



UNIVERSITY EXAMINATIONS: 2013/2014

EXAMINATION FOR THE MASTER OF BUSINESS ADMINISTRATION

PSM 508 SUPPLY CHAIN MANAGEMENT (EVENING)

DATE: APRIL, 2014

TIME: 3 HOURS

INSTRUCTIONS: Answer Question One and Any Other Three Questions

QUESTION ONE

Read the following case study and answer the questions that follow.

Business Process Re-engineering is basically rethinking and radically redesigning an organization's existing resources. It is however, more than just business improvising; it is an approach for redesigning the way work is done to better support the organization's mission and reduce costs. Reengineering starts with a high-level assessment of the organization's mission, strategic goals, and customer needs. To do this, basic questions are asked, "Does our mission need to be redefined? Are our strategic goals aligned with our mission? Who are our customers?" An organization may then find that it is operating on questionable assumptions, particularly in terms of the wants and needs of its customers. Only after the organization rethinks what it should be doing, does it go on to decide how best to do it.

Within the framework of this basic assessment of mission and goals, re-engineering focuses on the organization's business processes—the steps and procedures that govern how resources are used to create products and services that meet the needs of particular customers or markets. As a structured ordering of work steps across time and place, a business process can be decomposed into specific activities, measured, modeled, and improved. It can also be completely redesigned or eliminated altogether. Re-engineering identifies, analyzes, and re-designs an organization's core business processes with the aim of achieving dramatic improvements in critical performance measures, such as cost, quality, service, and speed.

Re-engineering maintains that optimizing the performance of sub-processes can result in some benefits, but cannot yield dramatic improvements if the process itself is fundamentally inefficient and

outmoded. For that reason, re-engineering focuses on re-designing the process as a whole in order to achieve the greatest possible benefits to the organization and their customers.

Required:

- (a) From the above case study and Based on the business process engineering within supply chain context, discuss the common elements of Ongoing Continuous improvement. (11 Marks)
- (b) From the above case study, explain the main role of information technology in the engineering and re-engineering processes (10 Marks)
- (c) Explain the importance of demand forecasting in supply chain management. (10 Marks)

QUESTION TWO

Explain the main factors that may lead to the success or failure of Business Process Re-engineering (23 Marks)

QUESTION THREE

Supply Chain Management cannot operate in isolated business networks. Explain the significance of Supplier Management relationship. (23 Marks)

QUESTION FOUR

- (a) Discuss FIVE basic Supply Chain Management components (10 Marks)
- (b) Discuss the main functions of marketing logistics (13 Marks)

QUESTION FIVE

- (a) Identify the measures that can be taken to reduce supply chain costs (11 Marks)
- (b) Discuss the main functions of Supply Chain Management (12 Marks)

QUESTION SIX

Explain the following inventory methods

- (a) Reorder point (4 Marks)
- (b) Minimum stock level (4 Marks)
- (c) Maximum stock level (4 Marks)
- (d) Reorder level (4 Marks)
- (e) Buffer stock/ safety stock/ Danner or red stock level (4 Marks)
- (f) Lot for lot or demand flow (3 Marks)