

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS MANAGEMENT
MSC IN MARKETING
SUPPLY CHAIN MANAGEMENT - CBU 5202
FINAL EXAMINATION DECEMBER 2007
TIME ALLOWED: 3 HOURS**

INSTRUCTIONS

- *Answer all questions in Section A and any four questions from Section B*

SECTION A

Question 1

Case

Read the attached case study about DST a company in Zimbabwe and answer the following questions

- (a) Briefly discuss DST's mission and vision. [2]
- (b) Outline DST's strengths [5]
- (c) Discuss DST's supply chain strategy and how it has given them competitive advantage. [4]
- (d) Explain how DST's competitors are likely to react to DST's strategic alliances strategy. [4]
- (e) Outline the challenges DST and its clients are likely to face when using e-Transact system in the current environment. [5]

Section B

Answer any FOUR questions

Question 2

- a) (i) Define the term supply chain management [2]
- (ii) Explain how the extended product concept is applicable in a supply chain management environment. [4]
- (iii) Distinguish between supply chain issues in the movie industry and manufacturing industry [4]
- b) Explain briefly identifying examples how the following strategies lead to supply chain competitiveness
 - (i) Economies of scale and high volume production [3]
 - (ii) Superior distribution channels [3]

- c) Discuss how marketing –manufacturing integration can lead to internal supply chain advantage [4]

Question 3

- a) Discuss briefly how the supply chain can be used as
 (i) An offensive weapon against competition [3]
 (ii) A defensive weapon against competition [3]
 b) Explain the importance of core competencies in developing supply chain partnerships [4]
 c) Discuss Robert Michel’s ten driving forces of supply chain advantage [10]

Question 4

- a) (i) Explain the product life cycle and how its stages affect supply chain strategies implementation [4]
 (ii) Distinguish between the characteristics of a functional and an innovative supply chain. [6]
 (b) Outline the characteristics of and strategies used in market responsive and physically efficient supply chains. [6]
 (c) Briefly outline the methodology of quality function deployment. [4]

Question 5

- a) Discuss the FIVE tasks of management in supply chain management [15]
 b) Discuss supply chain management challenges in Zimbabwe [5]

Question 6

- a) Outline the costs of inventory and deduce the economic order quantity. [4]
 b) A retailer wishes to order plastic products from a supplier for the next 10 weeks. Ordering costs are \$48000 while inventory holding costs are \$50 per unit per week. The gross requirements are shown below in Table Q5.

Table Q5 Gross Requirements

Week	1	2	3	4	5	6	7	8	9	10
Requirements	340	310	350	220	150	0	280	330	180	220

- Develop a lot sizing plan using
 c) Lot for lot [8]
 d) Economic order quantity [8]

Question 7

- (a) Distinguish between order scheduling and material requirements planning [4]
- (b) Discuss any five order scheduling rules. [5]
- (c) Explain the purposes of a Gantt chart [3]
- (d) State any FIVE types of software used in manufacturing and commerce [5]
- (e) What are the factors affecting selection of supply chain software [3]

Case Study

Striving for customer service excellence

DST has always sought to be the leader in the provision of building and allied production industry to the individual and allied construction industry at large. Now having been in business for 14 years, DST is employing its knowledge and experience to enhance its market position. To this end, the company continues to strengthen its market base through product innovation, quality service and quality products. To ensure absolute success the company has put into place a strategy whereby technical support is made available to all its customers.

DISTRIBUTION NETWORK

Easy access to building supplies remains top on the company's agenda as ultimately this element has an impact on the final cost to the customer. To this end the company continues to increase distribution points from which customers from every corner of the country can easily source building materials and supplies at minimum cost and no hassles.

With a dedicated network of 15 branches countrywide, and support from its sister PG Group companies, DST can effectively service every customer across the country. Currently DST operates branches in Harare, Bulawayo, Mutare, Kadoma, Marondera, Chegutu, Gweru and Masvingo. Besides the convenience of easy access, customers across the country have access to a wide range of building material at the most competitive prices.

STRATEGIC ALLIANCES AND PARTNERSHIPS

Whilst the company has developed a very strong market base in its sector, DST realises and appreciates the need for business partnerships and strategic alliances in its quest to develop and strengthen its potential and existing markets respectively. The company has therefore developed and established strategic alliances with major reputable players in the building and allied industries particularly relating to product supplies and technical expertise.

The central focus of such developments is and continues to be the customer. DST offers them a one-stop shop thus saving them precious time and scarce fuel in searching for service providers as well as reducing risk of loss of money through engaging unscrupulous dealers, building, especially of homes and business infrastructure is a long term investment that can be passed on from generation to generation, therefore ensuring use of quality products and good workmanship throughout the whole process is vital.

Amongst its extended services to customers DST facilitates construction by recommending reputable, trained, tried and tested contractors in all sectors applying hardware and building materials. The company also provides both local and overseas customers with information relating to sourcing of building stands by linking them to reputable land developers, drawing of plans by linking them to competent architects, making available quality products and ensuring consistent material supplies, getting municipality approvals, construction and handovers. DST operates an estimation department that advises customers on the material quantities and total building costs based on their building plans.

This dedication and involvement by DST throughout the service chain has increased their customer satisfaction levels, resulting in brand loyalty, increased staff morale as sales go up and pumping up of shareholder value. DST has therefore earned its reputation as a caring company. With DST every stakeholder is a winner!

PRODUCT PORTFOLIO

DST supplies hardware and building materials that are quality guaranteed. Such product lines include the roofing and graded timber which has a 25 year guarantee and structured trusses designed by trained and experienced professionals within the DST workshops. In addition DST offers clients a wide range and choice of doors, hardware, plumbing, value added products and other related building materials. Only reputable suppliers are offered space in DST outlets and the customer is therefore assured of not only the best service but quality products as well.

As alluded to earlier, DST compliments its materials offer with a whole range of technical expertise at no cost to the customer.

OUR CUSTOMERS — THANK YOU!!

DST offers its products and services to clearly defined market segments and this way they are able to effectively analyse and meet their needs. These segments include individuals, construction companies, government departments, schools, churches, general industrial and commercial operators, informal sector, farming community and non governmental organisations and local authorities.

DST believes the future and success of its business lies in the continued support by its customers and in this regard the company has invested substantially in market research in order to establish consumer trends in the sector. This has enhanced the company's understanding and appreciation of the ever changing consumer needs resulting in new product development and innovation. This strategy continues to pay dividends and for DST the adage that "customer is king" has become a reality.

eTRANZACT Zimbabwe "the heartbeat of convenience", has brought with it the introduction of "plastic money" through electronic online real-time modes of payments, which encompasses, your cell phone, any internet connected PC in the world and payoutlets. Who says that the mobile phone is only for making calls, SMSing or emailing, with the eTranzact switch, your mobile phone is also your bank account giving you access to your funds in your bank account 24/7 real-time online. Promoting the nation of

enables DST clients in the Diaspora the chance to log into their local bank account and effect a local currency payments straight into the DST bank account 24/7 real time online. Through the Kingdom Bank eBanking account DST can view all payments that are made from wherever in the world by simply logging into their corporate bank account from their internet connected PC.

The eTranzact Application Programming Interface (API) module enables the current showcasing their product range on offer to the world markets. Once a client identifies a product of interest, they are able to click on "pay", the eTranzact switch prompts them to enter their preferred delivery address, full name and contact details, as well as their security pin to move funds from their bank account into the DST account. There is no human intervention in all these transactions, the only human intervention is seen when goods are delivered to the preferred delivery address specified when purchase was made.

eTranzact turns any ordinary mobile phone into a mobile wallet, where you can store virtual money to pay for your purchases at DST, pay bills, transfer money, pay for pre-paid and post paid anytime real time 24/7.

The eTranzact electronic

Zimbabwe's handsets as "electronic wallets" not only offers convenience to consumers, but also has generated a whole new area of a cashless society. Which is why Dynamic Service Throughout (DST) has signed onto the eTranzact switch, enabling its customers the chance to pay DST using their cell phones or any internet connected PC anywhere in the world, a brand they are terming DST EasiBuild.

DST has, through the eTranzact switch, managed to reach the Diaspora market ahead of its competitors. eTranzact

payment switch is a switch that is open to all merchants/ corporates/banks/schools/colleges/retailers/wholesalers in the country, and as such promises to be the nation's ultimate electronic payment platform.

How do i make mobile-based transaction payments to DST?

To pay for goods and services to DST you need a Kingdom Bank eBanking account & simply send an sms message to 777 (toll free for Econet lines) and to 023600111 (Netone and Telecel lines). Funds then move from your current/savings account within your bank directly to the merchant's account real time online 24/7. If you are not yet connected to mobile and internet-based modes of making electronic payments, call our Help Desk officers Tel: +263-4-485684-89 or Toll free number for Econet subscribers 183 and 777.

To pay DST through your mobile phone simply send the following message to 777 or 023600111:

QUOTED INVOICE

Bill (Space) DST (Space) amount (Space) DST invoice number (Space) pin -

Bill DST 1000 123456 pin

Or

Bill (Space) DST (Space) amount (Space) DST account number (Space) pin

Bill DST amount account# pin

How do i make internet-based transaction payments to DST?

To make payments to DST from any internet connected PC in the world, you simply log into your bank account from the eTranzact (www.eTranzact.co.zw) - (web access login option) or Kingdom website (www.kingdom.co.zw), and click on the drop-down arrow on merchant payments. Choose DST and fill in details of the payments. Your payment goes through to the DST collection account at the bank instantly.

How Does the eTranzact Switch Benefit the DST client?

● The eTranzact switch allows you, as a DST client, the chance and opportunity to pay your bills or purchase from

DST using your cellphone.

● No need for you to physically relocate to effect payments to DST, all you need is access to network or any internet connected PC in the world, thus saving on time and fuel

● All payments done to DST from the internet have a printable receipt bearing the DST logo

● From wherever you are located in the world, you can make a payment 24/7 real time online into the DST account, thus alleviating the challenges faced by being in the Diaspora when building

● Click, and purchase all items you need to build your house from wherever you are located in the world

How to sign-up for EasiBuild?

If you already have a Kingdom Bank account, all you need is to visit any Kingdom Bank Branch, or visit www.kingdom.co.zw & register for eBanking. For those without Kingdom Branch account, all you need is to visit your nearest Kingdom Bank branch and open a Kingdom Bank Account. Soon this facility will be available to any mobile network subscriber through virtual banking.

Own a mobile phone or can access internet? You have access to your bank account 24/7 real time!

From the eTranzact Zimbabwe team, it's...

Makorokoto Umhlope to DST and their successful launch

of The EasiBuild Brand

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