

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

Third Year Second Semester Examination in Bachelor of Business Administration

Specialization in Marketing Management - 2016/2017 (July 2019)

(Proper/Repeat)

MKT 3063 Supply Chain Management

Answer All Question

Time:03 Hours

01. Read the Case and answer the questions given below.

Food Bazaar on Call

over all channels. That's the mantra in Pantaloon Retail's headquarters in Mumbai. And as the company adds channels to its portfolio, supply chain and logistics management-never an easy task organized retail-just became more complicated. Pantaloon SCM handles 30 million stock-keeping units (SKUs) every day, across the country all the time. Each SKU has to be tracked, stocked, sold, and attended to. And if the Big Bazaar and Food Bazaar supermarkets were not enough, Pantaloon also entered direct-to-home selling in a big way in June 2004 in Mumbai.

The company understands very clearly that home delivery systems are essentially logistics systems. The system involves starting from toll-free numbers to taking the calls, taking the orders, conveying it to the picking and kitting system, and delivering them, and not the least, taking payment. All of this is hard-core logistics driven. The importance that SCM gets in Pantaloon is manifest in the fact that it's the first and only retail company in India whose SCM department has got ISO 9001:200-certified. Such a focus will be required for Pantaloon's new venture-Food Bazaar on Call.

As Food retail venture, Food Bazaar has big plans to expand into the 'on call' channel this year. Says the company, "We are exploring every channel of sales — from internet, telephonic ordering, physical stores, mobile Food Bazaar vans to kiosks." He says Food Bazaar on Call, as the on-call venture is called, plans to deliver ordered material at home, office, at whatever time the caller specifies. The idea is to take an ever-larger share of the consumer's spend and take share when the consumer doesn't want to step out in rains, or late evenings or when both husband and wife are working. In the Food Bazaar model, a caller rings up the 1600 toll free number which goes to a 20-meter call center in Chembur, the helpline agent guides the caller through the products and then confirms the order. Presently, the Food Bazaar-On-Call has been operational in Vashi, Navi Mumbai since June-end 2004 and the preliminary results there have been encouraging. Says Singh, "We have been receiving 800 calls a day, with 200-300 of them converting into orders. The average order size is around Rs 550." 24x7 systems don't seem to make sense right now, as they find orders start coming in only after 8 am every day, and almost no one orders at night. Pantaloon's initial

investment into this venture has been around Rs 30 lakh, and the company was confident of recovering it all this year by end '04.

The company says the entire software for the on-call venture was developed in-house, leveraging the understanding of products and retail of the staff that he already had. "It took us just 40 days to launch the software for the Food Bazaar-on-Call." What are the operational differentiators of HLL's Sangam and Fabmart's home delivery in the suburbs? Says the SCM department, "We have no repeat delivery charges, unlike others. Also, there's no minimum order size, whereas others have." Pantaloon also says that sales from Food Bazaar-on-Call are estimated to be high on weekdays rather than weekends, when malls and his own Big and Food Bazaars will draw the consumer. The company has plans afoot to streamline the on-call venture quickly. On the way, a catalogue that will be available for callers to choose from different products. The helpdesk staff are also being trained all the time. "The average length of a call to our 1600 number has come down from 12 minutes to under 3.5 minutes today," says the company. This is by itself an added advantage to the bottom-line, as Pantaloon pays for every minute the call lasts. Pantaloon notes the changing nature of calls, "When we first started, we had more enquiry calls, more curiosity. Now we have more calls that place orders."

There's a favourable offshoot as well. Pantaloon says brand awareness of Big Bazaar and Food Bazaar has also gone up, with greater footfalls at the physical stores as well. "We have the physical infrastructure to back up the online and on call retail models unlike the earlier days when ordering was easy, delivery wasn't," says the company. Backward integrating the fledgling call centre that presently caters to the on-call venture is also not ruled out.

Questions

- a) How different is the Supply Chain Management process here compared to Auto logistics? Briefly Explain. (08)
- b) Map the Supply chain process of Food Bazaar on Call with a diagram based on the info from the case. (10)
- c) Analyze the role of Information Technology in the Supply Chain Management process of Food Bazaar on Call. (10)

(Total 28)

- a) Define the term Supply Chain Management and Explain how it differs from Logistic Management. **(06 Marks)**
- b) Graphically illustrate the effect of Value-Weight ratio on Logistic cost with a suitable example. **(06 Marks)**
- c) "Once Supply Chain strategies are planned and implemented, Managers want to know if they are working". Explain three measures that are used to monitor and measure the Strategic performance of a firm. **(06 Marks)**
- (Total 18 Marks)**

- 3.
- a) "The entire process of filling the customer orders is called as Logistic customer service". Describe the most important Logistic customer service elements with appropriate examples. **(06 Marks)**
- b) Briefly explain the operating components of the Logistic information system with a suitable diagram. **(06 Marks)**
- c) Analyze the Performance ratings of different transportation modes in Supply Chain Management. **(06 Marks)**
- (Total 18 Marks)**

- 04.
- a) Illustrate the important of purchasing in Supply Chain Management with suitable example. **(06 Marks)**
- b) Compare and contrast Material Requirement Planning (MRP) and Distribution Requirement Planning (DRP) with reference to Supply Chain Management. **(06 Marks)**
- c) "Storage in transit is known as one of the storage alternatives". Illustrate how is Storage in transit an alternative to conventional warehousing? **(06 Marks)**
- (Total 18 Marks)**

Q 05.

- a) "Distribution refers to the steps taken to move and store a product from the supplier stage to a customer stage in the Supply chain". Identify and explain the factors considered when designing the Distribution network for an organization. (06 Marks)
- b) Explain the Modified control system in Supply chain and what advantages does Modified control system have over either the Open loop or the Close loop control system? (06 Marks)
- c) "The final element in the control function is the Corrective action that must be taken when the difference between the system goals and actual performance is not tolerable". analyze this statement with appropriate examples. (06 Marks)

(Total 18 Marks)