

11 OCT 2014

Eastern University, Sri Lanka
Faculty of Commerce & Management

Third Year Second Semester Examination in BBA /Specialization in Marketing Management

2011/2012 (August/Sept. 2014) (Proper)

MKT 3063 Supply Chain Management

Answer all questions

Time: 03 Hours

Q1. **Read the following case study and answer the questions given below.**

A global Auto Manufacturer-TOYOTA

Introduction

Toyota Motor Corporation's vehicle production system is a way of "making things" that is referred to as "lean manufacturing system". The TPS (Toyota Production System) was developed to improve Quality and Productivity. Objective: "making the vehicles ordered by customers in the quickest and most efficient way, in order to deliver the vehicles as quickly as possible". Based on Supply chain management in Toyota vendor manufacture 1. Local parts 2. Import parts 3. Receiving dock (pc store and production). Local Parts 1 and 2 Linked between internal and vendor stock reduction using KANBAN (Kanban Cyclic) & Sequential parts delivery KANBAN:- A small time that is the key control for JIT production

Primary activities Inbound logistics

Toyota in obtaining raw materials, they do not process their own, or create your own, they use a third party, they handled the small parts, such as leather seats, steering wheel, tire, to local companies, but to the nature of strategic importance, like a machine, they import from Japan (centre), it's all to maintain the quality standard that was created Toyota. Toyota put on the assembly system in the process, it has led to Toyota raw material supply for its assembly, need a place to store supplies, or warehouse, to avoid piling up too many assets, Toyota to forecast demand.

Primary activities Operations

Transforming inputs into the final product form, in assembly and manufacturing (its production). Toyota use various systems to be efficient and effective, could also call it, TPS is the Toyota Production System - the concept of the Toyota Production System can be described as a complete building which consists of

various components are integrated. The building was also called a The House of Toyota.

Just in Time: One of the two main pillars of TPS. It refers to the manufacturing and conveyance of only 'what is needed, when is needed, and in the amount needed in the system'. 1. The Pull System 2. Continuous Flow Processing 3. Take time. **JIDOKA:** One of the two main pillars of TPS. It refers to the ability to stop production, by man or machine.(equip malfunction)

Primary Activities - Outbound Logistics Collecting, storing and distributing the product to buyers. Output of the production process at the plant, is the finished product - a car. The car is directly sent to the Toyota dealer, it's for local, or a region (not crossing the sea, if sending more distant or export, its delivery using container.

Primary Activities - Marketing and Sales Providing a means and incentive which allow buyers to purchase the product - Application of Indirect Channels Distributions TOYOTA Corporate. Toyota Motor Company was founded in 1937 by the Toyoda family. In the application of the Toyota Company or its product distribution channels to use indirect distribution networks which use the Company Toyota dealer or distributor.

Primary Activities - Service Providing. Service to enhance or maintain the value of the product. The Best Total Ownership Experience 'is a principle that is always carried by Toyota at each line, starting from the central office to the Toyota dealership on every spread in India. Their concept is the customer number one, so that makes them always trying to meet customer needs and continuously improve services, parameters set 6 pieces, among others: the quality of service, type of problem, the service is user friendly, service advisor, service initiation, service delivery and in-service experience.

Support Activities - Firm infrastructure (facility). Infrastructure owned by Toyota factory is very modern and sophisticated, is a robotic system with humans as the operator, all the production support until the sale is available with either situation, the factory to the dealer.

Support Activities - Human Resource Management. Toyota to this day has approximately 300,000 employees worldwide, and nearly 5000 in India, in placement or acceptance of an employee, the company held a test continued with the training, according to its disciplines and expertise.

Support Activities - Technology Development, Torrance - As one of the world's

largest manufacturers, Toyota is very concerned with the safety of its customers. That is why Toyota did not stop doing research and development of safety technology. Here are four technologies from Toyota: Pre-Crash Safety (PCS) with collision-avoidance assists, Pop-up Bonnet, Adaptive Driving Beam, Emergency response technology.

Competitive advantage: different strategy. The 14 Principles of the Toyota Way
The last award for excellence in getting Toyota product
1. Long term philosophy
2. Right process, right results
3. Use 'pull' system to avoid over production
4. Level out the work load
5. Build a culture of stopping to fix problems, to get quality right the first time
6. Standardize task are the foundations for continuous improvement and employees empowerment
7. Use visual control so no problems are hidden
8. Use only reliable thoroughly tested technology that serves your people and processes
9. Grow leaders who thoroughly understand the work, live philosophy and teach it to others
10. Develop exceptional people and teams who follows yours companies philosophy
11. Respect your extended network of partners and supplied by challenging them helping them to improve
12. See for yourself to thoroughly understand the situation
13. Make decision slowly by consensus thoroughly considering all options, implement decision rapidly
14. Become learning organization thorough relentless reflections and continuous improvement.

Questions:

1. Illustrate the KANBAN system in supply chain management. (Marks 05)
2. Briefly explain the Warehouse Management System citing the case study. (Marks 05)
3. Discuss the 'pillars of TPS' and explain how it ensures Toyota's effective logistic management? (Marks 06)
4. Innovative approaches to supply chain strategy can give a competitive advantage. Explain this statement citing the above case. (Marks 06)
5. If you were the Executive manager of Toyota, how would you manage the situation? (Marks 06)

(Total 28 Marks)

Q2. i) Logistics mission is 'getting the right good/services to the right place, at right time and in the desire condition at the lower cost and highest return on asset'. Explain the significance of logistics with suitable example.

(Marks 04)

ii) 'Logistic Planning tackles four major problems areas'. Briefly explain the four major planning areas of Logistics with suitable example.

(Marks 06)

iii) 'Although the logistician is usually not directly responsible for setting price policy, s/he does have influence on pricing decisions'. Briefly explain the four geographical pricing methods with suitable example.

(Marks 08)

(Total 18 Marks)

Q3. i) 'Protective packaging is a particularly important dimension of the product for logistics planning'. Briefly explain the reasons why packaging expenses incurred?

(Marks 05)

ii) How can information, such as an order tracking system, be a substitute for customer service performance? Explain your answer with suitable example.

(Marks 06)

iii) 'Order processing is represented by a number of the activities included in the customer order cycle'. Explain the factors which are affecting the order processing time.

(Marks 07)

(Total 18 Marks)

Q4. i) Why has containerization become such a popular packaging method in international transportation? Why is it not used more extensively for domestic movements? Explain your argument.

(Marks 05)

ii) 'With the advent of inexpensive and rapidly available transportation services, the entire structure of the economy changes toward developed nations'. Explain the three major importance of an effective transportation system.

(Marks 06)

iii) Briefly explain JIT supply scheduling and its characteristics.

(Marks 07)

(Total 18 Marks)

Q5. i) 'Customer service is often treated as a constraint on the logistics system when a sales-service relationship cannot be developed'. 'Customer service may also be measured in terms of each logistics activity'. Describe some common performance measures of Customer service.

(Marks 04)

ii) Give illustrations of

- a. spatial versus temporal demand
- b. lumpy versus regular demand
- c. derived versus independent demand

(Marks 06)

iii) 'A logistics information system can be described in terms of its functionality and its internal operation'. Briefly describe the overview of the logistics Information System.

(Marks 08)

(Total 18 Marks)