

EASTERN UNIVERSITY, SRI LANKA

FACULTY OF COMMERCE AND MANAGEMENT

Third Year Second Semester Examination in Bachelor of Business Administration

Specialization in Marketing Management - 2017/2018 (January 2020)

(Proper)

MKT 3063 Supply Chain Management

Answer All Question

Time:03 Hours

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

Whirlpool

Whirlpool Corporation is a leader of the \$100 billion global home appliance industry. Ranked sixth in the electronics industry list of FORTUNE magazine's "World's Most Admired Companies", Whirlpool Corporation is a Fortune 500 company and the world's leading manufacturer and marketer of major home appliances. Annual sales are approximately \$19 billion, and there are 70,000 employees, with 69 manufacturing and technology research centers around the world. Founded in 1911, the company markets Whirlpool, Maytag, KitchenAid, Jenn-Air, Amana, Brastemp, Consul, Bauknecht and other major brand names to consumers in most countries around the world. Whirlpool manufactures appliances across all major categories, including fabric care, cooking, refrigeration, dishwashers, countertop appliances, garage organization and water filtration.

Whirlpool is committed to a brand value creation strategy-focusing on innovation, cost productivity, product quality and consumer value. The company continues to improve its global operating platform to ensure it is the best cost and best quality appliance manufacturer worldwide. Its supply chain has been transformed to better deliver products to trade customers and consumers. The benefits of actions are evident through a stronger network, increased efficiencies and timely deliveries. Whirlpool Corporation is committed to building products which consumers around the world can depend upon to meet their daily needs. This commitment to quality begins in the concept stages and continues throughout the lifetime of the appliance. The result of these efforts is a sustainable and competitive advantage for the company.

Globally, Whirlpool Corporation manufactures products using principles of lean manufacturing and operational excellence to ensure continuous improvement of processes and to produce products that meet the company's high-quality standards. At Whirlpool, there is a constant focus on seeking out new and unique ways to improve the function, performance and sustainability of products. After acquiring the Maytag Corporation on March 31, 2006, Whirlpool Corporation became the largest home appliance maker in the world. A merger with Maytag added another layer of complexity to Whirlpool's efforts to manage sales, orders, and cash flow. Brian Hancock, Supply Chain, talks about how this was achieved.

Until recently, Whirlpool's strategic focus was on its products and brands. In recognition of environmental changes (customer needs in particular) attention was shifted to their supply chain and how best to manage it. The need to focus on the supply chain was also instigated by major internal and organizational changes (the merger with Maytag). Furthermore, it was recognized that two issues required attention: 1) the desire for trade partners to hold lots of inventory (which impacted upon cash flows) 2) balancing number one with customers needing their products quickly. One of the goals constraining the redesign of their supply chain was to ensure a customer order could be fulfilled and delivered to the customer within 48hrs. The company set about operations/ supply chain strategy with the aim of improving cash flow, reducing costs and providing the right service to customers. The first aspect of their strategy was the order process. Process, technology and inventory changes were made. Systems required replacement and integration with Maytag systems. Overall, there was a need to improve visibility within the supply chain. Secondly, the company rationalized facilities, reducing the number of buildings from 100 they eliminated 100 buildings and consolidated major warehouses into 10 regional distribution centers. This resulted in cost savings of over \$60 Million. Thirdly, they optimized supply demand, with changes to demand planning models and software and integration with upstream suppliers.

Questions

- a) Explain the supply chain activities of Whirlpool? **(06 Marks)**
- b) Describe the challenges faced by the company and what were the drivers for change to the supply chain? **(08 marks)**
- c) What were the benefits to Whirlpool because of the changing of attention to the supply chain? **(06 marks)**
- d) Briefly describe the supply chain strategy of Whirlpool. **(08 Marks)**
- (Total 28 Marks)**

Q 02.

- a) The supply chain is simply another way of saying “the whole process of business.” Briefly explain the primary and secondary activities of supply chain management. **(06 Marks)**
- b) Innovative approaches to logistics/ supply chain strategy can give a competitive advantage. Briefly describe the logistic/supply chain strategies with suitable examples. **(06 Marks)**
- c) Graphically illustrate the Effect of Transport Service and Inventory Level on Logistics Costs for a product with a given degree of substitutability. **(06 Marks)**
- (Total 18 Marks)**

Q 03.

- a) “The entire process of filling the customer orders is called as Logistic customer service”. Briefly explain the importance of Logistics Customer Service with suitable example. **(06 Marks)**
- b) Warehouse Management System is an important component/subsystem of Logistic information system. Briefly describe the elements of Warehouse Management System with suitable examples. **(06 Marks)**
- c) An efficient and inexpensive transportation system contribute to the survival of an organization. Briefly explain the types of intermodal transportation in Supply chain management. **(06 Marks)**
- (Total 18 Marks)**

Q 04.

- a) Define the JIT philosophy in supply scheduling and explain the various characteristics of it. (06 Marks)
- b) Compare and contrast the two major storage alternatives with reference to Supply Chain Management. (06 Marks)
- c) "Distribution refers to the steps taken to move and store a product from the supplier stage to a customer stage in the supply chain". Analyze the comparative performance of various delivery network designs in Supply chain management. (06 Marks)

(Total 18 Marks)

Q 05.

- a) Illustrate the "Schematic control process framework" in supply chain management with a suitable diagram. (06 Marks)
- b) The emergence of supply chain management has broadened the scope across which companies make decisions. Briefly describe the "Macro Processes" in a Supply Chain. (06 Marks)
- c) Need for Green Supply chain management has become vital. Analyze the impact of Supply chain decisions on the resource footprint. (06 Marks)

(Total 18 Marks)