

Name: Enrolment No:	
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**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, December 2019**

**Course:** LSCM 3002 – Logistics Planning and Strategy

**Semester:** V

**Program:** BBA-LM

**Time:** 3 Hours

**Course code:** LSCM3002

**Max. Marks:** 100

**Instructions:**

**SECTION A ( 10 \* 2 Marks Each - 20 Marks)**  
**Select the right option**

1.	Which of these Stores all products like FG, SFG, RM, PM, POP, defective and returned materials (A) Warehouse (B) Distribution Center (C) Plant Store (D) Local depot	2	CO3
2	The question “Should warehousing be owned , leased , rented or some combination of these?” is a (A) Strategic Decision (B) Tactical Decision (C) Operational Decision	2	CO3
3	Planning, directing, controlling, documentation, Feedback are part of which processes in the organization (A) <b>Material processes</b> (B) <b>Informational processes</b> (C) <b>Value processes</b> (D) <b>Analytical Processes</b>	2	CO3
4	Demand increases maximum out of which part of the following business process due to Bull Whip Effect (A) Retailer (B) Distributor (C) Warehouse (D) Production Plant	2	CO1

5	<p>Which of the following is not part of solution list to avoid Bull Whip Effect</p> <p>(A) Trust and collaboration among supply chain partners  (B) Access to real demand data shared along the supply chain  (C) “Agility” to respond to variability in the flow of orders  (D) Put maximum inventory at warehouse level</p>	2	CO3
6	<p>Which of these is not objects involved in the collaboration,</p> <p>(A) Data,  (B) Information,  (C) Knowledge,  (D) Expertise and  (E) Manpower</p>	2	CO2
7	<p>Which of these values can be improved by supply chain function ?</p> <p>(A) Financial Value  (B) Customer Value  (C) Social Value  (D) Brand value  (E) All of the above</p>	2	CO3
8	<p>During the festival season, you want to hire an additional godown to meet your peak demand and stocks availability , which type of warehouse will you prefer-</p> <p>(A) Private warehouse  (B) Public warehouse  (C) Bonded storage  (D) Co-operative warehouse</p>	2	CO1
9	<p>You are asked to launch a new functional product in a niche market, what would be your Logistics priority for this product-</p> <p>(A) Low cost logistics  (B) Product availability in the market  (C) Both A and B  (D) None of A and B</p>	2	CO2
10	<p>There is very little information flow between planning and manufacturing of an organization, these functions are working in Silos, now the organization wants to go to another level , which level will it go next ?</p> <p>(D) Level I  (E) Level II  (F) Level III  (G) Level IV</p>	2	CO2

**SECTION B ( 4\* 5 Marks Each -20 Marks)**

**Answer any 4**

1.	Define supply chain needs for functional and innovative products .	5	CO3
2.	What are the collaboration stages for organizations? Briefly define briefly all the stages.	5	CO2
3.	What are typical uses of a stand-up and a Sit-down counterbalanced lift truck ?	5	CO3
4.	In which situations supply chain strategy needs a change, explain with examples	5	CO3
5.	Write 5 major reasons why a Insurance Claim is denied by an insurance company	5	CO2

**SECTION-C ( 3\* 10 Marks Each- 30 Marks)**

**Answer any 3**

1.	What are value creating processes , explain with examples .	10	CO1
2.	Draw a Cartography of collaboration , explaining various levels of collaboration.	10	CO3
3.	What are objectives , basic functions and secondary functions in Value Chain analysis . Describe with examples .	10	CO3
4.	How business information flows in between major business functions , explain with a diagram .	10	CO1

**SECTION-D ( 3\* 10 Marks Each- 30 Marks)**

**Answer any 3 questions**

5.	<p>For an average business operator, supply chain comparisons made with Starbucks might seem a little daunting at first blush. After all, the coffee juggernaut generates annual revenues of over US\$22 billion, operating over 25,000 stores in six continents. And considering that it is opening new stores in China at a rate of one shop every 15 hours, it is showing no sign of taking a breather. Starbucks currently operates 3,000 stores in China and intends to have 5,000 outlets there by 2021.</p> <p>While there are important lessons that Fortune 500 companies can glean from the Starbucks approach, there are also crucial insights that can help the operators of small and medium-sized businesses take their supply chains to the next level.</p> <p>The Starbucks transformation continues to be cited as a leading example of how to get the supply chain right, even in the face of overwhelming complexity and staggering growth. In the 2000s, Starbucks was already a racehorse, with an increase in revenue from \$4.1 billion in 2003 to \$10.4 billion in 2008. Starbucks’ supply lines struggled to keep pace with that rapid expansion, and the cost of running it was getting out of hand. This situation was exacerbated by the economic downturn of the late 2000s.</p> <p>As James A. Cooke reported in Supply Chain Quarterly, “Between October 2007 and October 2008, for example, supply chain expenses in the United States rose from \$750 million to more than US \$825 million, yet sales for U.S. stores that had been open for</p>		
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at least one year dropped by 10% during that same period.” This crisis signaled the need for a different approach.

Peter D. Gibbons, who previously oversaw global manufacturing operations, was put in charge of Starbucks’ supply chain. His first actions were to determine how well the company was servicing stores and to better understand costs. He found that less than half of store orders were arriving on time. He also identified that the rapid growth of Starbucks had required it to lean heavily on outsourcing. Around 65 to 70 percent of supply chain expenses resulted from outsourcing arrangements for transportation, logistics, and contract manufacturing.

As Cooke recounted, Gibbons and his team then created a three-step supply chain transformation plan. First, it would reorganize and simplify its supply chain with clearly defined functional roles. Secondly, it would reduce cost while improving service levels. Finally, it would create the basis for sustaining and enhancing supply chain capabilities into the future.

In the latter stages of 2008, the company took an important step to simplify and centralize its previously fragmented supply chain. The team reorganized it so that every role fell into one of four basic functional groups: plan, source, make, and deliver. With the reorganization accomplished, each functional group was tasked with finding improvements. The sourcing group, for example, worked on identifying the factors that were causing price increases. Through research, it better understood what products should cost, and as a result, could negotiate better contracts. For its part, the manufacturing group determined that it could reduce cost as well as delivery time by opening a fifth U.S. roasting plant. Another important aspect of the transformation was the introduction of weekly scorecards with very clear service, cost, and productivity metrics. This approach allowed the extended supply chain to have a common frame of reference, with goals aligned with overall enterprise success. One of the key logistics measures was that of order receipt “On time in full.”

The results of the transformation were laudable. In each of the two subsequent years, it reduced supply chain cost by a half-billion dollars. In the ensuing years, Starbucks continues to make strides, guaranteeing 100 percent Fair Trade coffee, pursuing sustainability goals, and establishing its collaborative Coffee and Farmer Equality program (C.A.F.Eu.) with coffee growers. It also continues to adopt technology with an eye to improving customer experience, such as through online ordering, as well as supporting other digital innovation at its new megastores.

Complexity, in the form of numerous outsourced relationships and other lost synergies, was the dark side of Starbucks’ spectacular growth. The company started getting back on track by categorizing jobs into just four functions.

The use of scorecards can help to track the most crucial metrics or key performance indicators for organizational success. Scorecards provide a powerful method to align activities within company and among third-party relationships, as they did in the case

of Starbucks. The use of frequent scorecards that track leading indicators can enable to identify emerging problems. While scorecards are no panacea in their own right, they can be powerful tools if care is taken to ensure that the most important metrics are identified, and then acted upon as required.

The key to the success of Starbucks has always been its customer experience, and over the years, it has been able to leverage its supply chain not only to support but also to enhance customer delight—while better managing its supply chain expenditure. One may have much less control over supply chain than a powerhouse like Starbucks, but by better understanding and actively managing it, he can ensure the success of company.

**Answer these questions based on the above case study**

- 1. Enlist and explain five practices Starbucks followed to revitalize its supply chain .
- 2. Which key logistics measures the procurement team selected for process improvement?
- 3. What were the results of Supply chain transformation?
- 4. Describe in your words three-step supply chain transformation plan designed by the supply chain leadership team.

<b>10</b>	<b>CO1</b>
<b>10</b>	<b>CO2</b>
<b>10</b>	<b>CO3</b>
<b>10</b>	<b>CO1</b>