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10MBA43

Fourth Semester MBA Degree Examination, June 2012
Supply Chain Management

Time: 3 hrs.

Max. Marks:100

Note:1. Answer any FOUR from Q.No.1 to Q.No.7.
2. Question no. 8 is compulsory.

- 1 a. What do you mean by supply chain network? (03 Marks)
b. Explain the various decision phases in a supply chain. (07 Marks)
c. Explain why achieving strategic fit is critical to Company's overall success. (10 Marks)
- 2 a. What is customer service? (03 Marks)
b. Explain various process included in internal supply chain management (ISCM). (07 Marks)
c. Explain the non price dimensions of supplier performance that affect total cost. (10 Marks)
- 3 a. Briefly explain the role of distribution in the supply chain. (03 Marks)
b. Explain the various logistic costs. (07 Marks)
c. Identify causes of the bullwhip effect of obstacles to co-ordination in a supply chain. (10 Marks)
- 4 a. What is the overall approach to modeling while designing supply chain network? (03 Marks)
b. What are the factors that affect the decision to outsource a supply chain function to 3rd party logistic provider (3PL). (07 Marks)
c. Describe the trade off that must be considered when making revenue management decisions (10 Marks)
- 5 a. What is the bullwhip effect? (03 Marks)
b. Describe actions that facilitate the building of strategic partnership and trust with in a supply chain. (07 Marks)
c. List the factors that are driving the emphasis on SCM. What would be your pro-active approach vis-à-vis the cost and availability of information resources? (10 Marks)
- 6 a. Define VM1. (03 Marks)
b. Explain the role of IT system in supply chain. Illustrate your answer, with an example. (07 Marks)
c. What is co-ordination in supply chain? Identify managerial levers to deal with obstacles to co-ordination in a supply chain. (10 Marks)
- 7 a. Briefly discuss the importance of e – business. (03 Marks)
b. Explain the different design options in distribution network in supply chain. (07 Marks)
c. Explain the factors influencing the supply chain network design decisions. (10 Marks)

8 Case study : (Compulsory)

Read the following passage carefully and answer the question given below :

The world's leading aerospace company, Boeing is the largest manufacturer of commercial jet airliners and military air craft combined. Head quartered in Chicago, Boeing operates in 70 countries with culturally diverse workforce.

Boeing has an arch rival in the form of its European counter part Airbus. Airbus is the largest civil airliner in service. Airbus also has expanded into military transport air craft sector. Every strategic move of these two giants is followed closely and counter – measures are swiftly planned to capture the market share of each other. When Airbus started its ambitious super jumbo A380 project, Boeing quickly followed suit with its dream liner 787.

Airbus, by virtue of its multi – country lineage in EADS, has its manufacturing process scattered across many European nations including the UK, France and Germany. Its final assembly plant is located at France, where the huge parts are brought through several transportation modes for assembling into an aircraft. This approach to manufacturing has been criticized by experts, who cited this as one of the reason for the A380 project delays and cost over runs.

Ironically, Boeing tried to adapt a similar approach to manufacturing the 787. It experimented with radial out sourcing with major parts of the plane outsourced to companies in Canada, Australia, Korea, Japan and Europe. Comparatively Boeing is into higher percentage of out sourcing for its engineering and design work. It is debatable as to whether this is the primary reason for the numerous delays and hefty cost overruns the 787 project has witnessed over the past several years. On several occasions, Boeing admitted design flaws, leading to delays.

Boeing's customers are increasingly getting wary of their mired delivery schedules of 787. Many customers were hardly hit in their grow the plan and threatened to cancel of its order for 787 in case of any further delay of delivery of its planes. Some reports say that the first delivery of its new 787 aircraft could slip a well into the mid of 2011 or even beyond. Interestingly it is the first time Boeing faced this kind of problems on after the eventual first flight in December 2009. The report also indicates that the company officials opine that they over reached on the new manufacturing method used with the 787, but they remain committed to the outsourcing model.

However, further delays have been indicated and the competition in cashing on the situation in a big way, with Airbus receiving orders from several Airlines who cancelled the 787 orders in favour of its A380.

The American public in general and being employees in particular are agitated due to rising unemployment in the US. Boeing's work force are no exception they have often opposed the outsourcing model of 787 in explicit as well as implicit ways. So much so, that Boeing seems all set to rein in its 787 outsourcing model in its future avatars.

The CEO of Boeing has decided to take an unbiased opinion of an external consultant to critically analyse the whole production model adapted in 787. If you were requested by Boeing as external consultant to submit a preliminary report, critically examining the outsourcing model of 787 in the context of its supply chain.

You are advised to work on the following lines in your preliminary report :

- a. Critically examine if the 787 delays and cost overruns are more of teething troubles in adapting to the new outsourcing model. **(06 Marks)**
- b. Explore the possibility of Boeing failure to handle the culturally diverse partners in its 787 supply chain. **(06 Marks)**
- c. Suggest remedial measures in the Boeing's supply chain so as to avoid fiascos like 787 in future. **(08 Marks)**
