

SECTION B**04x05 = 20 Marks****(DO ANY FOUR QUESTIONS OUT OF FIVE : Q 02.a, Q 02.b, Q 02.c, Q 02.d, Q 02.e)**

| | | | | |
|------|---|--|----|----------------|
| Q 02 | a | What is Staple Products w.r.t. Supply Chain Strategy, give examples | 05 | CO 01 CO 03 |
| | b | What is Innovative Products w.r.t. Supply Chain Strategy, give examples | 05 | CO 01 CO 03 |
| | c | What is Lean and Agile Supply Chains, give examples | 05 | CO 01 CO 03 |
| | d | What is Product and Supply Chain Match in the context of Supply Chain, give examples | 05 | CO 01 CO 03 |
| | e | What is Agility and Adaptability in a Supply Chain, give examples | 05 | CO 01 CO 03 |

SECTION C**02x15 = 30 Marks**

| | | | |
|------|--|----|----------------|
| Q 03 | With reference to article “ <i>What is the Right Supply Chain for your Product?</i> ” by Marshall L. Fisher, what is the Product Design Strategy, Supplier Selection Approach, Manufacturing Focus, Inventory Strategy and Lead Time Focus for Staple and Innovative Products? | 15 | CO 01 CO 03 |
| Q 04 | Logistics & Supply Chain discipline has since grown fast and into a large body knowledge, hence there are many perspectives of this domain. What is its Conceptual, Process and Evolution perspective? | 15 | CO 02 |

SECTION-D**Marks 30**

| | | | |
|------|---|----|-------|
| Q 05 | With reference to the case-let given below answer the following questions: | | CO 01 |
| | a. Discuss <i>lean supply chain, agile supply chain, postponement</i> and, <i>de-coupling point</i> | 15 | CO 02 |
| | b. Zara has created a <i>leanagile supply chain</i> for itself. How did they do it in, <i>apparel designing, sourcing, stocking, production and warehousing</i> | 15 | CO 03 |

Zara: Fashion is Not for the Rich Alone

Zara is a chain of fashion stores owned by Inditex, Spain’s largest apparel manufacturer and retailer. In 2004, Inditex reported sales of 13 billion euros from more than 2200 retail outlets in 56 countries. The company opened a new store every day in 2004.

In an industry in which customer demand is fickle, Zara has grown rapidly with a strategy to be highly responsive to changing trends with affordable price. Zara has set the industry standards for time-to-market, costs, order fulfillment and customer satisfaction.

At the heart of this organization’s success is a vertically intra-organization integrated business model that spans design, just-in-time production, sourcing, warehousing, marketing and sales. This model gives Zara more flexibility than its rivals to respond to fickle fashion trends.

Design-to-sales cycle time in the apparel industry traditionally average at more than six months – but, Zara has achieved cycle times of five to six weeks. This speed allows Zara to

introduce new designs every week and to change 75 percent of its merchandise display every three to four weeks. Thus, Zara's products on display match customer preferences much more closely than the competition. As a result, Zara sells most of its products at full price and has about half the markdowns in its stores compared to the competition.

Zara manufactures its apparel using a combination of flexible and quick sources in Europe (mostly Portugal and Spain) and low-cost sources in Asia. This contrasts with most apparel manufacturers, who have moved most of their manufacturing to Asia. Also, unlike other international clothing chains, Zara makes more than half of its clothes in-house, instead of relying on a network of suppliers. About 40 percent of the manufacturing capacity is owned by Inditex, and the rest is out-sourced.

Products with highly uncertain demand are sourced out of Europe, whereas products that are more predictable are sourced from its Asian Locations. More than 40 percent of its finished-goods purchases and most of its in-house production occur after the sales season starts. This compares with less than 20 percent production after the start of a sales season for a typical retailer. This responsiveness and the postponement of decision – a lean supply chain technique - until after trends are known allow Zara to reduce inventories and forecast error. In addition to this Zara acquires grey fabrics (only four colors) and delays committing these fabrics to the dyeing and printing operations until the last stage of production. By delaying commitment of the fabric to special colors, Zara substantially reduces the markdowns plaguing the textile and apparel industry.

Zara has also investment heavily in information technology to ensure that the latest sales data are available to drive replenishment and production decisions. Zara keeps designers attuned to changing customer preferences. Its sales managers send timely customer feedback from its 450 retail stores to in-house designers.

Until 2002, Zara centralized all its European distribution and some of its global distribution through a single distribution center (DC) in Spain. It also had some smaller satellite DCs in Latin American countries. Shipments from the DCs to stores were made twice a week. This allowed store inventory to closely match customer demand. As Zara has grown, it has built another distribution center in Spain.

As a result of better-managed inventories, reduced obsolescence, and tight linkages between demand and supply, Zara is well positioned to gain market share.

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2019

Course: Logistics Planning & Strategy (LSCM 7005)
Programme: MBA Logistics & Supply Chain Management

Semester: II
Time: 03 hrs.
Max. Marks: 100

Instructions:

SECTION A

Marks 20

S. No.

Marks CO

Q 01 Fill the blanks with most suitable word from the word-bank given below.

- a Business is a ... , which ... and delivers ... to the customers. Value is what customer needs and, ... in exchange of it. If the perceived value is more than price of goods, customer feels that he-she got a ... , if it is less then he-she feels ... and, if it is equal then he-she feels it is right ...
b Business leaders seek ... , which can be ... for a long period; while deciding on strategies.
c Strategic decision-making creates resources, say, investment on Vehicle Tracking System, Tactical decision-making decides the resource and Operations decision-making is about how to increase the
d Second stage is integration of logistics with ... and This integrated operation is known as ... operations. This is ... integration. This is done by a ... protocol, ... and ... and, ... protocol, ...

Please Choose the most suitable word from the list below:

Table with 4 columns and 6 rows of words: cheated, SCOR, bargain, Intra-organization, sales, supply chain, how to use, return on investment, creates, CPFR, marketing, information technology, value, deal, pays, economy, sustained, process, cost, competitive advantage, management, value chain, EDI, competition

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| | | | | |
|------|---|---|----|----------------|
| Q 02 | a | What is Alignment in a Supply Chain, give example | 05 | CO 01 CO 03 |
| | b | What is Stable Suppliers in a Supply Chain, give examples | 05 | CO 01 CO 03 |
| | c | What is Evolving Suppliers in a Supply Chain, give examples | 05 | CO 01 CO 03 |
| | d | What is Postponement in a Supply Chain, give examples | 05 | CO 01 CO 03 |
| | e | What is Decoupling Point in a Supply Chain, give examples | 05 | CO 01 CO 03 |

SECTION C**02x15 = 30 Marks**

| | | | | |
|------|--|--|----|-------|
| Q 03 | With reference to article “ <i>What is the Right Supply Chain for your Product?</i> ” by Marshall L. Fisher compare and distinguish Functional Product with Innovative Product on various aspects such as Product Life Cycle, Product Variety, Contribution Margin etc.. | | 15 | CO 01 |
| Q 04 | Logistics & Supply Chain discipline has since grown fast and into a large body knowledge, hence there are many perspectives of this domain. What is its Operations and Quality perspective? | | 15 | CO 02 |

SECTION-D**30 Marks**

| | | | | |
|------|---|--|----|-------------------------|
| Q 05 | Answer the following questions about Mumbai Dabbawala case discussed in the class | | | CO 01 CO 02 CO 03 |
| | a. | What are the economics of Dabbawalas’ meal distribution network? Is this service replicatable successfully elsewhere; if not, what change(s) to the <u>business model</u> is need ? Is this service scalable; if not, what change(s) to the <u>business model</u> is needed? | 15 | |
| | b. | Dabbawalas got six-sigma certificate for their operations; for which <u>Customer Service Metrics</u> they got it. Discuss their operations and, the exact activities (critical to quality) which got them this rating. | 15 | |