

VPM's
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Programme: MMS (2014-16)
Second Semester Examination April 2015

Subject	Supply Chain Risk and Performance Measurement		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	3	Date	25-04-2015

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

Q1) 20 Marks (Compulsory)

Managers Disrupt Learning with their 'Great Ideas'

It is all too easy for businesses to underestimate how much learning is taking place via the informal networks that become established in large organizations – networks that are often invisible to managers. These networks, says Peter Senge, a senior lecturer at the MIT Sloan School of Management, are delicate and can end up being destroyed when senior managers try to introduce new systems. 'A lot of learning is going on in organizations but management is screwing it up with their great ideas on how to do things more efficiently or their great ideas for reorganizing', he warns. 'In any healthy organization, there's a lot of learning going on. But 90% of it is informal and is going on well below the radar screen of the management structure', says Professor Senge. 'So you need to help managers become more aware.' He says that it is important to question assumptions when seeking to raise skill levels in the workplace or to introduce new technology: the rigid hierarchical structure found in many organizations needs to be turned on its head.

Professor Senge, who is founding chair of the Society for Organizational Learning and author of *The Fifth Discipline: The Art and Practice of the Learning Organization*, believes the learning process begins by taking a fresh look at the way the organization operates – and this applies to the implementation of IT systems. 'There's a very understandable life cycle you go through, when you first start using IT, to do what you've always done', he says. 'Someone thinks there's an efficiency gain or the potential for cost reduction or maybe you could do something more reliably – but you rarely think about doing something that you have never done before.' Part of the problem, he says, is that there is usually a disproportionate amount of power at the top of the organization. 'That almost always means a bunch of people with 25 to 30 years' experience', he says. 'That can make them impervious to seeing the significance of developments that a 25-year-old might see.' Companies also suffer because of the persistent belief that learning goes on only in a classroom. Often, however, when employees have been given the formal training on a new system, as much is learnt back at their desk where they can lean over and ask a colleague the best way to carry out a particular function they need at that particular moment. There will always be people within an organization who are better than others at learning how to use IT systems and explaining it to others. Professor Senge believes these people can and should play a big part in IT training. What training specialists provide, he says, is usually often delivered out of context of the workplace. 'No one ever learnt anything in a final sense in a classroom. It's all contextual – it's not the tool. It's how you use the tool in a particular setting with particular people and under particular pressures.'

What Professor Senge is advocating is a grass-roots approach to learning. Rather than spreading technical knowledge from above through leaders that have decided what people need to know, he suggests starting at the other end, where some people may be more

adept than others at learning and operating IT systems. 'Sample both ends of the spectrum', he says. 'Start by looking at the really good stuff that is working today – and then what's keeping that from spreading.' At higher levels of an organization, this dissemination is just as crucial. After all, for senior managers to be able to make strategic decisions about IT, they need to have an understanding of the systems being used throughout the organization. However, there is often resistance by these people to taking a training course they might see as below them. 'That's a big problem – the executives want the 30-minute summary and want everyone else to spend days on it', says Professor Senge. He suggests starting at the 'shallow end of the pool' by seeking out managers who are more motivated than others and focusing initial attention on them. Most important when introducing any new system, he says: 'Go to the most sophisticated users to first get it working well and then figure out how to help other people get it working well – don't just hand it over to the training department.'

Questions:

- a) Discuss how the learning of individuals can be integrated into the practices, procedures and processes of the organization.
- b) Explain adaptive, reconstructive and process learning in the context of the above case.

Attempt Any FOUR from the Remaining SIX Questions

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

- a) List the various potential risks to an organization and its supply chain
- b) Explain the Risk Management Cycle
- c) Why is activity-based costing a useful tool for the operations manager?

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

- a) Discuss the main issues involved in the implementation of a continuous improvement effort
- b) Write a note on Crisis Management
- c) Discuss the factors behind the integration of the BPR and CI improvement approaches

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

- a) How can supply chain disruption be prevented?
- b) Distinguish between the terms efficiency, effectiveness and economy
- c) What goes into a risk mitigation plan?

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

- a) Which model do you think is best suited to measure supply chain performance—the balanced scorecard or the SCOR? Why?
- b) Explain the components of Incident Management Plan
- c) Why do firms need to measure and assess performance?

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

- a) Explain the concept of benchmarking
- b) Are cost-based performance measures good to use? Explain.
- c) What is Business Process Re-engineering?

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

- a) Write a short note on EFQM
- b) Write a note on the composition of Crisis Response Teams
- c) Explain the PDCA cycle