



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) : _____

Course Code & Name : **MGT2223 SUPPLY CHAIN MANAGEMENT**
 Semester & Year : September – December 2021
 Lecturer/Examiner : Associate Professor Dr. Akram Al-Khaled
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
 - PART A (40 marks) : Answer all FIVE (5) case study questions. Answers are to be written in the Answer Booklet provided.
 - PART B (60 marks) : Answer all THREE (3) structured-type essay questions. Answers are to be written in the Answer Booklet provided.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 5 (Including the cover page)

PART A : CASE STUDY QUESTIONS (40 MARKS)

INSTRUCTION(S) : Answer all **FIVE (5)** case study questions in the answer booklet provided.

Case Study: Walmart's Retail Link Supply Chain

Walmart is a well-known leader in the application of network technology to coordinate its supply chain. Walmart's supply chain is the secret sauce behind its claim of offering the lowest prices every day. It is able to make this promise because it has possibly the most efficient B2B supply chain in the world. It does not hurt to be the largest purchaser of consumer goods in the world. With sales of more than \$443 billion for the fiscal year ending January 31, 2012, Walmart has been able to use information technology to achieve a decisive cost advantage over competitors. As you might imagine, the world's largest retailer also has the world's largest supply chain, with more than 60,000 suppliers worldwide. In the next five years, the company plans to expand from around 5,000 retail stores in the United States (including Sam's Clubs) to over 5,500 and increase its selection of goods. Internationally, Walmart has over 5,200 additional stores in 26 countries outside the United States, giving it over 10,000 retail units. The rapid expansion in Walmart's international operations will require an even more capable private industrial network than what is now in place.

In the late 1980s, Walmart developed the beginnings of collaborative commerce using an Electronic Data Interchange (EDI)-based supply-chain management system that required its large suppliers to use Walmart's proprietary EDI network to respond to orders from Walmart purchasing managers. In 1991, Walmart expanded the capabilities of its EDI-based network by introducing Retail Link. This system connected Walmart's largest suppliers to Walmart's own inventory management system, and it required large suppliers to track actual sales by stores and to replenish supplies as dictated by demand and following rules imposed by Walmart. Walmart also introduced financial payment systems that ensure that Walmart does not own the goods until they arrive and are shelved.

In 1997, Walmart moved Retail Link to an extranet that allowed suppliers to directly link over the Internet into Walmart's inventory management system. In 2000, Walmart hired an outside firm to upgrade Retail Link from being a supply-chain management tool toward a more collaborative forecasting, planning, and replenishment system. Using demand aggregation software provided by Atlas Metaprise Software, Walmart purchasing agents could now aggregate demand from Walmart's 5,000 separate stores in the United States, into a single RFQ from suppliers. This gives Walmart tremendous influence with even the largest suppliers.

In addition, suppliers can now immediately access information on inventories, purchase orders, invoice status, and sales forecasts, based on 104 weeks of online, real-time, item-level data. The system does not require smaller supplier firms to adopt expensive EDI software solutions. Instead, they can use standard browsers and PCs loaded with free software from Walmart. There are now over 20,000 suppliers—small and large—participating in Walmart's Retail Link network.

By 2012, Walmart's B2B supply-chain management system had mastered on a global scale the following capabilities: cross docking, demand planning, forecasting, inventory management, strategic sourcing, and distribution management. The future of Walmart's SCM lies in business analytics—working smarter—rather than simply making the movement and tracking of goods more efficient. For instance, in 2012 Walmart purchased Quintiq Inc., a supply-chain management tool for improving load assignment and dispatch of trucks for large retailers. Quintiq's software will enable Walmart's managers to optimize the loading of its trucks and to reduce the time required to supply its retail stores.

Despite the economic slowdown in 2011–2012, Walmart’s sales grew. In 2011, Walmart’s revenues of \$443 billion were up 6.4 percent from 2010, and its net income was \$15.77 billion, up from \$15.36 billion. In the first half of 2012, sales continued to grow by over 4 percent.

Source: Adapted and modified from Chopra, S. (2019). *Supply Chain Management: Strategy, Planning, and Operation*. (7th ed.) Pearson Education.

Question 1

Interpret why detailed knowledge of consumer purchases at each store is important to Walmart’s success.

(6 marks)

Question 2

Describe how the supply chain management at Walmart integrates with other elements of its strategy.

(6 marks)

Question 3

Examine **FOUR (4)** triggers of Walmart’s retail link system to ship goods to local Walmart stores.

(8 marks)

Question 4

Discuss why Walmart encourages its vendors to learn how to use retail link.

(8 marks)

Question 5

Describe **FOUR (4)** expectations from the consumers on Walmart.

(12 marks)

END OF PART A

PART B : STRUCTURED-TYPE ESSAY QUESTIONS (60 MARKS)

INSTRUCTION(S) : Answer all **THREE (3)** structured-type essay questions in the Answer Booklet provided.

Question 1

Supply Chain Management is an integral part of every business. The primary role of supply chain management is to improve customer service standards and reduce the overall operational costs.

a) Describe **FOUR (4)** fundamental functions which are significant in Supply Chain Management.

(8 marks)

b) Explain **THREE (3)** macro processes in a supply chain. Provide a relevant example for each process.

(6 marks)

c) Discuss **THREE (3)** differences between push and pull supply chain processes.

(6 marks)

(Total: 20 marks)

Question 2

a) The spread of the new coronavirus, COVID-19, is being felt globally across operations in ways that are difficult to model and assess. The affected regions are at the heart of many global supply chains. Propose **FIVE (5)** actions that can be taken by companies with direct exposure to the COVID-19 outbreak.

(10 marks)

b) Inventory management is the supervision of non-capitalized assets (inventory) and stock items. A component of supply chain management, inventory management supervises the flow of goods from manufacturers to warehouses and from these facilities to point of sale. Illustrate **FIVE (5)** ways on how companies use their inventory.

(10 marks)

(Total: 20 marks)

Question 3

- a) Short falls in Supply Chain Management theory may be due to slow transformation towards demand-driven Supply Chain and the applications of technology, information sharing and contemporary supply chain initiatives. Compose **FOUR (4)** theoretical gaps for Supply Chain Management in practices in any industry sector in Malaysia.

(8 marks)

- b) Poor supply chain management performances may due to insufficient articulated theory concerning the relationship between lead-time reduction and demand information transfer in supply chain. Assess **FOUR (4)** supply chain management improvement options in enhancing the overall supply chain performance.

(8 marks)

- c) The physical distribution arrangement or system designed to move the goods from producers and manufacturers to the users has a definite role. Identify **FOUR (4)** strategic roles of physical distribution.

(4 marks)

(Total: 20 marks)

END OF EXAM PAPER