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Code: 16MBA4003

SET-2

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)**

**II MBA IV Semester Supplementary Examinations, April-2019
LOGISTICS & SUPPLY CHAIN MANAGEMENT**

Time: 3 Hrs

Max. Marks: 60

**Answer any Five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory**

1. What are the focus areas in supply chain management? **12M**
2. a) Explain the concept of Total cost analysis. **12M**
b) Explain the cost drivers and activity based costing in supply chain management performance
3. a) Explain the various priorities of issues that need to be addressed in supplier and distributor Benchmarking? **12M**
4. a) Write about the various steps involved in the process of sourcing decision in supply chain management? **12M**
b) Explain the pricing and revenue in supply chain management
5. a) Explain about the role of Information Technology in supply chain management. **12M**
b) Explain the supply chain management in Information technology practices.
6. a) Explain the logistics in a global economy and what are the important levels for operating worldwide sourcing. **12M**
b) Explain the global alliances strategy in logistics and supply chain management.
7. a) Define transportation and Explain the documentation, pricing and revenue management in the supply chain management. **12M**
8. **CASE STUDY:**
As the following case study demonstrates, a successful chain management strategy can lead to lower product costs and highly competitive pricing for the consumer. Over the past 10 years, Wal-Mart has become the world's largest and arguably most powerful

retailer with the highest sales per square foot, inventory turnover and operating profit of any discount retailer. Wal-Mart owes its transition from regional to global powerhouse largely to changes in and effective management of its supply chain.

Wal-Mart's efficiency in supply chain management was due to two key factors namely automated distribution center and the computerized inventory system. This brought in minimizing a lot of time the later not only reduced the checking out time but also recorded the transaction which is much needed to know envisage demand. Demand forecast is a constant issue which could be a threat when not handled properly. This is due to the fact that demand prediction is always inaccurate. Aggregation would be a remedy for this unpredictable demand.

Wal-Mart's focus has always been to sell goods at a lower price to the customers. They ensured direct purchase from the companies bypassing the intermediaries. This by passing is one of the ways to reduce cost. Wal-Mart preferred small vendors to the big players however the vendor who provides the best price qualifies and gets the deal. This applies to the giants like P & G as well. Their practice these days had been choosing few vendors few vendors and they literally negotiate the best price the one that comes up with the best price qualifies. This does not blindly mean that they have been ruthless. Wal-Mart also work with the vendors for improving its supply chain efficiency.

Wal-Mart with its power distribution system made quite innovation changes like reducing paper work, reduced its lead time drastically, used bar –codes to bill which recorded inventory levels and the access to the stock levels served as the valuable data for management. The movements of products are systematically aliened in a way that it reduced the most valuable time and cost and results in efficiency. Wal-Mart had a very effective rather responsive and flexible distribution system to transport goods from docks to stores. It educated the drives with the ethics and code of conduct which pictures their supply chain responsibilities.

The key to achieving this goal was to make the way the company replenishes inventory the center piece of its strategy, which relied on a logistics technique known as cross docking. Cross docking is one lethal weapon that was used by Wal-Mart in their SCM. Using cross docking, products are routed from suppliers to Wal-Mart's warehouses, where they are then shipped to stores without sitting for long periods of time in inventory. This strategy reduced Wal-Mart's costs significantly and they passed those saving on to their customers with highly competitive prices, Wal-Mart then concentrated on developing a more highly structured and advanced supply chain management strategy to exploit and enhance this competitive advantages.

Questions:-

1. What is Cross Strategy adopted by Wal-Mart?
2. Enlist the components of Supply Chain Management of Wal-Mart.

