STRATHMORE BUSINESS SCHOOL

BACHELOR OF SCIENCE IN SUPPLY CHAIN AND OPERATIONS MANAGEMENT

SPECIAL EXAMINATION

SCM 3101: STRATEGIC SUPPLY CHAIN INTEGRATION, MANAGEMENT AND PERFORMANCE

DATE: Monday, 11th May 2026 **TIME:** 14:00 – 16:00

Instructions

This exam consists of **FIVE** questions

Answer QUESTION **ONE (Compulsory)** and any **other TWO** questions

QUESTION ONE (30 MARKS)

KAPA Oil Ltd. is a large manufacturing company based in Nairobi, Kenya. The company produces fast moving consumer goods mainly for households use. Over the past decade, KAPA Oil has built a strong domestic market presence due to its competitive pricing and reliable product quality. KAPA products have dominated supermarkets, wholesale and retail shops across East Africa.

With increasing demand for household goods across larger Africa, the company's management has decided to expand operations into East, Central, and Southern Africa, targeting countries such as Uganda, Tanzania, Rwanda, Zambia, and South Africa.

However, the company has experienced several supply chain challenges in their quest for expansion. These include among others:

- Heavy reliance on imported raw materials, leading to long lead times and high costs
  Limited integration between procurement, production, warehousing, and distribution departments
- Weak coordination with regional distributors and logistics providers
- Lack of advanced information systems for real-time data sharing
- Inefficient transportation networks and border delays
- Inconsistent service levels across different markets
- Limited performance measurement systems beyond cost and output

To support its expansion strategy, KAPA Oil is considering adopting strategic supply chain integration, investing in digital systems, and establishing partnerships with regional suppliers and distributors.

Part A

The company has tasked you as the Supply Chain Director, to develop a growth strategy paper for the department, based on the proposed growth plan. Based on the above proposal:

a). Briefly discuss **FIVE** benefits to be accrued by KAPA Oil through strategic integration of its supply chain activities and processes under their broader strategic plan **(10 marks)**

b). Briefly discuss **FIVE** forms of supply chain integration applicable to the firm as part of its activities and processes. **(10 marks)**

Part B

The firm stands to experience diverse challenges in employment of Integration as a strategy. Outline any **FIVE** challenges that firm must be prepared to address in its supply chain integration process. **(10 marks)**

QUESTION TWO (15 MARKS)

Many companies with international or regional operations have considered outsourcing of some key functions as a strategy so as to concentrate on their core activities like manufacturing.

a. Outline any **FIVE** possible service areas that international corporations may consider for outsourcing **(10 marks)**

b. Highlight any **FIVE** challenges that firms may face in outsourcing their services **(5 marks)**

QUESTION THREE (15 MARKS)

Total Cost of Ownership (TCO) refers to the complete cost of acquiring, operating, maintaining, and disposing of a product or service over its entire lifecycle. The Total Cost of Ownership (TCO) of any asset that a company acquires is thus considered as the sum total of all expenses relating to a product or service throughout its life cycle. It takes into account both direct and indirect costs involved in acquiring and maintaining the asset. The concept helps ensure that companies are strategic on procurement of key assets instead of just focusing on their buying prices.

While giving examples, outline any **FIVE** category costs that constitute the TCO of an asset that a company procures for its operations, giving two examples of specific constituent costs that make up within the cited category or cost type. **(15 Marks)**

QUESTION FOUR (15 MARKS)

Technology in the sphere of supply chain integration drives efficiency, visibility, and agility by connecting disparate systems into a unified, real-time ecosystem. Key technologies for example help automate processes from procurement to delivery, minimizing human error, enabling predictive analytics for demand forecasting, and providing end-to-end tracking of goods, a). Citing examples, list and discuss in brief **FIVE** roles of diverse technologies in enhancing supply chain performance as part of their supply chain integration **(10 marks)**

b). List any **FIVE** types of technologies that will impact the future of supply chain systems in organizations **(5 Marks)**

QUESTION FIVE (15 MARKS)

Achievement of strategic fit in supply chain integration is the degree to which a firms SC strategy, structure, culture, and resources are aligned with its overall strategy. The concept entails matching resources and firm capabilities to ensure both the competitive and supply chain strategies of a company are aligned.

Discuss **FIVE** key success factors that are instrumental in enabling firms achieve a "Strategic Fit" in their supply chain integration initiative. **(15 Marks)**