with accordingly. Students found to have plagiarised can be **excluded from the program**.

Plagiarism occurs whenever you do any of the following things without acknowledging the original source:

* Copy information from any source (including the **study guide**, books, newspapers, the internet)
* Use another person's concept or ideas
* Summarise or paraphrase another person's work.

**How do I avoid plagiarism?**

To ensure you are not plagiarising, you must acknowledge with a reference whenever you:

* Use another person's ideas, opinions or theory
* Include any statistics, graphs or images that have been compiled or created by another person or organization
* Paraphrase another's written or spoken word.

**What are the penalties?**

The penalties for plagiarism are:

* Deduction of marks,
* A mark of zero for the assignment or the unit, or
* Exclusion from the program.

Plagiarism is dealt with on a case-by-case basis and the penalties will reflect the seriousness of the breach.

**Please note: claiming that you were not aware of need to reference is no excuse**

**ANSWER ALL THE QUESTIONS**

**Question 1**

Dell distributes its PCs directly to end consumers, while companies like Hewlett Packard and Compaq distribute through resellers. Dell customers wait several days to get a PC while customers can walk away with an HP or Compaq PC from a reseller. Gateway opened Gateway Country stores where customers could check out the products and have sales people help them configure a PC that suited their needs. Gateway, however, chose to sell no products at the stores, with all PCs shipped directly from the factory to the customer. In 2001, Gateway closed several of these stores given their poor financial performance. Apple Computers is planning to open retail stores where computers will be sold.

List out design options available for a distribution network; explain in detail with appropriate diagrams. Above mentioned PC companies have chosen three different distribution models. How can we evaluate this wide range of distribution choices? Which ones serve the companies and their customers better?

**Question 2**

Before the 1950s, logistics was thought of in military terms. It had to do with procurement, maintenance, and transportation of military facilities, materiel, and personnel. Although a few authors before this time began talking about trading one cost for another, such as transportation costs with inventory costs, and discussed the benefits to the firm of getting the right goods to the right place at the right time, the organization within the typical firm around the activities currently associated with logistics was fragmented. This fragmentation led to conflicts among those responsible for logistics activities with the result that, from the firms perspective, costs and customer service were sub-optimized.

Confer the term Logistics management. Highlight the major features of logistics management and its types.

**Question 3**

Dell’s new product development strategy should emphasize designing products that are easily customizable, which may include designing common platforms across several products and the use of common components. Dell products use common components and are designed so that they can be assembled quickly. This feature allows Dell to assemble customized PCs quickly in response to a customer order. The design of new products at Dell supports the supply chain's ability to assemble customized PCs in response to customer orders. This capability, in turn, supports Dell's strategic goal of offering customization to its customers. Dell clearly has achieved strong strategic fit between its different functional strategies and its competitive strategy.

Elucidate the term Strategic fit. Describe how a company achieves strategic fit between its supply chain strategy and its competitive strategy. Underline other issues affecting strategic fit.

**Question 4**

Airline seats are good example of market with multiple customer segments. Airline use advance purchase restriction to segment its customer into different fare classes and dynamically adjust their seat capacity assigned to those fare classes as advance sales orders arrive. For instance business travelers are willing to pay a higher fare to travel a specific schedule for convenience and even order at the last minute, while leisure travelers are willing to shift their schedule to take advantage of lower fares. There are two fundamental issues than must be handled to apply the concept of revenue management. First, how to differentiate between two segments and structure its pricing to make one segment pay more than the other. Second, how to control demand such that the lower price segment doesn’t utilize the entire available asset.

Clarify the role of Revenue Management in the supply chain. Identify the conditions under which revenue management has the greatest effect.

(20 marks)

**Question 5**

The fundamental importance of trust however goes beyond the moral reasoning. Its instrumental or functional values lie in its power as risk coping strategy in social relationship (Giddens, 1984; Luhmann, 1979). Mere trusting attitude does not translate into trust, if it does not lead to behavioral consequences. In the dynamic business environment how much risk a supply chain member can take with the other member is dependent on the partner’s characteristic and his level of willingness to take such risk based on clear objectives, calculations, technological compatibility and legal framework to protect the external risks to fit into either, efficient, responsive, lean or agile supply chains.

How would you build trust into a supply chain relationship?

(10 marks)

**Question 6**

Consider the impact of transportation activities on the overall economy of a country. The numbers are impressive. In the United States in 2005, freight transport activities accounted for 10% of the GDP. In Germany alone, the Freight Logistics Sector (the largest in Europe) came in third in total revenue (after retail trade and the automotive industry) with a whopping 170 billion Euros, or 7% of the German GDP.

Emphasize role of transportation in supply chain.

(10 marks)

**Question 7**

Any organization’s ability to show effective performance always based on successful and effective adoption of supply chain activities with proper sequence and practices. And barriers to supply chain management actually increase a firm’s performance when a firm competes with those barriers to create linkage between supply chain activities. If any firm want to perform effectively it must adopt the ways of information distribution, management of facilities such as logistics, transportation and ware housing. It also exists in reality that barriers of supply chain management are actually play to increase the organization’s performance when it compete with them to create smooth flow among the supply chain activities.

List out and describe the drivers of supply chain performance. (10 marks)