

VPM's
DR VN BRIMS, Thane
Programme: MMS (2014-16)
Forth Semester Examination April 2016

Subject	Services Operations Management		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages		Date	12.04.2016

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

Q1) 20 Marks (Compulsory) Customer Services Gap

One Friday evening, when Mrs. Sen came back home, her 17 year old college going daughter declared that she had to take up an important assignment on Monday. The assignment needed to be finished by evening of the same day and then the report must also be submitted that very evening. This assignment required a lot of data analysis and the data had to be collected from the internet. After discussion, it was clear to Mrs. Sen that their old desktop sitting at the corner of the living room was obsolete and what they required was a laptop with an internet connection that allowed mobility and was at the same time trendy.

By the time they finished their dinner, Mrs. Sen's daughter convinced her mother to go in for the latest model laptop. The very next day, Mrs. Sen and her daughter visited the nearest electronics mega store and realized that due to the sheer number of options (laptop models and configurations) available, it was not very easy to select a laptop. With the help of a smart salesperson, they finally bought a laptop and returned home with a lot of excitement. At home, when Mrs. Sen's daughter switched on the laptop, she was surprised to find out that there was no operating system and was very confused. They did not realize that the product they were buying was only half complete. As they realized their mistake, they immediately rushed back to the same store. The response they received were like it was a very common feature that most of the laptops do not come with a preloaded operating system barring a few models, whereas some company force their customers to buy their beta version OS as a preloaded operating system. However, Mrs Sen and her daughter overcame the shock and enquired about the probable solution, but to their utmost disappointment the same smart-looking, ever-smiling salesperson declared that they cannot do much about it. Their frustration slowly turned into anger. Mrs. Sen complained about the entire episode to the store manager, but in vain. Their standard reply was that it was a practice that the customers always manage to get the operating system on their own (loaded from one of your tech friend's pirated copy or a local dealer who charges few hundred bucks to load a pirated version). Mrs. Sen and her daughter returned home disappointed and blamed themselves for not enquiring about the nitty-gritty's before buying the laptop.

A week later when Mrs. Sen analyzed the incidents with some bitterness, she realized a few hard facts. Needless to say, Mrs. Sen's daughter could not take the brand new laptop to the college on that Monday. Mrs. Sen swore by herself that she would always do her homework before she buys anything. Her daughter felt that the salesperson should have informed them well in advance. She felt if most of the laptops or computers come without an operating system then the store must have a facility to provide the same with anti-virus software and/or an internet connection, etc. She felt that this kind of value-added services would improve the USP of that store.

1. Please write down your observation and also the service gaps.
2. What can be done after the service failure has occurred?
3. What is the most important take away from the above?

Attempt Any FOUR from the Remaining SIX Questions

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

- a) Imagine that you are planning a location for a new pizza restaurant. What sort of information do you need to inform your decision maker? What decision –making techniques will you use to decide between alternative locations.
- b) What factors are important for a manager to consider when attempting enhancing a service firm's image?
- c) Explain the importance/role of services operations management in the economy?

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

- a) Capacity management in a complex in service business. There are various strategies which are being used by various organization based on their experience . Can you suggest a strategy and substantiate it with a relevant example.
- b) How does classification of services help industry or business in any way. What are some of the benefits of classifying?
- c) There are a large number of services complexity factors . What are some of the factors which you would have observed in an organization? Please elaborate.

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

- a) What are the different types of risk in outsourcing?
- b) In spite of all the risks in outsourcing organizations are moving towards this model of outsourcing. Do you agree with this ? Justify your answer.
- c) What are the different models for identifying the services locations. Explain them in brief.

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

- a) Pricing has been an issue in service operations. Please suggest methods of pricing with meaningful example.
- b) Discuss the role of information technology in management of services inventory?
- c) Markdown money as a concept has been often discussed in the retail. Please elaborate.

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

- a) Bullwhip effect in inventory has been discussed whenever it comes to demand management . Is it applicable in services also. Please explain.
- 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) Explain the different capacity strategies which are used by various organizations with a suitable example.

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

- a) Service Quality Gaps
- b) Inventory management in services
- c) Phantom Inventory