

MODULE : Logistics Management 3A
CODE : LBE3A01 / LMA13A3
DATE : 13 JUNE 2014 EXAMINATION
DURATION : 08:30 – 11:30
TIME : 3 HOURS
TOTAL MARKS : 180

EXAMINER : Dr S Carstens
MODERATOR : Prof JN Cronjè
NUMBER OF PAGES : 8 PAGES

INSTRUCTIONS TO CANDIDATES:

- Answer all the questions
- Question papers must be handed in.
- This is a closed book assessment.
- Read the questions carefully and answer only what is asked.
- Number your answers clearly.
- Write neatly and legibly
- Structure your answers by using appropriate headings and sub-headings.
- The general University of Johannesburg policies, procedures and rules pertaining to written assessments apply to this assessment.

Question 30

Lean thinking is a way of improving processes in order to _____ and _____.

- a) Improve orders & decrease time
- b) Maximize value & eliminate waste
- c) Minimize cost & maximize value
- d) Increase production & minimize inventory

SECTION 2**QUESTION 1****[28 MARKS]**

One key aspect of the marketing concept is to satisfy customer requirements. However, the logistics network has a significant impact on the cost and the levels of customer service provided by a company.

- a) A company may use various approaches to analyse its logistics network, one of which is optimization. Discuss the following strategic network issues that may be addressed by utilizing optimization modeling:
 - Network rationalization issues
 - "What if" questions
 - Cost and service issues (14)
- b) Various modeling approaches are used to provide insight into the choice of a logistics network design. Discuss the common pitfalls that should be avoided in designing and implementing a logistics network. (14)

QUESTION 2**[36 MARKS]**

As a result of the significant contribution of logistics to the company's success a logistics strategy is required.

- a) Briefly discuss the corporate planning process to indicate where the development of the logistics strategy fit in. (10)
- b) The development of a company's logistics strategy is dependent on various information requirements, but some information can be obtained by completing a logistics audit. Discuss how you would perform a logistics audit. (26)

QUESTION 3**[46 MARKS]**

Recently it has become important for companies to develop closer cooperation with suppliers and customers, which may enhance future success.

- a) The development and implementation of a supplier alliance is an extensive and complicated task. Discuss a step-by-step procedure that you would follow to implement a strategic supplier alliance. (18)
- b) After selecting and implementing a supplier alliance the next step is maintaining the relationship with the supplier. One aspect of maintaining this relationship relates to assessment. Discuss the assessment of supply partner performance in terms of the levels of assessment and the methods of assessment. (14)
- c) If a company decides to focus on core competencies they may need to outsource the non-core activities. Outsourcing can be defined as transferring a business activity to a third party. Discuss the non-cost factors to be taken into account in the outsourcing decision. (14)

QUESTION 4**[40 MARKS]**

Logistics management is changing rapidly and companies are increasingly using logistics to create a strategic, competitive advantage. Therefore, logistics has become an important part of a company's strategic planning process.

- a) Although a company may follow a cost, differentiation or focus strategy it is important for the company to develop effective logistics strategies in four key areas. Discuss time-, asset-, technological- and relationship based strategies as potential logistics strategies. (26)
- b) Increasingly competencies in the logistics and supply chain management areas are required to obtain a competitive advantage and not having these competencies may be viewed as barrier to entry. Discuss seven macro future trends that will continue to have a significant impact on logistics management. (14)

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