



STRATHMORE BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN AND OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 2201: WAREHOUSING AND INVENTORY MANAGEMENT

DATE: Monday, 2nd December 2024

TIME: 13:00 – 15:00

Instructions

1. This examination consists of **FIVE** questions.
2. Answer **Question ONE (COMPULSORY)** and any other **TWO** questions.

Question One **(30 marks)**

Started in 1985 as a soap manufacturing plant in Nairobi, Bidco has continuously grown over the years to become “home” of some of Africa's most cherished brands, ranging from edible oils & fats, Hygiene and Personal care and most recently Food and Beverage brands as well as animal feeds. The fast growing market for its growing wide range of products has equally demanded a matching growth in its warehousing and inventory portfolio management and strategy.

Challenges such as customer order delays, stock losses due to thefts and breakages, many returned goods and centrally set warehouses have pushed Bidco’s supply chain department to rethink their strategy as to enhance the brands reputation across the region. Warehouse locations across the region alongside enhanced inventory management systems have been earmarked as key areas for strategic review on annual basis.

- a). BIDCO seeks to establish more warehouses across the Greater Lakes region – Kenya, Uganda, Rwanda, Burundi, DRC, Zimbabwe among other countries. Due to the diverse array of its products, the warehouses need meet certain conditions as to effectively support the company’s growth strategy. As Bidco’s supply chain Manager, briefly discuss the various factors to be considered in determining suitable warehouse locations in chosen countries **(10 marks)**
- b). Outline at least **FIVE** areas that comprise a standard warehouse for a manufacturer like Bidco. **(5 marks)**
- c). List the various types of inventory that the company may plan to hold in its various warehouses. **(5 marks)**
- d). Bidco needs to implement an effective warehousing that enables firm map out various aspects of its warehousing as well as its management to enhance efficiency. Discuss at least **FIVE** warehousing strategies that the company can employ to enhance its competitive advantage in the region. **(10 marks)**

Question Two (15 marks)

Inventory management is crucial for businesses to maintain the right balance of stock, minimize costs, and effectively meet customer demand. Discuss at least **FIVE** inventory management strategies that a company would employ as part of its supply chain strategy. (10 marks)

Question Three (15 marks)

Besides enhancing the image of a brand, packaging and labelling are key in providing key information regarding the products, its preservation and its handling. Discuss in brief at least **FIVE** types of labels that a company may use while packaging its products, citing their application/use. (10 marks)

Question Four (15 marks)

Picking refers to the order in which Stock Keeping Units (SKUs) are pulled from shelves to fulfil orders in a warehouse. The choice of the right picking method has a huge impact on warehouse efficiency and productivity. Discuss in brief the below picking methods as may be applied by a manufacturing firm in its warehouses (15 marks)

- a). Single order picking
- b). Pic-to-box / pick-to-pallet
- c). Wave picking
- d). Batch picking
- e). Zone picking

Question Five (15 marks)

Most manufacturers have opted to separate their manufacturing functions from their warehousing and inventory management functions through outsourcing.

- a). Define what is outsourcing of warehousing and inventory management means. (1mark)
- b). Briefly outline **THREE** advantages and **THREE** disadvantages of outsourcing a firms warehousing and inventory management functions (6 marks)
- c). Technology remains a key driver in modern warehousing and inventory management. It greatly enhances efficiency, accuracy and overall operational effectiveness of the warehouse and inventory related operations. Discuss **FOUR** possible areas where modern technology can be utilized in warehouse and inventory management (8 marks)