

MARKIG SCHEME

**(BSS 421: SUPPLY CHAIN DYNAMICS, AGILITY AND RELATIONSHIP MANAGEMENT)
WEEK-7: CONTINUOUS ASSESSMENT ONE**

Time allowed: 3hours

Instructions: Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do not write anything on this.

SECTION A

QUESTION ONE

- a) **State FIVE benefits that a business enterprise may gain from producing goods of high quality.** **(5marks)**

Possible responses could have been

1. Loyalty from consumers of the product
2. Product would move faster.
3. Less legal compliance issues since the product would meet the required quality standards.
4. Firm would gain reputation
5. Brand recognition
6. Supply chain members would like to do business with such an organization in order to reach the market of the institution

- b) **Explain FIVE challenges that prevent craft producers from expanding their businesses.** **(5marks)**

1. Limited knowledge of the markets
2. Lack of financial capital
3. Limited innovation.
4. Inability to market goods
5. Sheer lack of awareness of business processes
6. In ability to meet compliance requirements such as payment of taxes and licenses
7. Low Quality:
8. Lack of Cooperation Among Craft Producers:
9. Low Managerial Capability:
10. Lack of Challenging Mind:
11. Lack of Clear Understanding on Design Improvement

- c) **Highlight FIVE ways in which supply chain management can contribute to business competitiveness.**

(5marks)

1. Improve operational efficiency
2. Help in making informed purchasing decisions

3. Gains better business visibility and insights on operations.
 4. Reduce total business operational costs because of collaboration
 5. Reduce inventory carrying costs and storage requirements
 6. Reduce inventory carrying costs and storage requirements
 7. Better supplier collaborations
 8. Reduce overhead and operational costs due to collaborations and discounts from members
 9. Increase revenue and profitability
 10. Improve liquidity and cash flow
- d) **Discuss FIVE reasons as to why service supply chains are not easily disrupted by dynamics compared to manufactured goods supply chains. (5marks)**
1. Capital investment is less compared to manufacturing
 2. Services can be expanded or contracted easily
 3. There is no standardization and competitive advantage can be gained easily through service quality and differentiation.
 4. Demand for services is higher compared to services
 5. Substitutes are less or non-existence

QUESTION TWO

- a) **Using FIVE points show why total quality management is every employee's responsibility in a firm. (10marks)**
1. Top management has the ultimate responsibility for quality.
 2. Designers of the quality into the product or the service.
 3. Procurement of the input that will not distract the quality.
 4. Production and operations that teams that are responsible to ensure that the product conforms to the specifications.
 5. Quality assurance collection and analysis of the data to identify the source of problems and how to solve them.
 6. Marketing and sales team has the responsibility to determine the needs of the customers and report any problems with the product.
 7. Customer service to communicate and set the feedback on the product.
- b) **Country Z is found in South America. An investor wants to start a plant to process milk by utilizing principles of Just-In-Time approach to business operations. Using FIVE points explain why this investor is choosing a wrong approach. (10marks)**

1. The country will demand that the company employs many people
2. There may no infrastructure to sustain just in time manufacturing
3. Purchasing power may be too low to afford the goods
4. Input may be lacking to support just intime manufacturing
5. There might be poor quality of the input
6. There is population in need of fast manufactured goods and therefore JIT may not be economical

QUESTION THREE

- a) **Provide FIVE arguments as to why multination corporations may not make abnormal profits in Africa despite using mass production. (10marks)**
1. Low purchasing power
 2. Transportation infrastructure may make it hard to reach markets
 3. Government may put restrictions in order to protect domestic workers.
 4. Sometimes there is political instability'
 5. Cross border trade is a challenge
 6. Some goods may face cultural challenges
 7. Bureaucracy in government processes
- b) **Evaluate FIVE reasons that may lead to failure to conduct business processes re-engineering in Africa for a declining manufacturing firm. (10marks)**
1. Need to keep employees working. Lack of jobs make gorvenment interfere with organizations

SECTION B

QUESTION FOUR

Read the case study below and answer the questions that follow

MAKS company limited is a firm that specializes in producing various types of agrochemicals and machinery in West Africa. Despite the successful launch of its leading agrochemical brand, the company has encountered significant constraints. The West African leading community common external tariff has been reduced from 30% to 20%, making it easier to Import agrochemicals instead of manufacturing resulting to increased competition in the agrochemical and machinery market. Competitors, especially from the far East, are importing agrochemicals and machinery, further reducing MAKS's market share.

The production and operations department at MAKS, comprises of senior citizens who have been with organizations for 20 to 35 years. The cost of production has risen due to increase in petroleum oil prices and the cost of sulphuric acid, a major input to manufacturing, in the world market.

The production manager attributes low productivity to the factory's poor layout. Most tasks are performed manually using outdated equipment, leading to injuries among the production staff. The repetitive nature of the manufacturing process has led to low motivation among the production staff, resulting in decreased productivity.

To address the challenges, senior management convened a meeting to discuss potential solution. The Administrative Manager proposed enriching the complexity of tasks on the production floor to challenge the production staff so that they can be enthusiastic with work. The production manager suggested renovating and automating the factory, although this would require additional investment in new equipment.

It was proposed that a consultant would be hired to offer advice on ways to improve quality management, output productivity and stock management. The board of directors emphasized the need for immediate remedies to address the company's problems.

(DISCLAIMER: This case study is purely for education and examination purpose and it does not represent the situation of any known firm)

Required;

a) From lean production perspective, explain FIVE wastes that could be contributing to poor performance of MAKS company. (10marks)

1. the factory's poor layout.
2. Most tasks are performed manually
3. outdated equipment,
4. injuries among the production staff.
5. The repetitive nature of the manufacturing process has led to low motivation among the production staff, resulting in decreased productivity.
6. Producing when there is no order leads to inventory in the stores.

b) Explain supply chain dynamics that are likely to be affecting MAKS company that the management is not aware of. (10marks)

1. E-business or e-commerce.
2. Management technology.
3. Globalization.
4. Supply chain management.
5. Operations strategy.
7. Revenue management. It is the maximization of the revenue by manipulating the operating capability, costs, resources and pricing.
8. Process analysis and improvement.

c) Suggest FIVE agile enablers/ responses that MAKS management can adopt in order to cope with current challenges that it is facing. (10marks)

There are -:

1. Good infrastructural capabilities such as the buildings, equipment capital and any other facility that is required for transformation of the inputs to the output.
2. The latest technology that is required to power the transformation of the inputs to outputs.
3. A good connectivity internally and externally with the related industries. For example, a good network of the intranets connecting the business units internally and a good external connectivity between the buyers and suppliers as well as all the other members in the supply chain for the purpose of facilitating business through accurate and quick communication.
4. Multiskilled, empowered and competent employees
5. having a flexible system an
6. basic module that can easily be customized to the requirement of the customer. A basic module of the product is made and when a customer makes an order, the basic module is quickly modified and finished to the requirement of the customer. This is referred to as late customization.

d) Provide FIVE recommendations that can help improve MAKS performance through adoption of outsourcing. (10marks)

1. Cutting expenses.
2. Increasing productivity and efficiency.
3. Expert input.
4. Immediate understanding of your costs.
5. Competitive edge.

6. Reduction in staff issues