EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
Third Year First Semester Examination in Bachelor of Business Administration (Honours) in Marketing Management - 2021/2022 (February 2024)
Proper

MKT –3052 Supply Chain Management

Answer all four questions.　　　　　　　　　　　　　　**Time: 02 Hours**

Q1. Read the following case study and answer the questions below;

Case Study: Shiny Glass, Inc.

It was 7:00 a.m. on a Monday morning. George Einstein, a sales executive of Shiny Glass, Inc., sipped a latte in his roomy office overlooking Toledo's Maumee River and pondered what went wrong with his sales strategy. He was concerned about a growing problem with lowered sales expectations and a rapidly declining market share. Before reporting to his company's board about his sales performance, he was aware that something had to be done quickly to reverse recent sales trends. George acknowledged that sales were down due in part to a flat economy and increasing competition from cheap imported products from Asia. He was also bothered by a growing number of complaints from his major customers and beverage manufacturers. Those complaints mostly stemmed from delayed delivery, frequent order fulfillment errors, and inconsistent post-sales services. These forced George to review all of his business's customer service procedures and order processing systems.

Logistics Network

Shiny Glass is a multinational firm (MNF) engaged principally in the manufacture, distribution, and sale of glassware, including wine glasses, pitchers, brandy snifters, and tumblers. Shiny Glass also started producing some medical devices such as catheters, glass hypodermic syringes, and optical glasses. The company operates 32 manufacturing plants and processing facilities across the globe, 15 of which are located in the United States (including one in Toledo, Ohio— the so called "Glass City").

Considering the important role of consumer products, Shiny Glass established its distribution center (DC) in Cincinnati, Ohio, where consolidation, packaging, labeling, and shipment of consumer products take place for worldwide distribution operations. Although Cincinnati looked to be an ideal location because of its proximity to Shiny Glass's headquarters in Toledo, it poses logistical challenges for a group of Shiny Glass's largest customers currently located in the Southeast U.S., Mexico, and Southern China, thereby adversely impacting its delivery services. The logistics problem is further compounded by the recent increase in the off-shore bottling of glass containers in China, Malaysia, Vietnam, and Australia. To ease the financial burden, both

inbound and outbound shipments of the Cincinnati DC are performed mainly by either contract or common carriers rather than using the company's own private carriers.

Shiny Glass is also experimenting with an optional plan to allow smaller and nearby customers to pick up their own orders at the Cincinnati DC. This experiment is gaining popularity for some customers looking for the deep discount that comes with this plan.

The Antiquated Order Processing System

Shiny Glass's current order processing system handles most of the customer orders manually, although it was developed using Visual Basic for the front end and SQL (Structured Query Language) as the back end. A dozen customer service representatives (CSRs), who are not familiar with the computerized system and software, take 70% of customer orders through phone calls, faxes, or email from customers. Once orders are received, the order data is entered into a mainframe computer system, one by one. Approximately three hours after the customer order data is entered into the computer system, the data is checked for accuracy. If errors are found, a report is generated in such a way that it triggers reminder messages and "red" alerts for the sales department. Errors are commonly caused by human (e.g., CSR) error, data entry error, and miscommunication with customers. These errors can occur when the wrong information—such as an incorrect price, quantity, delivery schedule, or product code—appears on the order form without any follow-up or validation. Once an order is transmitted to the traffic department with the necessary packing and shipping instructions, it is shipped to customer locations immediately.

Even though not all orders are validated, the current order processing system is believed to work moderately well because the CSR thinks certain types of errors are unavoidable under any circumstances. However, George was somewhat surprised to discover that over the past three years, his company's record showed an order accuracy of 91.5%, which is below the industry average of 95%. Order accuracy represents the ratio of the number of error-free orders over the total orders (in dollar volume) shipped to customers in a given year. More often than not, order accuracy is checked by the sales department after the customer either complains about receiving a wrong product or threatens to file a claim. In other words, customer acknowledgement of receipt of orders without complaints is considered the evidence of error-free order fulfillment. The order fulfillment process described here is crucial for customer service, but is very timeconsuming and labor intensive.

As a cost center, order fulfillment and replenishment typically accounts for 50% to 65% of the sales department's personnel expenses (labor cost). While carefully reviewing the current order processing system, George also suspects that Shiny Glass's adaptation of the new Omni-channel sales strategy may have something to do with order fulfillment errors. In an effort to recapture and expand customer bases, Shiny Glass began to sell some of its popular products such as beer mugs through its own discount outlet stores, catalog and mail-order companies, grocery chains, TV home shopping networks, and e-tailers such as Amazon and Overstock.com. Each of these sales channels requires a unique way of processing orders, distributing ordered products, and

billing orders and thus creates unprecedented complexity associated with different types of customers and their service needs. To make matters worse, the aforementioned multichannel sales tend to result in the proliferation of many different products intended for different channels/segments, which causes another difficulty in forecasting demand. The impaired supply chain visibility resulting from forecasting difficulties contributed to frequent stockouts of popular items, which also takes a toll on customer service.

Questions;

a. Do you think Shiny Glass would benefit from a new order processing system? If so, why? What is wrong with the current order processing system? (10 Marks)

b. What kind of recommendations would you make to improve Shiny Glass's supply chain operations that will eventually help improve its customer service? (15 Marks)

(Total 25 Marks)

Q2.

a. What is the role of supply chain management in creating and adding value for customers? (10 Marks)

b. What are three levels of supply chain planning? How are they different from each other? (08 Marks)

c. What constitutes customer service elements? Compare with examples. (07 Marks)

(Total 25 Marks)

Q3.

a. Briefly explain "Storage System Functions", with appropriate examples. (08 Marks)

b. What are the factors affecting the **Order Processing Time.** (05 Marks)

c. Discuss the pros and cons of the different modes of transportation. (12 Marks)

(Total 25 Marks)

Q4.

a. Analyze the Importance of Information Systems in a Supply Chain Management. (10 Marks)

b. Choose any organization from below given organizations and discuss supply chain marketing strategies they adopt in practice? (15 Marks)

    1. Unileiver   2. KFC   3. Amazon

(Total 25 Marks)