



## CII Institute of Logistics

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

### TOTAL QUALITY MANAGEMENT

Time : Three Hours

Marks : 100

#### Part A

Answer all questions (10 x 1 = 10 Marks)

1. CRM is central to the task of making an organization
  - a. Customer centric
  - b. Aggressive
  - c. Empathetic to stakeholders
  - d. Market effectively
2. The Major issue in a good CRM implementation would be to have a \_\_\_\_\_
  - a. Good profitability
  - b. Frontline information system
  - c. Decision support system
  - d. None of the above
3. \_\_\_\_\_ is defined as "the discovery and presentation of non-trivial, novel, interesting and ultimately potentially useful information from very large databases"
  - a. Data mining
  - b. Data warehousing
  - c. Data analysis
  - d. User data
4. \_\_\_\_\_ is a special form of product differentiation
  - a. Personalization
  - b. Positioning
  - c. New product launch
  - d. None of the above
5. Interactive, online systems that allow customers to design their own products from a menu of attributes, components, prices and delivery options are called:
  - a. Customer Information Systems
  - b. Data Mining Tools
  - c. Call Centres
  - d. Choice boards

6. The primary objective of CRM is to \_\_\_\_\_ with its customers and offer them multiple products and services by knowing their needs and requirements and expectations
  - a. diplomatically negotiate
  - b. co-operate
  - c. build long term relationship
  - d. None of the above
7. \_\_\_\_\_ try to simulate how a human being thinks
  - a. Artificial intelligence
  - b. Expert systems
  - c. Choice boards
  - d. Case based reasoning
8. A smooth flow of information across the supply chain helps reduce \_\_\_\_\_
  - a. Bull whip effect
  - b. Fixed costs
  - c. stock outs
  - d. None of the above
9. What are the two major components of customer loyalty?
  - a. Behaviour & Attitude
  - b. Responsiveness & Care
  - c. Time and delivery
  - d. None of the above
10. \_\_\_\_\_ is the result of an organisation creating benefits for customers so that they maintain or increase purchases from the organisation
  - a. Promiscuity
  - b. Loyalty
  - c. Brand identity
  - d. None of the above

#### Part B

Answer any three (3 x 15 = 45)

- 1) (a) Explain the need for bench marking and the process of bench marking.  
(b) What are the different types of bench marking?
- 2) (a) What are the prerequisites for JIT?  
(b) Briefly explain the components of JIT. Comment on these components with reference to the industry, you are working?

- 3) Write short notes on:
  - a) McKinsey's 7-S framework.
  - b) The seven management planning tools
- 4) Explain and elucidate Deming's principles for transformation of any industry into the TQM philosophy.

### Part C

#### *Case Study (3 x 15 = 45)*

Please read the case, and answer the questions given below the case. The answers should reveal conceptual clarity and analytical ability relating to the concept of TQM.

#### **Missing Reservation**

Prasad, Anitha and their children, along with another family, traditionally celebrate New Year at a prestigious hotel. This year as in the past Anitha called and made a reservation about two weeks prior the New Year's Day. Because the majority of the party members had small children, they arrived 30 minutes prior to 11.30 p.m. reservations to ensure being seated early. However, when they arrived, the party hall supervisor said that they did not have reservations. He explained that guests sometimes failed to show and hence seats were not reserved. However, he promised that he would make available tables for them as early as possible. Prasad and Anitha were quite upset and insisted that they had made a reservation and expected to be seated promptly. The supervisor told them, "I believe that you made the reservation, but I cannot seat you until all the people who have come earlier and are waiting for seats are accommodated. You are welcome to go to the lounge and have complementary coffee and relax while you wait".

When Prasad asked to see the manager, the supervisor replied, "I am the manager" and turned to other duties. Prasad and his party members were eventually seated at 11.45 p.m. but they were not at all happy with the experience.

The next day Prasad wrote a letter to the hotel manager explaining the entire incident. Prasad was in the executive MBA Programme of a prestigious business school and taking a course on Total Quality Management. In his class they had just studied issues of customer focus and some of the approaches used at Ritz Carlton Hotel, a 1992 Baldrige award winner. Prasad concluded his letter with a statement, "I doubt that we would have experienced this situation at a hotel that truly believes in quality".

About a week later, Prasad received the following reply:

"We enjoy hearing from our valued guests, but wish you had experienced the type of service and accommodations that we aim to achieve here at our hotel. Our restaurant manager received your letter and asked me to respond as Total Quality Manager.

"Looking back at our records, we did not confirm a reservation on the books for your family. I have discussed your comments with the head of the department concerned so that others will not have to experience the same inconveniences that you did.

"Thank you once again for sharing your thoughts with us. We believe in the philosophy of 'continuous improvement' and it is through feedback such as yours that we can continue to improve the service to our customers".

#### Questions

- 1) Were the party hall supervisor's actions consistent with customer-focused quality philosophy? Comment. What might he have done differently?
- 2) How would you have reacted to the letter Prasad received? Would the total quality leader have responded differently?
- 3) What does the fact that the hotel manager did not respond personally to the customer indicate you?

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