

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

Subject	World Class Manufacturing		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	11.04.2016

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

Q1) 20 Marks (Compulsory)

case study on Bajaj Auto and answer the questions furnished below.

To replace a legend is never easy; to replace a legend when the legacy needs a major overhaul is even more difficult. That was the challenge facing Rajiv Bajaj in 1998 in the process of gradually taking over the leadership responsibilities at Bajaj Auto from his father, Rahul Bajaj.

With its large sales turnover of Rs. 39 billion in FY99, wide product sweep and high profitability, cash rich Bajaj Auto dominated the Indian Market for two and three wheeler vehicles. In 1998, Bajaj Auto was ranked India's 5th most valuable company. Internationally, it was the world's largest scooter producer and the 4th largest two wheeler manufacturer, behind Japan's Honda, Yamaha and Suzuki. The company's builder Rahul Bajaj enjoyed the reputation.

Rahul Bajaj had inherited a young company in a protected market and overseen its growth over a period of forty years into a large and profitable company. Government of India liberalized the two wheeler industry. Bajaj Auto's market share gradually rose to 49.3% in 1994 but gradually declined thereafter to about 40% by 1998. In response to this erosion of market share, the company was changing its focus on a standardized product to a wide range of models and variants designed to appeal to a broad cross-section of the market. It had recognized its problems on product, both in terms of features and in terms of the Quality expectations of an increasingly demanding customer. Both of these were being addressed and the company was in the process of recasting itself. Rahul Bajaj had always been at the helm of affairs at Bajaj Auto. Rahul was clear in his mind to groom his elder son, Rajiv, as a successor.

Rajiv, being mechanical engineer and grown up in Bajaj Auto Colony right from his birth, came aboard as a general manager with responsibility for new product development and rose fast as Vice-President, Products development and later Vice-President (products), in-charge of Engineering and Marketing. Rahul Bajaj continued as Chairman cum Managing Director whereas Rajiv was de-facto Chief Operating Officer. His management team consisted of experienced stalwarts with some new young faces chosen for their specialized skills. Rahul's younger brother Sanjiv Bajaj joined Bajaj Auto as General Manager in the finance and materials areas and had been an understudy to the CFO since he had returned with an MBA from Harvard.

At the age of 32, Rajiv took responsibility of spearheading the company's products and marks a thrust. Assessing new technologies, introducing new models, making a strong presence in the market, creating a marketing culture, revamping manufacturing practices,

focusing on quality, improving supply-chain, helping new managers integrate into a conservative corporate culture, were his priorities. Rajiv saw major challenges for him are :(a) Customers do not like me-too products. (b) Skills are to be acquired to develop new products (c) Product differentiation is a must, since, many competitors are in the field (d) Customer satisfaction need to be taken care of.(e) Customer retention is required (f) cost structure required to be managed.

Rajiv had first aspiration to complete the transition..... To a new Bajaj Auto. However, he needs to address some key issues and challenges to fulfill the ambition.

Questions:

1. What are the primary strengths and weaknesses of Bajaj Auto? Is the company working on the tight priorities? What, if anything, is it missing?
2. How important is 'global leadership'? Does Bajaj Auto's mission statement need updating?
3. Would it be better to effect changes in one area at a time? Or do you think that all areas are to be handled simultaneously?
4. What is the future of Bajaj Auto?

Q2) (A) What is world class manufacturing? Why 'Supplier Interface' is important?

(B) Explain Hall's and Gunn's model of WCM.

Q3) Write short notes on any 2.

1. Theory of constraints

2. Poka yoke

3. Just in time

4. SMED

5 Cellular manufacturing.

Q4) Why performance is to be measured once WCM is implemented? Explain all performance measures of WCM in brief.

Q5) Explain 7 pillars of MBNQA award requirement. Why MBNQA is important?

Q6) Enlist all tools for WCM. Explain only in brief Materials processing and handling tools.

Q7) Explain the concept of "Push-Pull" in manufacturing and differentiate between the two.