



## CII Institute of Logistics

Post Graduate Diploma in Supply Chain Management  
Semester-end Examination June 2008

### SUPPLY CHAIN METRICS

Time : Three Hours

Marks : 100

#### Part A

Answer all questions (10 x 1 = 10 Marks)

#### Indicate True or False:

- 1) Global supply chains are forecast driven rather than demand driven.  
(TRUE/FALSE)
- 2) Shorter new product development time increases revenue over time.  
(TRUE/FALSE)
- 3) Any metric's usefulness is determined by its ability to enable accurate measurement.  
(TRUE/FALSE)
- 4) For monopoly type firms, periodic analysis of their own performance is an adequate measurement tool.  
(TRUE/FALSE)
- 5) The "emergent" approach to strategic evaluation involves continuous monitoring and feedback. (TRUE/FALSE)

#### FILL IN THE BLANKS AS SUITABLE

- 6) AHP (Saaty) is a proven method for structuring and analyzing \_\_\_\_\_ and \_\_\_\_\_ decision-making problems.
- 7) Service blueprinting is a methodology used to measure the \_\_\_\_\_ in \_\_\_\_\_ type of industries

- 8) "Balanced Score Card" approach to strategic management involves consideration of financial, \_\_\_\_\_, customer and \_\_\_\_\_, perspectives.
- 9) The productivity of a logistical system is a function of its \_\_\_\_\_ and \_\_\_\_\_ relationship.
- 10) Days of payable outstanding is equal to \_\_\_\_\_ ( formula to be given)

#### Part B

Answer any three (3 x 15 = 45)

- 1) Discuss the SCOR model in detail as a method of benchmarking and measuring improvements in supply chain performance.
- 2) Do elaborate on the merits and demerits of the Economic Value Added (EVA) measurement model.
- 3) Compare and contrast Activity Based Costing (ABC) and Target Based Costing (TBC) as cost reduction tools.
- 4) In today's context, true competition is between and amongst supply chains of different market players. Elaborate and discuss this theme considering their characteristics and performance.
- 5) Write short notes on **ANY THREE** of the following:
  - i) Strategic position analysis
  - ii) EVA- based incentive plans
  - iii) Supply chain analytics
  - iv) Post-transaction customer service
  - v) Customer satisfaction measurement

### Part C

Case Study (3 x 15 = 45)

#### **TRUCK ALL COMPANY**

TRUCK ALL COMPANY (TAC) is a medium sized specialized truck body manufacturer located in South India. TAC has an annual turnover of Rs 500 crores. These trucks are well received in the market. TAC has about 20 vendors located within a radius of 200 km and 5 more are located across the country.

The following features are applicable to TAC:

- (a) TAC manufactures 20% (in Rs) of its final product, components and sub-assemblies
- (b) Builds most final assemblies of major items to order. The competitive strength of TAC lies in its ability to produce high quality final products with engineering modifications to customer specifications. TAC has software by which design changes can be incorporated into the production plan
- (c) Have approx 400 shop employees, 15 departments,, and 10 distributors where final fitting of truck bodies is sometimes done
- (d) Annual sales to nearby export markets in Nepal, Bangladesh and Sri Lanka are about 25-30%, rest being domestic market. Institutional market is over 80% with rest from individual freight operators.
- (e) They experience problems with delayed delivery from chassis manufacturers and often with incomplete fittings and parts.
- (f) Scheduling of supplies of required and matching truck body components big problem with either too high or too low inventories

Answer the following questions:

1. What are the problems and issues faced in the TAC supply chain? What further quantitative inputs will you seek from TAC to do a detailed analysis?
2. Suggest a suitable Management Information System for TAC considering material flow, money flow and information flow between various entities? Prepare a list of data bases required and specifying the fields under each data base
3. Develop a list of at least 6 important performance indicators to evaluate the effectiveness of SCM at TAC .Also explain how each of these will give what managerial inputs to make SCM improvements

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