

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2014-16)
Sixth Trimester (Operations) Examination April 2016

Subject	Manufacturing Strategies		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	21.04.2016

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

The research interest for manufacturing and the impact of manufacturing on the companies' financial results has been considerable ever since the beginning of the 20th century. The researchers have discovered that Japanese organizations have been in an exceptional position regarding long term approaches, which are required for effective management of manufacturing (e.g. Hayes and Wheelwright, 1984; Hill, 1993). Toyota Company has been leading the progress in many respects and their production system has been described in detail (e.g. Monden, 1983; Schonberger, 1983). The issue of being outstanding in manufacturing, so-called world-class, has been discussed by several researchers (e.g. Hall, 1987). It has been found in several studies (e.g. Skinner, 1969), that it is hard for manufacturing to claim their proper status and position in many manufacturing companies. Manufacturing was recognized as only executing what others have decided. This attitude is even more surprising since many producing companies may tie up to 70 % of their total capital in manufacturing related investments. The plan for how to use this large capital in the best possible way to get competitive advantages can be called manufacturing strategy. Hill (1995) gives two ways in which manufacturing could strengthen a company:

1. Provide manufacturing processes that give the company competitive advantages. These processes should be unique in one way or another and hard for other manufacturers to copy.
2. Manufacturing could choose processes and infrastructure, which help the company to win orders and match them to the criteria that win orders.

When dealing with car manufacturing, the first way is not of immediate interest, since there are only a few real unique processes, which could give the company special advantages. This leaves us with the second alternative. By being better than the competitors in performing the right activities, it is possible to take market shares.

Skinner (1992) identifies four missing links in MCS, Manufacturing in Corporate Strategy. These links concern

- leadership, which understands and accepts the new concepts. Skinner means that the managers have inherited a way of thinking of production in the terms of efficiency, productivity, and costs. Instead, the leadership should set examples of how the operations functions can be structured to create a strong competitive resource.
- managers capable of implementing MCS. The problem is that the middle management has adopted the same premises and instincts as the top leadership.
 - the ideas of manufacturing strategy, which result in two problems. First, there is the issue of trade-offs. Cost, investments, quality etc. are closely linked together, but there is a lack of understanding how these relationships work. The situation is also not static as the technology development continues the relationships change. The second problem is the

usefulness of manufacturing strategies as a management tool. What strategic decisions should be taken in order to achieve a certain objective?

- The functional organization: There are often conflicts of interests and barriers between the different departments of a company and the managers are rewarded for their own professional accomplishments and not for the competitive success of the business unit.

1. Do you feel that strategy has a role in manufacturing as well?
2. There is the issue of trade-offs. Cost, investments, quality etc. are closely linked together. What are your views on this?
3. Can you throw some light on at least one manufacturing strategy in an automobile industry?

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Give three key reasons for operations' reactive role in strategy development. Explain the reasons for your choice?
- b) Factors such as oil price volatility, increasing labor costs in emerging markets and shifts in demand all come into play when deciding where to manufacture products. Do you agree with the statement? Please share your views.
- c) What are different manufacturing strategies?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Does your operations strategy complement or conflict with the business strategy?
- b) Have you adequately quantitatively assessed risk in your operations strategy and developed plans to reduce risks?
- c) Have you established specific, measurable goals for the operational team as well as key individuals and tied them to business outcomes?

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Does your strategy incorporate corporate social responsibility?
- b) Do your directors are prepared for events that could put you on the front line of high-stakes strategic decisions?
- c) How do you identify and manage your key suppliers?

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) How will management and the board be engaged in strategy development?
- b) What is the board's risk appetite when it comes to strategy?
- c) What do you know about the industries in which you operate? Are any likely to restructure? Why?

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are different manufacturing strategies?
- b) What do you mean by focused manufacturing? Discuss various approaches to focused manufacturing?
- c) How would an organization decide as to what could be the right strategy for them ?

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Production Strategy
- b) Value stream mapping
- c) Lean manufacturing.