

ASSESSMENT # 1

Total Marks: 30

1. Give short answers for the following questions. (12)
 - i. Outline the main benefits of a supply chain. *IT MOVES MATERIALS ON THEIR PASSAGES FROM PRIMARY SUPPLIERS TO END CONSUMERS*
 - ii. Companies in any supply chain can make their decisions individually and collectively in five areas. What are these areas? *PRODUCTION, INVENTORY, LOCATION, TRANSPORTATION INFORMATION*
 - iii. How is a modern supply chain different from that of the past? *IT IS NOW FRAGMENTED AND FAST MOVING*
 - iv. What is Inventory Management? *MANAGING STOCKS, RAW MATERIALS AND LIMITING THE COST AND SAME TIME ATTAIN HIGH LEVEL OF EFFICIENCY*
 - v. 'Information' is one of the five drivers of supply chain. Discuss the purpose of information in a supply chain. *IT IS THE LINK BETWEEN ALL OPERATIONS AND ACTIVITIES IN A SUPPLY CHAIN*
 - vi. Name various types of inventory. *CYCLE INVENTORY, SAFETY INVENTORY, SEASONAL INVENTORY*
2. "Location decisions have strong impacts on the cost and performance characteristics of a supply chain." Discuss *BECAUSE IT INVOLVES LARGE AMOUNT OF MONEY TO LONG TERM PLAN, IT DEPICTS COMPANY'S STRATEGY FOR BUILDING AND DELIVERING PRODUCTS TO MARKET.* (5)
3. Write short notes on the following participants of supply chain: (5)
 - a. Producers - *ORGANIZATIONS THAT MAKES THE PRODUCT*
 - b. Distributors - *SUPPLIES PRODUCTS TO CONSUMERS IN BIGGER QUANTITY*
 - c. Retailers - *STOCKS INVENTORY AND SELL PRODUCTS IN LESSER QUANTITY*

Case Study

(8)

PE Dairies gives a home delivery service for milk, dairy products, and a range of related goods. Simon Hull has run the dairy for the past 10 years. His product is a combination of goods (the items he delivers) and services (the delivery and associated jobs he does for customers). There are several specific problems facing PE Dairies. There is, for example, some variation in daily demand, so Simon has to carry spare stock. He cannot carry too much, as dairy products have a short life and anything not delivered quickly is thrown away. Simon aims at keeping this waste down to two percent of sales. There are also problems maintaining a service during holidays or when PE has difficulties with their deliveries.

Perhaps Simon's main concern is maintaining his sales over the long-term. Demand for doorstep deliveries is declining, as people buy more milk at supermarkets. The number of milkmen in his area has declined from ten in 1990 to three in 2007. Most of Simon's customers have been with him for many years, but he generates new custom by canvassing, delivering leaflets, special offers, and a variety of other products, etc.

- Describe the supply chain for milk. *THIS CONSIST OF ALL STAGES INVOLVE DIRECTLY OR INDIRECTLY IN FULFILLING CUSTOMER REQUEST. INCLUDES TRANSPORTERS, WAREHOUSE, RETAILERS*
- Where does PE Dairies fit into this? What specific activities form the logistics in PE Dairies?
- What are the main problems that PE Dairies has with logistics? *→ VARIATION IN DAILY DEMANDS, SHORT LIFESPAN AND SERVING DURING HOLIDAYS.*

MILK MOVES FROM THE FARM GOES TO TRUCKER COLLECTION THEN DAIRY THEN BOTTLING PLANT, GOES TO DISTRIBUTOR THEN TO SUPERMARKET FOR CONSUMERS.