

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING

MAR 2023

PROGRAMME: BACHELOR OF BUSINESS STUDIES HONOURS IN MARKETING

BS404 SUPPLY CHAIN MANAGEMENT

DURATION: 3 HOURS

EXAMINATION

INSTRUCTIONS

1. Answer question **one** and any other **three** questions.
2. Start answering each main question on a fresh page.
3. Credit will be given for appropriate use of illustrative examples.
4. No cell phones and programmable calculators are allowed in the examination room.

QUESTION ONE (Compulsory).

CASE STUDY: AMAZON AND INDEPENDENT MERCHANTS

Amazon is constantly rated as the top commerce company in the world. It has achieved this impressive performance thanks to its supply chain and warehouse across the UK. At the heart of the company's business is the trust customers have in its ability to deliver their order on time across with very few errors. In order to maintain high satisfaction ratings, the company constantly adopts innovative supply chain and warehouse management techniques. Furthermore, in its bid to remain the largest retailer online, Amazon offers other business the opportunity to develop sales through its Amazon fulfillment Centers, whereby Amazon manages their inventories and shipments. This service is available to large corporations as well as smaller companies selling less than 40 items per month. The service is not limited to Amazon's web site. Merchants selling through their own Websites can benefit from Amazon's facilities. This was the

case until recently for Borders. Books sold by Borders via its web site were in fact stocked and shipped from Amazon's warehouses. The deal came to an end when Borders liquidated its assets.

Amazon's know-how resides in warehouse management but also, since the beginning of its operations back in 1995, on its IT infrastructure. Jeff Bezos is known for being detail driven and always wanted his system to be able to produce accurate reports immediately. These systems are now available for merchants and allow them to enter a global supply chain at minimum cost.

Amazon not only picks and packs for merchants but also handles dispatches and returns. In addition, Amazon customer representatives manage customer service questions, enabling merchants to concentrate on marketing or product development. Merchants have the ability to increase sales without investing in new capacity.

Source: Chopra and Meindl (2013, p.28).

QUESTION ONE

- a) Why did Amazon decide to allow other merchants to use its supply chain expertise? (6)
- b) What advantages can bricks and mortar players derive from setting up an online channel? (8)
- c) How should they use the two channels to gain a maximum advantage? (6)
- c) Identify any three supply chain strategies that Amazon is using, explaining the importance of such strategies in enhancing responsiveness and efficiency. (20)

[40 Marks]

QUESTION TWO

Critically examine the differences between logistics and supply chain management.

[20 Marks]

QUESTION THREE

Discuss the role of production and warehousing in enhancing responsiveness and efficiency in supply chains.

[20 Marks]

QUESTION FOUR

- a) Distinguish between internal and external supply chain risks. (10)
- b) Evaluate any five strategies to manage supply chain risks according to the Cranfield University Report (2002). (10)

[20 Marks]

QUESTION FIVE

Discuss the relevance of Michael Porter's value chain model (1985) in supply chain management.

[20 Marks]

QUESTION SIX

Explain the implications of the Bensaou Model (1999) in enhancing supplier relationships.

[20Marks]

END OF PAPER