

Question 1

In order to calculate the net profit for SOLA, the following expenses needs to be considered:

- Shipping and freight charges.
- Import duties, taxes, and tariffs.
- Rent for storage(warehouses).
- Freight forwarding fees.
- Store maintenance.
- Labour costs.
- Cost of running inventory management software.
- Advertisements and marketing costs.
- Wear and tare on vehicles.
- Cost of returning stock.
- Security.
- Insurance.
- Damaged stock.
- Fleet management costs.
- Cost of hiring contractors.
- Customs brokerage fees.
- Import licenses and permits.
- Regulatory compliance consulting and services.
- Product testing and certification.
- E-commerce platform fees.
- Inspection fees for ensuring product quality.
- Quality control processes and tools.

Question 2

2.1)

If SOLA wants to improve their supply chain effectiveness , the following factors can apply:

- Strategic supplier partnership practices.
 - Customer relationship practices.
 - Information and knowledge-sharing practices.
 - Information quality practices.
 - Internal lean practices.
 - Postponed practices.
 - Collaboration practices.
- (De Villiers et al., 2017)

2.2)

The four generic strategies available to SOLA when changing their supply chain strategy include:

- Lean Strategy

- Agile Strategy
- Hybrid Strategy
- Kanban Strategy
- Alternative Integration Strategies

(De Villiers et al., 2017)

2.3)

I would recommend the Hybrid strategy as SOLA needs to be cost efficient and be able to adapt to changing demands.

2.4)

The first-up actions needed for fast and effective change management include:

- Align culture with strategic response.
- Appoint a process owner.
- Reshape performance measures .
- Develop and train the workforce.
- Demonstrate top management commitment .
- Involve stakeholders and elicit their commitment to change.
- Implement a system to track benefits.
- Communicate with all stakeholders.

(De Villiers et al., 2017)

Question 3

I would recommend renewing the contract with Quikyways as they are a reliable transportation provider.

Quikyways has invested in their fleet of trucks and vans which is the perfect mode of transportation required to move SOLA's products and resources through the country.

Using vans to support the new product returns system will be the most effective way to transport the returned goods fast and effectively throughout cities and suburbs.

Quikyways can provide SOLA with trucks that is necessary to transport the containers of solar panels from the ports coming from Japan. These trucks can be used to transport the resources to the manufacturing facilities

As long as Quikyways can provide safe, effective and reliable transportation and a low cost, I don't see the need in not renewing the contract.

Question 4

The first place I would start is by browsing for reputable property broker online. I would make a list of all the suitable properties available in the Cape Town area.

Those with a location closest to the ports will be the most suitable. I would then phone the agents on the list and compare prices.

The properties with the lowest prices and best location will then be viewed and compared.

Question 5

- Variance between the rate of supply replenishment and demand consumption.
Explanation: The rate of supply replenishment for products in the winter would be different than in the summer.
- Product focus.
Explanation: SOLA has to change their product focus based on the seasonal demand changes for their products.
- Safety stock policy.
Explanation: SOLA will need to have enough safety stock to meet customer demands in order to be competitive.
- Maintenance of current information systems.
Explanation: SOLA's integrated logistics system will need to be maintained by software developers and needs to be constantly tested by systems analysts within the company to maintain the performance of the system
- Sales and marketing promotions.
Explanation: SOLA plans an aggressive marketing campaign for the summer months.
- Transactions.
Explanation: The fluctuation in the foreign exchange rate can have an impact on the price of the solar panels which are imported from Japan. This adds to the complexity of the transactions when importing the solar panels
- Production maintenance.
Explanation: SOLA will need to maintain their solar systems after installations.
- Delays in the supply chain.
Explanation: SOLA will need to supply solar panels and accessories as soon as possible to customers.
- Distance between supply and demand.
Explanation: The demand for solar panels increases in the winter and then decreases during the summer.
- Payment terms.
Explanation: The suppliers from Japan might have different payment terms versus the payment terms from local suppliers.

Question 6

SOLA should investigate the following risks when creating a risk profile:

- Supply risks.
Global sourcing and reduction of the supplier base can have an impact on the supply of products.
- Demand risks.
Accurate demand forecasts are supplemented by the fast flow of information throughout the supply chain. Dependent and independent demand should be analysed.
- Process risks.
This involves process mapping, identifying bottlenecks, capacity requirements and process improvements.

List of references:

STRATEGIC LOGISTICS MANAGEMENT a supply chain management approach second edition
Gerard de Villiers,

Business Logistics Management 5th edition Pienaar Vogt.