

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER- IV EXAMINATION – WINTER 2020

Subject Code:3549288

Date:02/01/2021

Subject Name:Supply Chain Management (SCM)

Time:02:00 PM TO 04.00 PM

Total Marks: 47

Instructions:

1. Attempt any **THREE** questions from Q1 to Q6.
2. Q7 is compulsory.
3. Make suitable assumptions wherever necessary.
4. Figures to the right indicate full marks.

Q.1 a Define the terms. Each contains 2 marks. 06

- (a) Bullwhip Effect
- (b) Tapered Integration
- (c) E-Retailing

Q.1 b Define the terms. Each contains 2 marks. 06

- (1) Lean SCM
- (2) Agile SCM
- (3) Third party logistics

Q.2 (a) What are the ways in which firm can move from Make To Stock (MTS) to Customize to Order (CTO)? 6

Q.2 (b) Discuss relative merits and demerits of various transportation modes available. 6

Q.3 (a) How can a firm design its sourcing strategy based on a purchase portfolio matrix? 6

Q.3 (b) Define the term Agile supply chain. How Agile supply chain different from the traditional supply chain? 6

Q.4 (a) Explain Quantitative V/s Qualitative Methods of demand forecasting with suitable examples. 6

Q.4 (b) What is the bullwhip effect and what are the main causes of bullwhip effect? 6

Q.5 (a) Discuss the role of Information Technology in managing the supply chain management. 6

Q.5 (b) What are various issues or challenges faced while managing SCM? 6

Q.6 (a) What do you mean by Cross docking? 6

Q.6(b) Explain the importance of supply chain management? 6

Q.7 CASE STUDY: 11

Indian Railways has a common pool of marketing officers who service all its clients, and it wants to explore the idea of creating a few industry verticals within marketing. It wants to create specific industry verticals only for those industries that will have significant business potential.

(a) Identifying a few strategic industries where Indian Railways has high business potential, suggest a methodology that can help the railways in identifying the right industry verticals.

(b) Will a firm like FedEx target similar verticals or should they look for a different set of verticals? Suggest two industries that will be good from FedEx's point of view

OR

Case Study: **Kozmo, the Online convenience store to shut down**

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New York-based Kozmo, the 3-year-old company announced that it would stop delivery service in all nine cities it operates. New York-based Kozmo, which dispatched legions of orange-clad deliverymen to cart goods to customers' doors, is the latest dot.com dream to evaporate in the market downturn. Amazon.com, venture capital firm Flatiron Partners and coffee giant Starbucks were among the investors in Kozmo. Kozmo said in December that investors promised a total of \$30 million in private funding. But last month the company learned that an investor had backed out of a \$6 million commitment. Kozmo executives had been working on a merger deal with Los Angeles based PDQuick, another online grocer, sources said. The deal collapsed when funding that was promised to PDQuick did not materialize. Sources said Kozmo still has money but decided to close now and liquidate to ensure that employees could receive a severance package. Just last month, Kozmo Chief Executive Gerry Burdo was upbeat about Kozmo's future, saying he was looking to steer Kozmo away from its Internet only business model and toward a "clicks and bricks" approach. But some analysts say Kozmo's business model only made sense in the context of a densely packed city such as New York. Vern Keenan, a financial analyst with Keenan Vision, said the service had a chance to work in only a few other cities around the world, such as London, Stockholm or Paris. "This seemed like a dumb idea from the beginning," Keenan said. "This grew out of a New York City frame of mind and it simply didn't translate." Kozmo was started by a pair of twenty-something former college

roommates. They got the idea for the company on a night when they craved videos and snacks and wished a business existed that would deliver it to them. Kozmo offered free delivery and charged competitive prices when it launched in New York. Though customers loved the service, the costs of delivery were high. After co-founder and former Chief Executive Joseph Park stepped down, Burdo slashed Kozmo's overhead, instituted a delivery fee and oversaw several rounds of layoffs. The company also closed operations in San Diego and Houston. Burdo said last month that profitability was not far away. The company had reached a milestone last December when it reported profits at one of its operations for the first time. Kozmo later saw two more operations reach profitability as a result of brisk holiday business. Online delivery companies have been among the most ravaged by the Internet shakeout. Kozmo's rival in New York, Urbanfetch, shuttered its consumer operations last fall. Online grocers such as Webvan and Peapod have also struggled, and smaller operations such as Streamline.com and ShopLink.com have dosed down. Peapod was days away from closing last year when Dutch grocer Royal Ahold agreed to take

a majority stake. From the very beginning, supply chain management was to be a core competency of Kozmo. The promising dot.com would deliver your order everything from the latest video to electronics equipment in less than an hour. The technology was superior, the employees were enthusiastic, the customers were satisfied. But eventually, Kozmo ran out of time and money.

Questions:

(a) What, in your opinion, is the major reason for the failure of Kozmo?

(b) Do you think that Kozmo promised what its supply chain could not bear? What could have prevented its shut-down?