



MASENO UNIVERSITY
UNIVERSITY EXAMINATIONS 2013/2014

**FIRST YEAR FIRST SEMESTER EXAMINATIONS FOR THE
DEGREE OF MASTER OF SCIENCE IN SUPPLY CHAIN
MANAGEMENT**

(CITY CAMPUS - EVENING)

MSM 801: SUPPLY CHAIN MANAGEMENT

Date: 9th April, 2014

Time: 5.30 - 8.30 p.m.

INSTRUCTIONS:

- Answer Question ONE and any other THREE questions.



TIME: 3HRS

INSTRUCTIONS TO CANDIDATES:

- Answer question one and any other three.

QUESTION ONE: CASE STUDY – NYAMASARIA LTD

The information concerning the company Nyamasaria Ltd is purely fictitious and has been prepared for assessment only. Any resemblance to any real organization or person is purely coincidental.

Nyamasaria Ltd is a small niche provider of products for garden birds including seeds, feeders and associated products. One of the best-selling products is sunflower seed hearts. They are sold in 1kg, 3kg, 5kg and 10kg packs to 176 garden centres, 25 pet shops, and two supermarket chains and direct to public via internet.

The seeds are procured from China, packed in 50 kg sacks delivered in minimum 11-tonne loads. The lead time from order to delivery to Nyamasaria Ltd is quoted at 42 calendar days. Nyamasaria use an agent to manage the freight forwarding to Nyamasaria packing and distribution plant. Nyamasaria Ltd break the sacks down into four different sized packs based upon the production forecast which is firmed up at the beginning of the month. Demand is variable, dependent upon the route to market and season. Overall; it can vary from 6 to 15 tonnes per month.

The maximum storage capacity of Nyamasaria Ltd packing and distribution plant is 24 tonnes of finished products and 26 tonnes of the 50kg sacks.

Garden centres and pet shops order weekly, supermarkets forecast weekly but firm up at 6pm the day before delivery and products are on a sale or return basis. Customers ordering via Internet before 3pm will have their products dispatched the same day. Delivery to local garden centers and pet shops is undertaken by Nyamasaria's own transport and for distant outlets a national carrier is used. For supermarket deliveries, and returns, a different national carrier is used and for direct to public sales the Postal parcel service is used.

The company has experienced a number of issues relating to its logistical activities. Namely:

- Returned goods from pet shops and garden centres because of damaged packaging during transit or offloading

- Shortages of 1kg and 3kg packs
- Insufficient storage capacity within the packing and distributing plant.

REQUIRED:

You have been appointed the head of Logistics with a free hand to review the logistics operation

- (a) What issues can you identify that are related to your function and what solutions could you suggest? **(8 marks)**
- (b) What issues do you anticipate having to discuss with other departments such as sales, production and procurement, and what facets of their responsibilities would you seek to persuade them to change? **(8marks)**

QUESTION TWO

Discuss the importance of cross-functional teams in supply chain management. **(8 marks)**

QUESTON THREE

The "supply chain management" concept means *different things to different people*.

Evaluate the different views of the "supply chain management" concept and suggest how these views can be reconciled. **(12 marks)**

QUESTION FOUR

A recent report highlighted that the main measure of performance used by the majority of supply chain organizations was reduced cost.

Propose other sets of performance measures that could be applied by supply chain organizations to assess their contribution to corporate performance. **(12 marks)**

QUESTION FIVE

- (a) Assess **THREE** sources of risk that can impact on the vulnerability of globalized supply chains. **(6 marks)**
- (b) Outline and briefly discuss any **THREE** risk mitigation techniques to be applied in (a) above. **(6 marks)**
- Q6. Evaluate the concept of "lean" as an approach to supply chain management. **(12 marks)**