



CII Institute of Logistics
 PGDSCM & Certificate Programs
 Semester-end Examination – June 2010

TOTAL QUALITY MANAGEMENT

Time: Three Hours

Marks: 100

Part A

Answer all the questions

(10 x 1 = 10 Marks)

1. The Principles of Transformation (14 points) is the TQM philosophy of
 - a) Deming
 - b) Taguchi
 - c) Peter Drucker
 - d) Feigenbaum
2. Philips Crosby said:
 - a) Quality Ethics
 - b) Quality is not a gift but it is free
 - c) Economic value of reducing variations
 - d) Audit process for quality management
3. Continuous Improvement in Quality implies:
 - a) TQM is a long term strategy
 - b) TQM is a short term strategy
 - c) TQM is deriving customer satisfaction through
 - d) TQM is process improvement
4. Popular definitions of quality include:
 - a) Quantities of product attributes
 - b) Fitness to intended use
 - c) Conformance to specifications
 - d) All of the above
5. Effective communications requires.
 - a) Clear vision and Mission
 - b) Elimination of Assumptions on both sides
 - c) Clarity of Authority
 - d) Good Communication tools

6. Mission statement indicates
 - a) Future indent
 - b) Reason for existence
 - c) Attitudes and polices
 - d) Capabilities and Risks

7. Quality is LEAST defined as
 - a) Fitness for intended use
 - b) Profit per unit
 - c) Conformance to specifications
 - d) Excellence

8. The main source of information on customer requirements:
 - a) Customer surveys
 - b) Shipping accuracy
 - c) Bench marking
 - d) Trade exhibitions

9. Which of the following is NOT a planning tool:
 - a) Matrix Diagrams
 - b) Cause and Effect Diagram
 - c) PERT
 - d) CPM

10. QIP is
 - a) Understanding customer requirements
 - b) Quality Improvement Program
 - c) Covers total service requirements for customers
 - d) All of the above

Part B:

Answer any Four

(4 x 15 = 60 Marks)

1. Expalin the TQM approaches and philosophy of any two Quality Gurus.
2. What are the key customer service dimensions?
3. Describe the strategic planning process.
4. Describe the important steps in TQM implementation

5. What are the important quality management ethics.
6. Write short notes on any three:
 - i) Need for Benchmarking
 - ii) Any two statistical process control techniques
 - iii) ISO Vs TQM
 - iv) JIT
 - v) Team building

Part C

Case Study

Set up three decades ago by Rao's late father, Mr. Shankar Prasad Rao, the Rs.100 crore SML manufactured the Nickel Catalyst that Chemical industries used in their manufacturing process. Nickel Catalyst manufacturing –the basic raw material was found mainly in Bihar- was power intensive process, requiring approximately 1,000 units of power for per Kg of Catalyst. While SML was headquartered at Bombay, the works were located at pune. SML started production in 1968. In the mid-1970s, SML faced two major threats; one, a substantial rise in power costs which raised the company selling's price. Second reason was increased competition from new entrants in Bihar who had significantly lower cost of operations.

SML was incurring loss and was about to sink. Rao felt immediate need to analyze the situation, both internal and external causes. The first thing Rao did was to gather as much data as quickly as possible. He visited works at Pune and spent over two weeks talking to all the managers, supervisors and workers. After that, he returned to Bombay and met with all SML's bakers, suppliers and key customers. Rao, methodical as ever, wrote down his key finding;

- The industry was in the middle of a severe recession.
- The competitive rules of this industry had not changed since the early 1980's
- The company was at a great location disadvantage as it had to pay high freight charges.
- Production had stopped due to an acute shortage of working of capital
- SML's workforce had become highly unionized and militant.
- The company was involved in a large number of cases with its suppliers and customers over payments and receivables.
- SML had been making losses primarily because of its high overheads.

- The culture of the organization was bureaucratic and highly resistant to change.
- Finally, the threat of global players entering the country with world-class capacities.

The Turnaround plan.

- Control Cash
- Reinstate Management Control
- Establish credibility
- Make everyone honest.
- Change the organizational culture
- Restart the Production
- Build a professional management

The strategic Plan.

- Protect the home market
- Build export markets.

Within a year, SML could get benefits from these actions. SML started improving their profits.

Questions:

1. How leadership helped for change is SML? (7 Marks)
2. What key steps in turnaround plan was reason for this change? (7 Marks)
3. Are there any other steps you would suggest for their strategic plan? (8 Marks)
4. What TQM techniques will support the organization to sustain the improvement (8 Marks)
