

PGDM & PGDM (IB), 2019-21

OPERATIONS STRATEGY

DM-542/IB-542

Trimester-V, End-Term Examination: December 2020

Time Allowed: 2 ½ hours

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper. Writing anything except the Roll No will be treated as Unfair Means. In case of rough work please use the answer sheet.

Please be brief and to the point.

Section A

- A1. Firms compete in the market on the basis of the generic performance goals, such as cost, quality, flexibility, and speed. The concept of trade-off implies that it is not possible to excel in all the goals simultaneously. Can you give two real world examples of such trade-offs?

OR

Raymond sells men's clothing from its exclusive outlets. On offer are both readymade as well as make-to-order options. Can you briefly discuss the trade-offs involved in these two options from the perspective of the retailer?

[CILO 1; 5 marks]

- A2. Consider the performance objective of low cost. How can this be achieved through decisions related to facilities and capacity? Can you cite an example?

OR

Consider the performance objective of higher flexibility. How can this be achieved through decisions related to supply network and outsourcing? Can you cite an example?

[CILO 2; 5 marks]

- A3. Consider the strategy of capacity leading demand. What is the impact of this strategy on the generic performance objectives of cost, speed and flexibility? Which of these objectives would you pursue with a capacity leading demand strategy?

OR

We have learnt about trade-offs between performance objectives of a firm. For example, cost versus variety or flexibility. However, these traditional barriers are being broken by technology. Explain with an example.

[CILO 1; 5 marks]

- A4. MOOCs are massive open online courses that have become increasingly popular for learners worldwide. Coursera and EdX are popular examples of MOOC platforms. On the basis of which performance objectives are MOOCs competing with traditional brick-and-mortar colleges and universities? How do they achieve these objectives?

[CILO 2; 5 marks]

Section B

Please attempt the following questions which are based on the case 'New Balance Athletic Shoe, Inc.'.

- B1. Using the information provided in the case, analyse the athletic footwear market in the USA. On what basis is New Balance (NB) competing in the market? To answer this question, please remember that NB is catering to the end customer as well as to the retailers.
- B2. Considering its performance objectives, how does NB use its operations resources (decision areas) to compete in the market? We are told that 25% of its manufacturing is based out of the east coast of the USA, whereas its competitors have outsourced all their production to Asian suppliers. Is this strategy justified?
- B3. NB is privately owned by Jim and Anne Davis. Its financial details are not available publicly. Perhaps this is the reason why the case also provides gross/broad financial data on NB. However, it is possible that their gross margins are relatively high. Do you agree? Can you explain?
- B4. Consider case exhibit 3. Which category of retail outlets give maximum revenues to NB (revenue/outlet)? How does this value compare with the average revenue per outlet considering all categories of outlets? Does this comparison indicate how NB should chalk out its future growth strategy? What could be the greatest stumbling block to this strategy?
- B5. Should NB be worried about the impending acquisition of Reebok by Adidas? If so, what change(s) should it make to its operations strategy?

[CILO 3; 5x6 marks]