

OPERATIONS STRATEGY (DM-542/IB-515)

Trimester-V, End-Term Examination: December 2017

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

Please attempt any FOUR questions. Each question carries 5 marks.

- A1. We have discussed the top-down as well as the bottom-up perspectives of strategy formulation. Which perspective dominates in practice? You may use examples from the cases we have discussed in class.
- A2. Suppose you are an airline operator. Ben is a frequent traveller who always books business class travel with your airline. On the other hand, Priya also has to fly frequently on work and is entitled to only economy class fares. What would be your performance objectives for Ben, and for Priya, keeping in mind their respective likely requirements and preferences?
- A3. Cost-quality trade off implies that to produce and sell high quality products a business would incur high cost as well. At the same time, according to Phil Crosby 'quality is free'. How would you resolve this paradox?
- A4. As regards the timing of going for changes in installed capacity, we have discussed two strategies – capacity leading demand, and capacity lagging demand. Write down the advantages and disadvantages of both these strategies.
- A5. You are an industrial buyer of automotive HVAC system for cars manufactured by your organization. Presently, there is only one supplier ABC that also has a technology tie up with Denso, Japan, one of the leading makers of HVAC systems in the world. Although ABC has performed well as far as product quality is concerned, you are apprehensive that it might take advantage of your dependence on it for all your HVAC needs to hike up prices. Meanwhile, another HVAC supplier XYZ has been approaching you for some time now to get a foothold into supplying the system to your company. Notably, XYZ has a technical tie up with Behr, Germany, another leading HVAC manufacturer in the global market. Would you consider XYZ as a second supplier? Please explain what you would do and why.

Section B

Please attempt the following questions which are based on the case 'ITT Automotive: Global Manufacturing Strategy - 1994'.

- B1. It is said that strategy must evolve with changing business environment. ITT started making ABS in 1985. Since then a lot has changed in the business environment for ITT. Do you agree? What changes have happened in ITT's business environment over the years since mid-eighties? How has the PLC for ABS evolved over this period? (10 marks)
- B2. How have ITT's performance objectives changed since 1985 and why? What tradeoffs in objectives has ITT made during this period? Are these tradeoffs justified? (10 marks)
- B3. How have ITT's operations resources/capabilities evolved in line with changes in its performance objectives? What new capabilities is it trying to build for the future and why? Explain ITT's product and process technology strategies in light of the changes in its environment. (10 marks)