

VPM's
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Programme: MMS (2018-19) (Operations)
Third Semester Examination OCT 2018

Subject	Services Operations Management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	3	Date	1.11.2018

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

Q1) Read the Following Case Study and answer following Questions (20 Marks) (Compulsory)

Case: Village Volvo

Village Volvo is the "new kid in town..." it represents an effort by two former authorized Volvo dealer mechanics to provide quality repair service on out-of-warranty Volvos at a reasonable cost. On the basis of their 22 combined years of training and experience with the local Volvo dealer, they have earned a respected reputation and a following of satisfied customers, which make an independent service operation feasible. Village Volvo occupies a new butler building (i.e., a prefabricated metal structure) that has four work bays in addition to an office, waiting area, and storage room.

The owners feel they have designed their operation to provide clients with a custom car care service that is unavailable at the local dealer. They have set aside specific times each week when clients may drive in for quick, routine services such as tune-ups and oil changes, but they encourage clients to schedule appointments for the diagnosis and repair of specific problems.

At the time of the appointment, the mechanic who will be working on the vehicle and the client discuss the problems the client has noticed on occasion, the mechanic may take a short test drive with the client to be certain that both understand the area of concern.

Another source of information for the mechanic is the customer care vehicle dossier (CCVD). Village Volvo maintains a continuing file on each vehicle it services. This history can help the mechanic to diagnose problems and also provides a convenient record if a vehicle is returned for warranty service on an earlier repair. The owners are considering use of the CCVD as a way of "reminding" customers that routine maintenance procedures may

be due.

After the mechanic has made a preliminary diagnosis, the service manager gives the vehicle owner and estimate of the cost and the approximate time when the repair will be completed if no unexpected problems arise. Company policy states that the owner will be consulted before any work other than the agreed-on job is done. Although the customer may speak with the mechanic during the repair process, the service manager is the main point of contact. It is the service manager's responsibility to be sure the customer understands the preliminary diagnosis, to advise the customer of any unexpected problems and costs, and to notify the customer when the vehicle is ready for pickup.

Village Volvo has no provisions for alternate transportation for customers at this time. A shuttle service two or three times a day is being considered, because the owners think their suburban location may deter some clients. The waiting room is equipped with a television set, comfortable chairs, coffee, a soft-drink vending machine, magazines, and the local newspaper. This facility is used almost exclusively by clients who come during the "drop-in" times (3 to 5 pm Wednesdays and 8 to 10am Thursdays) for quick, routine jobs such as tune-ups and buyer checks of used cars.

The owner-mechanics do no repairs between 7 and 8 am and 5 and 6 pm, because these are heavy customer contact hours. They believe it is just as important to discuss and the client the repairs that have been done as it is to what problems exist before that work is done. As repairs are made, the owner-mechanic notes any other problems that might need attention

in the future (e.g fan and alternator belts show some wear and may need to be replaced in about 6,000 miles). These notes are brought to the customer's attention at pickup time and also are recorded in the CCVD for future use, perhaps in the form of a reminder postcard to the owner.

All small worn-out parts that have been replaced are put in a clean box inside the car. More cumbersome replaced parts are identified and set aside for the client's inspection. Care is taken throughout the repair process to keep the car clean, and the inside is vacuumed as a courtesy before pick up. After the repairs are finished, the vehicle is taken for a short test drive,

and then it is parked, ready for pickup.

The village Volvo owners see their responsibility as extending beyond immediate service to their clients. The owners have developed a network of other service providers who assist in recycling used parts and waster products and to whom they can refer clients for work that is not part of village Volvo's services (e.g, body work, alignments, and reupholstering). The owners also are considering the possibility of offering a mini-course one Saturday morning each month to teach clients what they can do to attain their 200,000-mile Volvo medals.

Questions:

1. Describe Village Volvo's Service Package
2. How are the distinctive characteristics of a service firm illustrated by Village Volvo?
3. Characterize Village Volvo in regard to the nature of the service act, the relationship with customers, customization and judgment, the nature of demand and supply, and the method of service delivery.
4. How could Village Volvo manage its back office (i.e. repair operations) like a factory?
5. How can Village Volvo differentiate itself from Volvo dealers?

Attempt Any FOUR from the Remaining SIX Questions**Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks**

- a) In practice businesses often stock inventory in terms of number of weeks of demand. For example if average demand is 2 units per week, they stock three week's worth or 6 units. Discuss problems which you feel could arise due to this policy.
- b) With growth of internet and online business model customer are not coming in contact with the services provider directly. What according to you could be the implications to business in future?
- c) People management in services is becoming central concern for strategic operations manager. In what ways can they enable human resources to make a strategically important contribution to the business?

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

- a) Explain GAP is service quality and how an organization can use SERVQUAL model to improve its quality?
- b) Today the role of operations manager has become even more challenging. The challenges could be due to business environment, availability of resources, increasing customer expectations etc. What according to you is the most important challenge which operations manager is facing? Please justify your answer with a suitable example from service operations.
- c) Two location models have been discussed. One is factor rating model and the other one is centre of gravity model. Under what business conditions should each of these models be used?

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

- a) How important is resources utilization to the success of an organization? What is the interest level of the senior management professional in this aspect of operations?
- b) What are major causes of capacity leakages? Are they avoidable?
- c) Explain the different capacity strategies which are used by various organizations with a suitable example.

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

- a) Why would a business or organization decide to outsource?
- b) How can recovery from a service failure be a blessing in disguise?
- c) What are some of the main, practical ways you have identified that companies can simplify the complex task of outsourcing call center operations?

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

- a) How do the five dimensions of service quality differ from those of product quality? Do you feel measuring quality is easy or difficult? Please comment.
- b) Do you feel outsourcing brings in a lot of risks? Please share some of the risks. Also differentiate between off shoring and outsourcing.
- c) Process management has been discussed as a key driver to the success of services industry. Do you agree with the statement? Justify your answer.

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

- a) Discuss the functions of inventory for different organizations in the supply chain.

(Manufacturing, suppliers, distributors and retailers)

- b) Discuss how information technology can help to create a competitive advantage through inventory management system.
- c) Discuss how one could determine the economic cost of keeping customer waiting.