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Total No. of Pages : 03

Total No. of Questions : 10

MBA (Sem.-3)
OPERATIONS STRATEGY

Subject Code : MBA-951-18

M.Code : 77055

Date of Examination: 20-12-2024

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES:

1. **SECTION-A** contains **EIGHT** questions carrying **TWO** marks each and students has to attempt **ALL** questions.
2. **SECTION-B** consists of **FOUR** Subsections : Units-I, II, III & IV. Each Subsection contains **TWO** questions each carrying **EIGHT** marks each and student has to attempt any **ONE** question from each Subsection.
3. **SECTION-C** is **COMPULSORY** and consist of **ONE** Case Study carrying **TWELVE** marks.

SECTION-A

1. Write briefly:

- a) Meaning and concept of Operation strategy
- b) What is Process technology strategy?
- c) Discuss the concept of value chain.
- d) Discuss ABC analysis a tool of selective inventory control.
- e) What are inventory reduction tactics?
- f) Discuss the importance of corrective maintenance.
- g) Define outsourcing.
- h) Briefly explain the concept of material requirements planning.

SECTION-B

UNIT-I

2. Discuss in detail different Operations strategy decision areas. Also highlight relation of operation strategy and organisation's overall strategy.

3. Explain the scope and functions of Enterprise Resource Planning.

UNIT-II

4. Explain different types of inventory and reasons for holding inventory.
5. Elaborate different development strategies in detail with relevant examples.

UNIT-III

6. *“Vertical integration and outsourcing are some of the viable approaches for advancing organisation's competitive edge.”* Comment on the statement explaining the concept and significance of these strategies with examples.
7. What are different maintenance program and their benefits.

UNIT-IV

8. *“Environment sustainability strategy promotes low operating cost, enhanced profits and improved reputation.”* Do you agree? Comment explaining the concept and significance of these strategies in operations of an organisation.
9. Explain the process and importance of Materials Requirement Planning.

SECTION-C

10. CASE STUDY :

In the early 1990s, Telco's Chairman Ratan Tata (Tata), was flirting with the idea of developing a small car. By mid-1994 a rudimentary design was in place. In 1995, Telco announced that it planned to build a car which would be priced close to the Maruti 800, shaped like the Zen, and spacious as an Ambassador. Producing the new small car - Indica-represented a different kind of challenge for Telco. Should Tata succeed, he would change the face of Telco.

As a truck-maker, Telco was so integrated that it even made its own castings and forgings. As an automaker, it would have to focus on the value chain that stretched between raw materials and after-sales service as well as assembling the parts into the complete automobile. For its new venture, Telco outsourced 80% of the components (1,200 of its 1,500-plus parts), from 200-odd vendors. To develop the Indica, Telco had to combine the learnings from its predecessors with its own unique supply chain management strategies to ensure a sustainable low-cost platform.

By learning to build and manage a supply chain, it would set the ground for leveraging the capabilities of the automotive component-manufacturers who already operated in its target markets. In other words, Telco planned to use its skills as an integrator—bringing together products and services from both upstream and downstream operations, and

packaging them for the customer under a brand name in its new venture. Globally, a car could be built in 48 months with an investment of US \$ 3 billion (Rs 127.5 billion). Indica, was built in 31 months on a budget of Rs.17 billion. This seemed to have been possible by focussing on the supply chain. For Telco, outsourcing seemed to be one of the most difficult aspects of producing the Indica. Unlike global automobile majors, Ford Motors or General Motors, which had a global vendor- base that could be replicated on a smaller scale in India, Telco had to create a vendor-base from scratch. Moreover, it did not have the expertise either to design a car or to build an engine for it. Against this background, Telco had to take its primary 'make-or-buy' decisions for the key inputs- design, engine and transmission. Telco decided to shop globally for the best deals and use its own expertise to make whatever modifications were needed.

Telco turned to the Italian company, I.D.E.A, for the product-design. It bought the engine from the Institut Francais du Petrol of France and applied its engineering skills to adapt the engine requirements. The transmission was developed in-house at its Engineering Research Centre (ERC), at Pune. Of the Rs. 2.5 billion it spent on designing the Indica, the major share went in buying design tools and training its engineers in new skills. Telco's engineers travelled regularly to the sites of its technology suppliers, to receive training before the actual delivery of the machines. Telco also outsourced its assembly line from Nissan's plant in Australia for just Rs. 900 million. Telco transplanted it at its factory at Chikli near Pune, which was newly set up for Indica. To manage the supply chain better, Telco kept the number of suppliers for Indica to just 200 as compared to about 1,000 for trucks. Most of the parts were supplied by Telco's traditional suppliers- TVS, Rane Group and Tata Auto Component Systems (Taco) who were single source suppliers. Pressed parts, assemblies, and drive shafts were sourced from single vendors.

Answer the questions below:

- a) As an automobile maker what was the main thrust area Indica was supposed to focus on?
- b) How did Telco took advantage of outsourcing to build its facility for Indica.
- c) Explain the role of effective Supply Chain Management in production of Indica?
- d) Why do you think Telco used its traditional suppliers for supply of parts in Indica?

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.