



STRATHMORE UNIVERSITY BUSINESS SCHOOL
BACHELOR OF SCIENCE IN SUPPLY CHAIN & OPERATIONS MANAGEMENT
END OF SEMESTER EXAMINATION
SCM 1104: SUPPLY CHAIN MANAGEMENT OVERVIEW

DATE: Wednesday, 16th November 2022

TIME: 2 hours

- 1) Answer QUESTION ONE and any other TWO QUESTIONS**
- 2) Question one is compulsory and carries 30 marks**
- 3) All other questions carry 20 marks each**

QUESTION ONE - Case Study

Cadbury Schweppes is a multinational soft drink (beverages) and confectionery business that is based in the UK. The business is a public limited company. It is involved in the manufacture, marketing and distribution of its many branded products. Cadbury Schweppes now employs over 40,000 people and its products are available in almost 200 countries. The company's products can be divided into:

- Beverages (carbonated soft drinks and non-carbonated soft drinks (waters and fruit juices)
- Confectionery (chocolate products, sugar products, chewing gum)

Much of Cadbury Schweppes' manufacturing still takes place in the UK, Australia, and North Africa. However, in the 1990s the company moved some of its production to Russia, Poland, Argentina and China, countries with emerging economies.

To satisfy most of its shareholders, Cadbury Schweppes' has set out a strategy to help achieve its objective. This strategy consists of:

- Creating strong regional positions through organic growth, acquisitions, and disposals
- Expanding its marketing share through innovation in products and packaging
- Elevating the Supply Chain Management Directorate to C-suite

Despite manufacturing its goods in large quantities, Cadbury Schweppes uses batch rather than flow production methods. The company must ensure the products are of high quality. Not only are there strict laws about how foodstuff is made, but also Cadbury Schweppes would not want to damage its reputation by allowing inferior products to be sold.

Cadbury Schweppes undertakes extensive research and development (R&D) to develop new products and to find ways of manufacturing existing brands more efficiently. Cadbury Schweppes uses the services of a specialist R&D business based at Reading for its UK confectionery business.

Read the case study about Cadbury Schweppes and respond to the following questions: -

- a) Based on the information in the case study, describe the differences between batch and line flow production process.

- (4 marks)
- b) Cadbury Schweppes is considering elevating the supply chain management directorate. As a Supply Chain Management Expert, explain to the Board of Directors **FOUR** ways supply chain management can contribute to the overall corporate strategy to justify the elevation.
(8 marks)
- c) Cadbury Schweppes just employed a new staff in the warehouse. As the warehouse officer, explain to the new employee **THREE** factors to consider when positioning inventory within a warehouse.
(6 marks)
- d) Nowadays, with globalization, global supply chain management is becoming a very important issue for most businesses as seen in the Case Study. Discuss **FOUR** drivers of globalization is supply chain management.
(8 marks)
- e) Explain the reason why the company's finished goods inventory costs will tend to decrease as the firm changes from a Make-To-Plan (MTP) to Assemble-To-Order (ATO) strategy.
(4 marks)
- (TOTAL 30 MARKS)

QUESTION TWO

- a) Using an example, explain the Total Cost of Ownership Concept as used in Supply Chain Management.
(4 marks)
- b) Explain the following concepts as used in Supply Chain Management
- i. Sourcing
 - ii. Reverse Logistics
 - iii. Bullwhip Effect
 - iv. ABC Analysis
- (8 marks)
- c) You have been hired as an expert in matters relating to Procurement. In view of this, explain to the Head of procurement **FOUR** core objectives of his function in enhancing supply chain performance.
(8 marks)
- (TOTAL 20 MARKS)

QUESTION THREE

- a) You currently run the warehouse operation for a consumer goods manufacturer. Discuss **TWO** measures you can introduce to increase storage density within the warehouse.
(4 marks)
- b) Developments in information and communication technology has rapidly changed the way people do business. Analyse **FOUR** ways the use of internet has benefitted the supply chain management function.
(8 marks)
- c) Explain **FOUR** ways the characteristics of a consignments would impact on the transport mode chosen.
(8 marks)
- (TOTAL 20 MARKS)

QUESTION FOUR

- a) Using a diagram, explain the concept of value chain first popularized by Michael Porter in 1985. **(8 marks)**
- b) Calculate the Re-order Level (ROL) where the rate of demand/usage is 400 units per week, the lead time is 8 weeks, and safety stock is 500 units. **(4 marks)**
- c) Keroke Limited produces Exercise books. Identify **TWO** upstream and **TWO** downstream members in its supply chain. **(4 marks)**
- d) Describe **TWO** current trends in the field of supply chain management. **(4 marks)**
- (TOTAL 20 MARKS)**

QUESTION FIVE

- a) Using an example, differentiate between a lean supply chain and an agile supply chain. **(4 marks)**
- b) The purpose of performance evaluation in supply chain management is to understand and continuously improve the way in which the function works and the result it achieves. Discuss the Supply Chain Operations Reference (SCOR) Model of Performance evaluation. **(8 marks)**
- c) Kasongo, a supply chain manager at Kotoka Retail Limited, is considering outsourcing its distribution function to a third party. Assess **FOUR** factors that may have prompted Kasongo to make the key decision either to keep its distribution operation in house or contract out the operations to a third party. **(8 marks)**
- (TOTAL 20 MARKS)**

*******END*******