

**PGDM(RM), 2013-15
Retail Benchmarking
RM-502**

Trimester – V , End-Term Examination: December 2014

Time allowed: 2 hrs 30 min

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 answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	$3 \times 5 = 15$
B	2 out of 3 (Long Questions)	10 Marks each	$2 \times 10 = 20$
C	Compulsory Case Study	15 Marks	15
		Total Marks	50

Section A

- Q1. Explain Taguchi's loss function?
- Q2. When does benchmarking back fire? Explain with an example.
- Q3. What is ISO certification? Which is the certification used for Food Safety?
- Q4. Explain customer retention and value perception with respect to services benchmarking.
- Q5. How does balanced score card help in benchmarking? Use an example to explain

Section B (Q3 is compulsory)

- Q1. What is the breakup of points for Malcom Baldrige award?
- Q2. Does benchmarking increase the internal and external cost of quality? Explain within an example.

Q3.

Table I.1 Analysis of Three Potential Future-State Solutions (FSS)

Estimated Performance Data

	FSS 1	FSS 2	FSS 3	Customer requirements
Efficiency, errors/1000	10	5	4	16
Effectiveness, days/cycle	300	250	225	300
Cost/cycle, K \$	300	280	260	Min.
Cycle time, days	290	260	240	300

Estimated Implementation Data

	FSS 1	FSS 2	FSS 3
Costs, K \$	20	80	200
Implementation cycle time, months	3	12	24
Probability of success, %	95	90	80

- (a) Which is the best potential FSS?
(b) From an organization stand point which is the best possible FSS?
(c) Which is the best value cycle (in months)?

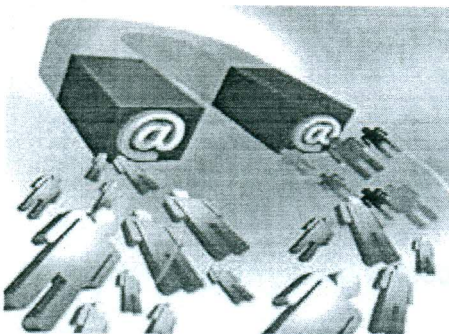
Section C

Traditional retail staffers rush to join online bandwagon

12,000: Number of people Flipkart plans to hire in FY15

Itika Sharma Punit | Bengaluru

November 5, 2014 Last Updated at 00:58 IST



Calvin Klein India Chief Executive Rishi Vasudev is joining e-commerce major Flipkart next week, after spending more than 15 years in the traditional retail segment - many of those years at Aditya Birla Group's Madura Fashion and Lifestyle. At Flipkart, he will be vice - president for fashion.

Vasudev is one of many senior and mid-level employees at brick-and-mortar retail companies looking to join the e-commerce sector. Sources at recruitment firms say that they are flooded with resumes of people in retail companies - some of them top-level employees of the country's largest retail firms - who are applying for opportunities at e-commerce companies. Among the large brick-and-mortar retailers in India are Pantaloons, Future Group, Reliance Retail, Mahindra Retail, Infiniti Retail (part of Tata Group) and Landmark Group.

"In the traditional retail industry, growth rates have slowed and competition is extremely intense. In such an environment, a professional's growth also takes a hit. Among other things, employees might see their increments getting slower. By comparison, if you look at technology-enabled consumer businesses, such as e-commerce, these are offering what one might call jobs of the future. It is a far more futuristic space to be in," says C K Guruprasad, principal at Heidrick & Struggles, a global technology & services practice and headhunting firm.

JOBS THAT CLICK

12,000: Number of people Flipkart plans to hire in FY15

25,000: Flipkart's target for employee base by March 2015

1,300: Snapdeal's employee strength; the company plans to double it this financial year

13,500: Number of people Amazon India is looking to hire in Hyderabad

"Earlier, e-commerce companies were reaching out to retail employees. Now, we are seeing that people from traditional retail are exploring openings at online firms or approaching us to find openings," he says.

According to sources, Flipkart has interviewed many senior employees of major retail brands to fill several vice-president-level positions.

While the Bengaluru-based company did not reply to an emailed query, human resource heads at other e-commerce majors like Snapdeal and Amazon India confirmed they were

seeing an "overwhelming interest" from retail employees.

Flipkart had earlier said it was planning to hire 12,000 employees in 2014-15 to increase its staff strength to 25,000 by March next year (from 13,000 in March 2014).

"A lot of top talent from brick-and-mortar retail companies are applying for openings with us," says Snapdeal Vice-President (human resource) Saurabh Nigam. "There is a 100 per cent willingness among traditional retail employees to work for e-commerce. This is reflected in the fact that we have hired many senior and mid-level executives over the past six months - a lot of them from the retail industry. Not once have we had a situation where a person is not interested in talking to us."

Snapdeal had earlier said it wanted to double its headcount during 2014-15 from 1,300 employees in June this year.

Among key executives Snapdeal has recruited from traditional retail companies are Chief Financial Officer Aakash Moondhra, who has earlier worked with V-Mart Retail and Bharti Retail.

Amazon India Director (human resource) Raj Raghavan also says his company is seeing great interest from employees of retail companies, along with other sectors like shipping and logistics. "We have witnessed an overwhelming interest among candidates to join Amazon India," Raghavan said.

The trend seems to be growing, even as Future Group CEO Kishore Biyani has said the euphoria over e-commerce will last only for about 18 months in India. Snapdeal's Nigam says the interest in working with e-commerce companies is high because of the rapid growth and major funding the large players in the segment have received.

"The way the e-commerce industry is moving, especially the two or three large players, big investments are coming in. That is, obviously, leading to the massive interest in the industry," Nigam says. "We are attracting top management from several industries; retail is the obvious choice, given the direct linkages in areas like operations, marketing, supply chain management, finance, merchandise and category management."

Q1. Why are e-retailers hiring from most of the brick and mortar stores to raise the benchmark of their employee capabilities?
