

VPM's
DR VN BRIMS, Thane
Programme: MMS (2015-17) (Operations)
Fourth Semester Examination April 2017

Subject	Strategic Operations Management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	15.04.2017

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

Q1) 20 Marks (Compulsory) case study

Site selection in India is often dominated by tax incentives provided by different state Governments. Many times, political reasons dominate the location decision of the government projects; for example, many railway projects are located at a particular place due to political compulsions

One of the most talked about plant re-locations problem, in recent years, is that of the shifting of the Tata Nano plant from Singur in West Bengal.

Tata Nano, an ambitious family car project from the Tata Group, is aimed at providing the world's cheapest car to Indian consumers. Its manufacturing facilities were originally set up at Singur to avail the financial subsidies, tax holidays, etc. Land availability and its low cost, cheap labour, raw material availability, etc were other governing factors in site selection for low cost manufacturing.

Singur is a small village in the state of West Bengal, it was selected as the site. The site required 1000 acres of land. However, political disagreements started growing up soon from the opposition political party. The hostility from local peasant communities became unmanageable for the Tata Group. Tata Motors, the company setting up the plant had to pull out its Rs 2000 cr project from Singur despite the fact that it had incurred a loss of nearly Rs 500 cr.

Many other state governments came up with lucrative proposals to attract the Tata Nano project after its relocation. State of Kerala, Jharkhand, Orissa, Andhra Pradesh and Gujarat and even countries like Sri Lanka provided some very attractive proposals to the Tatas. However, Sanand in Gujarat could make it because of various factors such as political stability, availability of economical land and cheap labour as also the proximity to the ports (benefits of both imports and exports), financial incentives like a 10 year tax holiday were important enough for the Tatas to make the decision to relocate. According to Mr Ratan Tata, "The group had opted for Gujarat because it had already lost a lot of time and urgency had become the need of the day....We had an urgency to move out to a new location...the reputation of Gujarat and the speed with which provisions were made forced us to opt for Gujarat". Sanand is located at a distance of 40 Km from Ahmadabad. It is very close to ports like Rajkot and Mundra. This is an advantage for export.

There is no doubt that West Bengal's loss is Gujarat's gain. Tata's decision to relocate was based on minimizing their future losses and salvaging the existing situation in the best possible manner. The stakes were high. Tata Motors Chairman Ratan Tata had promised the country — and indeed the world — that he would launch a small car for Rs 1 lakh. That promise had to be kept. A model of the Nano car had been unveiled early that year and the company had announced commercial sales would start by October 2008. Work at Singur had begun on schedule by January 2007. At its peak, the Nano project at Singur employed about 4,000 employees, and by July 2008, the plant had begun trial production of a few cars.

The agitations forced the company to embark on a logistical project of gigantic proportions. an unprecedented operation perhaps anywhere in the world and certainly not on that scale. This is the shifting of a fully-built passenger car plant from Singur to Sanand in Gujarat — a distance of about 2,000 km. That journey — undertaken by over 3,340 trucks using 495 containers over the next seven months

Questions: Answer any TWO out of THREE questions

1. What were the major reasons for Tata's decision to start the factory at Singur in West Bengal and why was it relocated?
2. Discuss the implications of a major strategic decision to shift and its impact on the company's operations.
3. How would a car manufacturing company base its location decisions? In your opinion what methodology would best suit to make the decision?

Attempt Any FOUR from the Remaining SIX Questions

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

Describe in your own words the key features of an Operations Strategy.. Identify two key competitive dimensions in the following cases

- a) The Manufacture of Nano Car
- b) Manufacture and distribution of Shaving Razors
- c) Domino's Pizza order management

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

Distinguish between Order Qualifiers and Order winners. Describe the important features of Order Qualifiers and Order winners in the following cases

- a) Quick Heal Security Software
- b) IBM Consulting
- c) Maruti Automobiles

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

Explain the importance of Project Management in Operations Strategy.

- a) You have been tasked to implement a Sales Conference of all Dealers in the city. Prepare a Work Breakdown structure(WBS) and a Cost Breakdown structure.
- b) For the Project below.

Activity	A	B	C	D	E	F	G
Predecessor	-	A	A	C	B,D	D	E,F
Time(wks)	6	3	7	2	4	3	7

What is the Project Completion Time? What are the activities in the Critical Path? If the cost of the labor is Rs 6000/= per week. What is the total labor cost of the project?

- c) Describe at least two tools that are used to monitor the progress of the Project.

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

Describe the generic Product Design Process. How is this process for new product development in the following companies

- a) BMW
- b) Dell Computers
- c) DHL Logistics services

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

Is a layout a strategic decision explain why? Suggest a suitable layout in the following cases (Use a neat diagram as illustrations

- a) A fine dining restaurant
- b) Subway Fast food
- c) A Departmental store

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

Write short notes on

- a) Theory of Constraints
- b) 5S and Kanban implementation
- c) Categories in the Consulting Industry