

UNIVERSITY OF BOLTON

Bolton Business School

MSC SUPPLY CHAIN MANAGEMENT

SEMESTER 2

EXAMINATIONS 2008/2009

SUPPLY CHAIN STRATEGY

MODULE NO: EBU4008

Date: Tuesday 26th May 2009

Time: 10.00 – 12.00 pm

INSTRUCTIONS TO CANDIDATES:

Answer question **ONE** in **SECTION A**
(compulsory), and **THREE** out of the
FOUR questions in **SECTION B**.

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MSc SUPPLY CHAIN MANAGEMENT
Semester 2 Examination 2008/2009
Supply Chain Strategy
Module No. EBU 4008

Section A (compulsory)

1. For its 'old concept products' HG Plastics have lost significant market share to low cost producers. Wholesalers and retailers have begun to import old concept products from overseas competitors at reduced cost.

HG has decided that they would like to maintain a presence in the 'old concept' sector, whilst simultaneously developing their 'new concept' range. This question relates to their future strategy for **old concept products**, and they are weighing up possible strategies to regain their lost competitive advantage. The main question in the mind of the HG management team is whether to "Outsource" the old concept products to contract manufacturers from overseas, or to keep their manufacture "In-house", seeking ways to further reduce internal costs.

Describe the advantages and disadvantages for HG in pursuing each of the two possible strategies above. **(8 marks)**

Describe in more detail some of the changes that would need to be made to the supply chain in adopting each of the two strategies. **(10 marks)**

Make a recommendation and justification to HG as to which of the two strategies to follow, and suggest measures that could be put in place to ensure the future success of the 'old concept products'. **(7 marks)**

(Total 25 marks)

Section B (answer three out of the four questions)

2. The introduction of the new concept products has brought about a more seasonal demand pattern, with peaks in the months of December and April.

For each of the areas listed below, discuss a) the problems this might cause, and b) possible solutions;

- Supplier contracts
- Manufacturing capacity
- New product design, testing and introduction into production
- Inventory control
- Employee workload and overtime requirements
- Finished goods warehousing and distribution **(25 marks)**

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3. Discuss the Order Winners (OW) and Order Qualifiers (OQ) for the Old and New concept products respectively. Why is the difference in OW and OQ for the two product ranges so significant in this case? Explain the differences between the two supply chains required to support the old and new concept products. **(25 marks)**
4. Many of the issues experienced by HG Plastics are caused by the vastly increased quantity and frequency of new product introductions required to implement the new concept product strategy.

Describe the challenges this has placed upon HGs marketing, product design, manufacturing, material control and distribution functions. **(13 marks)**

Discuss possible strategies for improvement. Include reference to the potential benefits and risks of outsourcing all or part of the product design and development activity to a trusted supplier. **(12 marks)**

(Total 25 marks)

5. You have been asked to review staffing to support the new concept products, and you have concluded that there are key differences required in staff to support the new ranges.

List and describe the new knowledge and skills required, in each of the following areas:

- Marketing and customer relationship management
- Purchasing
- Product design
- Manufacturing scheduling and control and shop floor operatives
- Distribution and finished goods control

(15 marks)

To operate more effectively with the new concept products, it has been suggested that greater *integration* of functional departments is required. Discuss the significance of this suggestion with reference to HG, and suggest how this might be achieved by focussing on the two key business processes of “New Product Introduction”, and “Product Supply and Manufacture”. **(10 marks)**

(Total 25 marks)

END OF QUESTIONS