Tutorial Letter 101/3/2018

SUPPLY CHAIN MANAGEMENT

MNP2602

Semesters 1 and 2

Department Of Entrepreneurship, Supply Chain, Transport, Tourism and Logistics Management

This tutorial letter contains important information about your module.
# CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>2. PURPOSE AND OUTCOMES</td>
<td>3</td>
</tr>
<tr>
<td>2.1 Purpose</td>
<td>3</td>
</tr>
<tr>
<td>2.2 Outcomes</td>
<td>4</td>
</tr>
<tr>
<td>3. LECTURER(S) AND CONTACT DETAILS</td>
<td>4</td>
</tr>
<tr>
<td>3.1 Lecturer(s)</td>
<td>4</td>
</tr>
<tr>
<td>3.2 Lecturer availability</td>
<td>4</td>
</tr>
<tr>
<td>3.3 Department</td>
<td>4</td>
</tr>
<tr>
<td>3.4 University</td>
<td>5</td>
</tr>
<tr>
<td>4. RESOURCES</td>
<td>5</td>
</tr>
<tr>
<td>4.1 Prescribed books</td>
<td>5</td>
</tr>
<tr>
<td>4.2 Library services and resources information</td>
<td>6</td>
</tr>
<tr>
<td>5. STUDENT SUPPORT SERVICES</td>
<td>6</td>
</tr>
<tr>
<td>6. STUDY PLAN</td>
<td>10</td>
</tr>
<tr>
<td>7. PRACTICAL WORK AND WORK-INTEGRATED LEARNING</td>
<td>10</td>
</tr>
<tr>
<td>8. ASSESSMENT</td>
<td>10</td>
</tr>
<tr>
<td>8.1 Assessment criteria</td>
<td>10</td>
</tr>
<tr>
<td>8.2 General assignment numbers</td>
<td>12</td>
</tr>
<tr>
<td>8.3 Submission of assignments</td>
<td>12</td>
</tr>
<tr>
<td>8.4 The assignments</td>
<td>13</td>
</tr>
<tr>
<td>8.5 The examination</td>
<td>14</td>
</tr>
<tr>
<td>9. IN CLOSING</td>
<td>15</td>
</tr>
<tr>
<td>APPENDIX A: DEFINITIONS AND KEY TERMS FOR MNP2602</td>
<td>16</td>
</tr>
<tr>
<td>APPENDIX B: THE CASE STUDY</td>
<td>21</td>
</tr>
<tr>
<td>APPENDIX C: ASSIGNMENTS FOR SEMESTER 1</td>
<td>22</td>
</tr>
<tr>
<td>APPENDIX D: ASSIGNMENTS FOR SEMESTER 2</td>
<td>31</td>
</tr>
<tr>
<td>APPENDIX E: SELF-ASSESMENT QUESTIONS FOR SEMESTERS 1 AND 2</td>
<td>40</td>
</tr>
</tbody>
</table>
Dear Student,

1 INTRODUCTION

I am excited to welcome you to the module Supply Chain Management (MNP2602). I trust that you will find it both interesting and rewarding. I will do my best to make your study of this module a good learning experience. However, it is important to note that this module and subject field require in-depth insight into the theory so that you can apply it in real situations. The reason for this is simple: every supply chain is different. Therefore, take note that all the assignments for this module involve applying the theory to a case study based on supply chain management.

As your lecturer, I am only able to guide you up to a certain point; after that, your input is needed. Therefore, regularly consult the “General discussion board” on myUnisa. This is an extremely important tool for me, as your lecturer, to communicate important information or post discussions that will help you to complete your assignments and this module successfully. I, therefore, cannot stress enough that the onus is on you to check and participate in all the discussions on myUnisa. I strongly advise you to make use of e-tutoring (a Unisa project to help students with open distance learning). More information on the e-tutors is provided in section 5.4 of this tutorial letter.

MNP2602 is offered as an online module. What this means is that there are several resources (such as YouTube videos), examples and discussions available on the MNP2602 myUnisa site. You will be missing out on valuable tools to help you complete this module if you do not participate and visit the MNP2602 site regularly.

Please feel free to contact me (or your e-tutor) with any academic questions that you may have. I am here to help you and will do so to the best of my ability. I do, however, ask that if you would like to see me personally, that you contact me for an appointment beforehand to ensure that I am available (see section 5.3.1).

Take time to attentively read your study material and keep it on hand during the semester. This tutorial letter contains important information about the scheme of work, resources and assignments for this module.

Lastly, it is very important to note that appendix A of this tutorial letter contains a list of important purchasing and supply chain concepts. You should familiarise yourselves with these concepts as you will be assessed on them in both the assignments and examinations.

2 PURPOSE AND OUTCOMES

2.1 Purpose

The purpose of this module is to give you insight into the concept of supply chain management. In this module, we look at different components of the supply chain (namely purchasing management, supplier relationship management, strategic sourcing, customer relationship management, process integration and performance measurement).
2.2 Outcomes

On completion of this module, you should be able to do the following:

- Understand the origins and elements of supply chain management.
- Explain purchasing management in a supply chain management context.
- Discuss the creation and management of supplier relations.
- Explain strategic sourcing for supply chain management.
- Discuss key tools and components of customer relationship management.
- Explain the supply chain process integration model.
- Describe the role, importance and metrics of performance measurement along the supply chain.

3 LECTURER(S) AND CONTACT DETAILS

3.1 Lecturer(s)

You can contact me if you have any academic enquiries about the module. My contact details are:

Mrs Alicia Weber
E-mail: snymaan@unisa.ac.za

3.2 Lecturer availability

The lecturer for this module will be available to take phone calls on academic matters and/or to attend to students who may prefer to visit personally for academic engagement. However, personal visits can only be granted to discuss those academic content-related issues which could not be resolved via e-mail and telephone conversations. The days and times of lecturer's availability will be communicated in the module page on myUnisa. These days and times are subject to change in order to accommodate the lecturer's work schedule and other commitments. The changes on the days and times will be communicated by the lecturer in advance through the announcement option on myUnisa. Students are advised to check the module page on myUnisa before making phone calls or visiting the lecturer's office for academic enquiries/engagements.

Please note that the lecturer should be contacted only for academic enquiries; that is, enquiries about the content of the module. Send your detailed question(s) on the content via e-mail to the primary lecturer and indicate what type of feedback you need. Direct all other administrative and general enquiries to the relevant departments.

3.3 Department

Should you need to contact the Department of Entrepreneurship, Supply Chain, Transport, Tourism and Logistics Management, do so via email on DESTTL@unisa.ac.za. Again, always include the module code and your student number in the subject line.
3.4 University

Any enquiries about administrative matters at Unisa should be addressed to the section/department concerned with your problem. Consult the brochure *my Studies @ Unisa* in this regard. You can contact Unisa in the following ways:

<table>
<thead>
<tr>
<th>NATURE OF ENQUIRY</th>
<th>CONTACT DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study-related information</td>
<td><a href="http://www.unisa.ac.za">http://www.unisa.ac.za</a></td>
</tr>
<tr>
<td>Access your personal information</td>
<td><a href="http://mobi.unisa.ac.za">http://mobi.unisa.ac.za</a></td>
</tr>
<tr>
<td>Submission of and enquiries about assignments</td>
<td><a href="https://my.unisa.ac.za/portal">https://my.unisa.ac.za/portal</a></td>
</tr>
<tr>
<td></td>
<td><a href="https://my.unisa.ac.za/portal/pda">https://my.unisa.ac.za/portal/pda</a></td>
</tr>
</tbody>
</table>

4 RESOURCES

4.1 Prescribed books

Note that in the past students have purchased previous versions of the prescribed book and struggled to cope due to the difference between the different editions. Therefore, please ensure that you purchase the 4th edition of the prescribed book. The following chapters are prescribed for MNP2602.

<table>
<thead>
<tr>
<th>Learning Unit</th>
<th>Chapter in prescribed book</th>
<th>Pages in 4th edition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Unit 1</td>
<td>Chapter 1</td>
<td>4-23</td>
</tr>
<tr>
<td>Learning Unit 2</td>
<td>Chapter 2</td>
<td>37-68</td>
</tr>
<tr>
<td>Learning Unit 3</td>
<td>Chapter 3</td>
<td>78-96</td>
</tr>
<tr>
<td>Learning Unit 4</td>
<td>Chapter 4</td>
<td>104-125</td>
</tr>
<tr>
<td>Learning Unit 5</td>
<td>Chapter 10</td>
<td>351-373</td>
</tr>
<tr>
<td>Learning Unit 6</td>
<td>Chapter 13</td>
<td>460-488</td>
</tr>
<tr>
<td>Learning Unit 7</td>
<td>Chapter 14</td>
<td>496-516</td>
</tr>
</tbody>
</table>

**Important announcement**: The prescribed book for MNP2602 is also used for a 3rd year supply chain module (MNP3702). Please keep your prescribed book safely for MNP3702 (if you intend to register for the module).
The **compulsory prescribed book** for MNP2602 in 2018 is:


**ISBN number: 978-1-285-42831-4**

Consult the list of official booksellers and their addresses in *study@unisa*. If you find it difficult to obtain the prescribed book from these booksellers, please contact Unisa’s Prescribed Book Section as soon as possible.

When you study your prescribed material, take note of the following:

- Only the **prescribed sections in the prescribed book** are for assessment purposes.
- You have to submit Assignment 01 to gain admission to the examination.
- You should use your Tutorial Letter 101, prescribed book and Study guide to prepare for assessments (i.e. assignments and examinations).

### 4.2 Library services and resources information

For brief information, go to [www.unisa.ac.za/brochures/studies](http://www.unisa.ac.za/brochures/studies)

For detailed information, go to the Unisa website at [http://www.unisa.ac.za/](http://www.unisa.ac.za/) and click on Library.

For research support and services of personal librarians, go to [http://www.unisa.ac.za/Default.asp?Cmd=ViewContent&ContentID=7102](http://www.unisa.ac.za/Default.asp?Cmd=ViewContent&ContentID=7102).

The library has compiled a number of library guides:

- finding recommended reading in the print collection and e-reserves – [http://libguides.unisa.ac.za/request/undergrad](http://libguides.unisa.ac.za/request/undergrad)
- requesting material – [http://libguides.unisa.ac.za/request/request](http://libguides.unisa.ac.za/request/request)
- postgraduate information services – [http://libguides.unisa.ac.za/request/postgrad](http://libguides.unisa.ac.za/request/postgrad)
- finding, obtaining and using library resources and tools to assist in doing research – [http://libguides.unisa.ac.za/Research_Skills](http://libguides.unisa.ac.za/Research_Skills)
- how to contact the library/finding us on social media/frequently asked questions – [http://libguides.unisa.ac.za/ask](http://libguides.unisa.ac.za/ask)

### 5 STUDENT SUPPORT SERVICES

Important information about the student support services offered at Unisa appears in *study@unisa*. 
5.1 Contact with fellow students

It is advisable to have contact with fellow students. One way to do this is by forming study groups.

5.2 myUnisa

If you have access to a computer that is linked to the internet, you can quickly access resources and information at the University. The myUnisa learning management system is the University's online campus that will help you communicate with your lecturers, with other students and with the administrative departments at Unisa – all through the computer and the internet.

You can start at the main Unisa website at http://www.unisa.ac.za and then click on the myUnisa orange block. This will take you to the myUnisa website. To go to the myUnisa website directly, go to https://my.unisa.ac.za. Click on the Claim UNISA Login on the right-hand side of the screen on the myUnisa website. You will then be prompted to give your student number in order to claim your initial myUnisa details as well as your myLife e-mail login details.

Please consult study@unisa, for more information on myUnisa. We strongly recommend that you register for and use myUnisa, as this will give you direct access to important information.

You should visit the module website for MNP2602 on the myUnisa website as frequently as possible. From here, you can download your study guide and all the tutorial letters. I use this website to post announcements to you during the semester. The best part of myUnisa is the discussion forum, where you can ask any questions about the content of this module and discuss difficult or challenging topics with fellow students.

VERY IMPORTANT: Lecturers use myUnisa as the main form of communication with students. If you do not check the MNP2602 module website or your myLife e-mail address regularly, you will miss important information from your lecturer.

If you experience any problems with myUnisa or myLife, please contact MyUnisaHelp@unisa.ac.za or MyLifeHelp@unisa.ac.za.

5.3 Discussion classes

There will be no discussion classes for this module.

Predatory providers of classes and examination support

Please be aware of the existence of multiple fraudulent and predatory providers of classes and examination guidance to Unisa students. Please note that Unisa does not have agreements with any of these agencies/schools/colleges to provide tuition or support to our students. Unisa also does not provide these predators with study material, guidelines or your contact information. These providers may not have the necessary expertise to assist you and often charge exorbitant fees. If you receive an invitation from any agency or College, it is best to confirm with your lecturer if the provider is a legitimate Unisa partner.
5.4  E-tutoring

(a)  General information

Since 2013, Unisa has offered online tutorials (e-tutoring) to students who are registered for modules at NQF levels 5, 6 and 7 (which means qualifying first-year, second-year and third-year modules).

Once you are registered for a qualifying module, you will be allocated to a group of students with whom you will be interacting during the tuition period and an e-tutor who will be your tutorial facilitator. Thereafter, you will receive a SMS informing you about your group, the name of your e-tutor and instructions on how to log onto myUnisa in order to receive further information about the e-tutoring process.

Online tutorials are conducted by qualified e-tutors who are appointed by Unisa. This support is offered free of charge. All you need to be able to participate in e-tutoring is a computer with internet connection. If you live close to a Unisa regional centre or a telecentre contracted with Unisa, please feel free to visit it to access the internet. E-tutoring takes place on myUnisa, where you are expected to connect with other students in your allocated group. The e-tutor’s role is to guide you through your study material during this interaction process. For you to get the most out of e-tutoring, you have to participate in the online discussions that the e-tutor will be facilitating.

(b)  E-tutoring for MNP2602

MNP2602 follows the e-tutoring programme. Based on feedback received from students after examinations, I can assure you that you will benefit from the e-tutoring programme.

Please take note of the following BEFORE you contact the e-tutor or me.

Why e-tutors?

E-tutors have been carefully selected and employed as part of the university’s drive to present modules online and help students to master the module content. E-tutors will…

- help you to interpret the tutorial matter and assignments or self-evaluation questions (but cannot give you the answers)
- explain difficult concepts
- help you to become an independent learner
- liaise with me (the lecturer) and you (the student), for example by informing me about specific problems that you may be experiencing and suggesting ways in which the tutorial matter may be improved
- be a point of contact if you have any questions or need additional advice on the content of the module
The lecturer’s role in e-tutoring

I will empower the e-tutors by doing the following:

- Respond comprehensively and promptly (although within a reasonable time) to questions that the e-tutors ask on your behalf about the module content.
- From time to time, give the e-tutors some guidelines, exercises or possible examination questions to help them to identify the problem areas in this module where you may need help.
- Highlight certain sections in the prescribed book or give examples or additional information on aspects of the study material. (Please note: These will only be problems I have identified. You might struggle with other sections of the study material of which I am not aware. It is therefore important that you communicate your needs to your e-tutor. Please note that the problem areas that I will highlight are in no way hints about what you can expect in the examination. Therefore, do not be tricked into thinking that the e-tutors can identify selected sections of the study material for you to focus on in the examination.)

How to contact your e-tutor and what (and what NOT!) to expect

- You will find a link on myUnisa, under the MNP2602 link, indicating to which e-tutor group you belong. Contact myUnisa if you cannot see the link (the lecturer cannot help you in this regard).
- Please note that myUnisa is the ONLY recognised source of communication between the e-tutor and students. **No private e-mail or mobile communication should take place between students and e-tutors.** You have to use the discussion forum and the e-tutors will use the announcement tools on myUnisa to communicate.
- All interaction between e-tutors and students on myUnisa will be monitored on a regular basis (private emails cannot be monitored and checked in terms of correctness and quality). Therefore, **do not even ask for the e-tutor’s personal details.**
- E-tutors cannot attend to your administrative problems or help you with myUnisa (contact the relevant sections).
- **All** communication on the e-tutor sites should be in English. If you upload a question or remark in another language, you will be expected to translate it into English. Having English as the only language should ensure that everybody is accommodated.
- **The e-tutors are appointed for tutoring assistance. Therefore, FIRST contact the e-tutor and THEN the lecturer** if your problem has not been addressed to your satisfaction. If you contact me first, I will only answer your question if you can show me that you have followed the prescribed route explained here.
- E-tutors will lead the discussions with students; **however, under no circumstances will they give you assignment answers.** Please refrain from posting assignment answers for comparison purposes on myUnisa.
- Any enquiries about whether an assignment has been received and marked should **NEITHER** be directed to the lecturer nor to the e-tutors, but only to the Assignments Section.
• E-tutors will NOT summarise the module content on your behalf. The e-tutor’s role is to facilitate your learning throughout the semester. **E-tutors are in no way responsible for providing answers or for giving “crash courses” on the module content.** It remains your responsibility to work diligently through the module content to master the principles.

• **E-tutors do NOT have access to the examination paper!** I do not give them any information about it (not even exam “tips”).

• E-tutors cannot give you the examination scope, “tips” and/or details about the format of the paper. You should know from the start that all relevant chapters are included for examination purposes.

6 **STUDY PLAN**

You have limited time at your disposal to work through the study guide, complete the assignments and prepare for the examination. Therefore, you have to plan your studies carefully. I would like to advise you to draw up a detailed plan for when you will study each study unit (or chapter) and stick to this plan. You should allow at least two weeks for revision before the examination.

7 **PRACTICAL WORK AND WORK-INTEGRATED LEARNING**

There are no practical workshops for this module.

8 **ASSESSMENT**

8.1 **Assessment criteria**

Unlike residential universities, Unisa does not require students to write tests to gain admission to the examination. **Assignments are used for this purpose.**

The assignments are important criteria to determine whether you have studied the material in the study guide in a systematic way and are able to meet certain objectives. At the same time, assignments enable you to become familiar with the standards of the university, broaden your knowledge on the subject and gain valuable practice in answering questions.
ASSIGNMENTS

Compulsory assignments

There is ONE compulsory assignment for this module, which you must submit to gain entry to the examination. However, TWO assignments will contribute towards your year mark. Both these assignments are in the form of multiple-choice questions and each assignment has a non-negotiable submission deadline (see section 8.2 below).

Self-assessment assignment

There is a THIRD assignment, which is for self-assessment purposes only. This assignment consists of an essay-type question and you must NOT submit your assignment to Unisa for marking. After you have completed the self-assessment assignment, you must assess your answers by using the feedback provided in Tutorial Letter 201.

You have to submit your answers to the assignments in any of the options indicated in section 8.3.

VERY IMPORTANT: We have experienced that students do not allow time to complete the third assignment because it is for self-assessment only. Be warned: these students usually struggle in the examination, as they do not understand what is expected of them when answering essay-type questions. We therefore strongly encourage you to complete the third assignment.

The suggested solutions and feedback on the assignment questions will be in Tutorial Letter 201. This Tutorial Letter 201 will be available on myUnisa under the ‘official study materials’ tab.

Your final mark for this module will be calculated by adding together your semester mark (year mark) and your examination mark. Your semester mark will consist of the marks that you earn for Assignments 01 and 02 (each assignment will contribute 50% towards your semester mark). Your semester mark will contribute 20% and your examination mark 80% towards your final mark. The following is an example of how your final mark will be calculated:

<table>
<thead>
<tr>
<th>FINAL MARK COMPONENTS</th>
<th>EXAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component</td>
<td>Contribution to final mark</td>
</tr>
<tr>
<td>Marks for Assignments 01 and 02</td>
<td>20%</td>
</tr>
<tr>
<td>+ Examination</td>
<td>80%</td>
</tr>
<tr>
<td>= Final mark</td>
<td>100%</td>
</tr>
</tbody>
</table>

If you do not obtain a sub-minimum of 40% in the examination, your semester mark will not be taken into account to calculate your final mark. The combined weighted average of your year mark and examination mark must be 50% or higher for you to pass the module.
8.2 General assignment numbers

Specific due dates have been set for the assignments. A few weeks after the due date of Assignment 02, Tutorial Letter 201 will be available under the ‘official study materials tab’ on myUnisa.

You can find the assignments for 2018 in the appendices of this tutorial letter (see section 8.4 below). The due dates of the assignments and their unique numbers (where applicable) are given below:

<table>
<thead>
<tr>
<th>Assignment number</th>
<th>First semester</th>
<th>Second semester</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Due date</td>
<td>Unique number</td>
</tr>
<tr>
<td>01</td>
<td>28 March 2018</td>
<td>750030</td>
</tr>
<tr>
<td>02</td>
<td>20 April 2018</td>
<td>784658</td>
</tr>
<tr>
<td>03</td>
<td>Self-assessment</td>
<td>n/a</td>
</tr>
</tbody>
</table>

EXTREMELY IMPORTANT
The unique numbers for Assignments 01 and 02 are different for the two semesters. Please make sure that you provide the correct unique number for the semester you are registered for. In addition, the assignments for Semesters 1 and 2 are different. Please ensure that you do the correct assignment for the semester in which you are registered.

8.3 Submission of assignments

Multiple-choice question (MCQ) assignments may be submitted in one of three ways: (1) via the internet on myUnisa, (2) by means of a cellphone or (3) by means of a mark-reading sheet posted to Unisa.

Option 1: To submit an assignment via myUnisa

- Go to myUnisa at https://my.unisa.ac.za.
- Log in with your student number and password.
- Select the module.
- Click on “Assignments” in the left-hand menu.
- Click on the number of the assignment that you want to submit.
- Follow the instructions on the screen.

Option 2: To submit an assignment by means of an sms from your cell phone

- Download and install the Unisa Mobile application from https://my.unisa.ac.za/portal/pda
- Install and start the application on your phone.
- Select the “MCQ Assignment” option.
- Log in with your myUnisa credentials.
- Select your module.
- Select the appropriate unique assignment number.
Select appropriate answers to the assignment questions.
Send your answers.
Receive immediate onscreen confirmation.

Option 3: To submit an assignment by post

- You should only submit your assignment by means of a mark-reading sheet and post it to Unisa if you do not have access to the internet. If you are using a mark-reading sheet, remember to
  - use an HB pencil
  - indicate your student number and the above mentioned unique number on the mark-reading sheet
  - follow the instructions for completing mark-reading sheets (incomplete mark-reading sheets will be returned to you unmarked)
  - submit the assignment in good time (it must reach Unisa's Muckleneuk Campus by its due date; otherwise, it might not be in time to be marked.)

- If you submit your assignment by post, address it to:
  The Registrar
  PO Box 392
  Unisa
  0003

You have to submit the compulsory Assignment 01 before the due date in order to be admitted to the examination.

PLEASE NOTE: We strongly urge you to submit your assignments online (via myUnisa) and keep proof of your submission by printing (or saving) the successful submission screen. It remains the responsibility of the student to provide proof that the assignment was submitted (on time) in the event of a dispute regarding assignment marks.

If you experience problems with the electronic submission of assignments, please contact MyUnisaHelp@unisa.ac.za or MyLifeHelp@unisa.ac.za.

Please refer to section 3.2 if you have any administrative enquiries about your assignments (for example, submission enquiries and marks obtained).

8.4 The assignments

As already mentioned, there are three assignments for this module. The first assignment is compulsory and must be submitted before the stipulated due date. However, take note that the second assignment will also contribute towards your year mark. The third assignment is a self-assessment assignment, which you must NOT submit to the university, as this assignment does not contribute towards your year mark.
• **Appendix B: The case study.** Take note that the assignments for both the first and second semesters are based on the case study named “*How Spur revamped their supply chain.*”

• **Appendix C: Assignments for Semester 1.** Take note that all three assignments (Assignment 01, Assignment 02 and the self-assessment assignment) for the **FIRST** semester are based on the case study named “*How Spur revamped their supply chain.*”

• **Appendix D: Assignments for Semester 2.** Take note that all three assignments (Assignment 01, Assignment 02 and the self-assessment assignment) for the **SECOND** semester are based on the case study “*How Spur revamped their supply chain.*”

**VERY IMPORTANT:** Although the questions for the first and second semesters are based on the same case study, the assignments for the first and second semesters are NOT the same. PLEASE ensure that you submit the correct assignment!

The suggested solutions to the questions of the self-assessment assignment will be provided in Tutorial Letter 201. This Tutorial Letter 201 will be available on myUnisa after the due dates of both assignments.

8.5 The examination

• **General information**

The examination is your opportunity to demonstrate that you have achieved the outcomes of this module. You **have to submit Assignment 01 before or on its due date to gain admission to the examination.** During the semester, the Examination Section will send you information about the examination in general, your examination venue, and the examination date and time. If you are registered for the **first semester,** you will write the examination in **May/June 2018.** If you are registered for the **second semester,** you will write the examination in **October/November 2018.**

• **Format of the examination paper**

The examination paper for MNP2602 is a fill-in examination. This means you will be given space to answer the questions on the question paper and you will hand back the entire question paper and your mark reading sheet to the invigilator after the examination. The duration of the examination is two hours. The format of the examination paper for this module is as follows:

- **Section A** is **compulsory** and consists of 30 multiple-choice questions that count one mark each. The total for this section is 30 marks.
- **Section B** consists of three essay-type questions of 20 marks each. You have to answer any two questions. The questions may consist of a long essay question or shorter paragraph-type questions, which add up to 20 marks each. Some of the questions will be
based on a case study (a different case study to the case study in this tutorial letter). The total for section B is 40 marks.

The examination paper counts **70 marks in total**.

The final format of the examination paper will be communicated to you in Tutorial Letter 201.

- **Alternative assessment to help students who qualify for final-year concessions**

The brochure *study@unisa* contains important information on the final-year concession procedure to help students who have one or two modules outstanding to complete their qualification. Note that there is only one special opportunity available to a student per calendar year.

The Department of Examination Administration (DEA) will inform all students who qualify for a final-year (FI) concession by SMS/e-mail.

Information on the method of assessment will be communicated directly to qualifying students.

**VERY IMPORTANT**: If you qualify for an FI concession it is **your** responsibility to contact the lecturer of the module to ensure that you have the correct prescribed work to study for the examination.

- **Previous examination papers**

Previous examination papers will be available on the additional resources tab of the MNP2602 myUnisa site. However, I have to warn you not to focus on previous examination papers only. Previous examination papers are posted on myUnisa to give you an idea of how examination questions can be compiled. Also, do not regard them as an indication of the questions that are likely to be asked in the examination.

Please do not contact me or the other lecturers for additional previous examination papers, about the availability of examination papers on myUnisa or to discuss the examination questions.

**9 IN CLOSING**

I trust you will enjoy this module and wish you success in your studies.

Ms Alicia Weber  
**Module Lecturer**  
**Department of Entrepreneurship, Supply Chain, Transport, Tourism & Logistics Management**  
Unisa
APPENDIX A – DEFINITIONS AND KEY TERMS FOR MNP2602

You should study the following concepts, as you will be assessed on them in both the assignments and the examination.

Please note: The definition of the key term is presented in a block and which is followed by explanatory notes on the words in **bold** (if applicable).

### Value chain

The value chain (developed by Michael Porter) comprises **primary** and **support activities** that can lead to a competitive advantage for an organisation when they are configured properly. The value chain is also seen as a management philosophy.

**Explanatory notes on the term “value chain”:**
- Primary activities include inbound logistics, operations, outbound logistics, marketing and sales and customer service.
- Support activities include purchasing, human resources management, technological development and infrastructure.

### Supply chain

The supply chain is a network of organisations that are involved, through **upstream and downstream linkages**, in the different processes and **activities** that produce value in the form of products and services that satisfy the ultimate customers’ needs.

**Explanatory notes on the term “supply chain”:**
- The upstream and downstream linkages are the different flows of products, services, finances and information that begin with sourcing raw materials and extend to the delivery of end items to the final consumer or end user. The upstream linkages are on the supplier side of the supply chain, whereas the downstream linkages are the physical distribution of products/services and customer service to the end consumer.
- The activities are performed by all the organisational functions that enable the production, delivery and recycling of materials, components, end products and services.

### Supply chain management (SCM)

SCM is a **management philosophy** aimed at proactively integrating and coordinating a **network** (or web) of upstream linkages (sources of supply), internal **linkages** (inside the organisation, according to the value chain approach) and downstream linkages (distribution and ultimate customers) in performing specific **key business processes** and activities that will ultimately create and optimise value for the customer in the form of products and services specifically aimed at satisfying customer demands and expectations.
Explanatory notes on the term “supply chain management”:

- This management philosophy is based on a systems approach to managing the different flows.
- The flows extend across organisational boundaries to form networks.
- In SCM, “linkages” are the two-way movement and coordination between the different flows.
- The key business processes are sourcing and procurement, conversion, all logistics management activities, and the coordination and collaboration between channel partners.

**Supply management**

The supply management function is responsible for the strategic process of identifying, acquiring, accessing, positioning and managing the resources that the organisation currently or potentially needs to achieve its mission and strategic goals.

Explanatory notes on the term “supply management”:

- Supply management as an organisational function refers not only to performing typical purchasing activities but also to performing supply activities due to a broader, more long-term focus which includes performing additional supply activities. Thus, supply management is not just another name/term for purchasing management but is a strategic, progressive version of basic purchasing.
- The strategic process to achieve the organisation’s mission involves effectively managing the supply base (by managing supplier relations) and using a process orientation (to maintain the lowest total cost of ownership) together with cross-functional teams.

**Purchasing (management) (used as a noun and a verb)**

The activities and processes (as well as the organisational function) of deciding what, when and how much to purchase; responding to requests for material by user departments; sourcing material and services by identifying and selecting suppliers; negotiating terms and availability agreements and contracting with suppliers; performing the act of purchasing the required items or services; communicating order status and actual or potential supply disruptions; and ensuring that what is required is received on time in the quantity and quality specified. Furthermore, supply market research, supplier measurement and improvement, and purchasing systems development have to be managed.

**Purchasing and supply management**

This combined term is used in module MNP2601, but the difference between purchasing management and supply management is still acknowledged.
### Strategic purchasing

This is the process of planning, implementing, evaluating and controlling strategic and operating decisions to direct all the activities of the purchasing function towards opportunities that are consistent with the organisation’s capabilities in order to achieve its long-term goals.

### Procurement

This term is used most often when referring to the purchasing function of government entities.

### Sourcing (used as a noun and a verb)

Sourcing (also known as purchasing) is the process of identifying, conducting negotiations with and forming supply agreements with vendors of goods and services.

### Strategic sourcing

In a broad sense, strategic sourcing is all the issues that are of strategic importance in the supply of materials and services to a modern organisation.

In a narrow sense, strategic sourcing is the strategic management process whereby commodities (materials and services) and suppliers are analysed, and relationships are formed and managed according to **best practices and appropriate strategies** in support of long-term organisational goals.

### Explanatory note on the term “strategic sourcing”:

- Best practices and appropriate strategies include identifying opportunities (for example cost reductions, new technology advancements and supply market trends) to improve quality, delivery, performance and competitive advantage.

### First-tier suppliers

These are an organisation’s direct suppliers or the immediate or primary set of vendors directly used by an organisation.

### First-tier customers

These are an organisation’s direct customers.

### Second-tier suppliers

These are a supplier’s suppliers; a second-tier supplier is a vendor to a first-tier supplier.
Second-tier customers

These are a customer’s customers.

Logistics

The practice of physically moving and storing goods during purchasing and supply chain activities to meet customer requirements at minimum cost.

Third-party logistics services (3PLs)

3PLs are for-hire outside (external) agents (or specialised organisations) to which all or much of an organisation’s logistics activities can be outsourced.

Explanatory note on the term “third-party logistics services”:

- These logistics activities include transportation, warehousing, document preparation, customs clearance, packaging, labelling and freight bill auditing.

Logistics management

The part of supply chain management that plans, implements and controls the efficient and effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption to meet customers’ requirements. It includes inbound, outbound, internal and external movements, and is relevant in both manufacturing and service organisations and in both private and public-sector organisations.

Explanatory note on the term “logistics management”:

- The logistics management function is an integrated function which coordinates and optimises all logistics activities within the function (internally) and also integrates logistics activities with other organisational functions (externally).

Transportation

Transportation is a central part of logistics and distribution management. It refers to the movement of products (for example cargo, supplies, people and equipment), by any mode of transport, from one place to another.

Distribution management

Distribution management entails managing downstream processes (or outbound logistics) and activities to deliver and thus physically distribute the product or service from the end of the production line to the ultimate (or end) customer.

Distribution channels

A network of organisations and institutions that together perform all the functions required to link producers with end customers to accomplish the marketing task of delivering products and services in the hands of the final consumer for need satisfaction.
**SOURCES CONSULTED**

The definitions were compiled from the following sources:


ALL the assignments for Semester 1 AND Semester 2 are based on the following case study: “How Spur revamped their supply chain”

How Spur revamped their supply chain

In 2005, Spur was in charge of sourcing their own supplies. This supply chain structure caused a situation where restaurants enlarged their demand forecasts. The forecast enlargements and subsequent demand variations caused problems with capacity planning, inventory control, and workforce production scheduling. Spur realised that they would have to reconsider some of their traditional supply chain practices in order to improve their overall performance, which initiated a large-scale supply chain revamp. The supply chain revamp started with Spur’s team comparing the Australian and UK restaurant market to the South African market. From this exploration, three broad areas requiring attention were identified: building closer relationships with supply chain partners improved distribution and becoming closely involved with the manufacturing of their food products.

Building closer relationships with supply chain partners

For Spur, the key to transformation was finding the right supply chain partner. In an interview with the CEO of Spur, Pierre van Tonder, he said: “we’ve learnt that in business, your queen in the game is your supply chain, partners.” Through their renewed focus on supplier relationship, Spur took four specific approaches to improve relationships with suppliers. Consolidating suppliers: by purchasing from fewer suppliers, Spur was able to reduce the cost of dishes sold in their restaurants, and improve standardisation of dishes. In addition, they could improve monitoring of suppliers to ensure compliance. Value-added suppliers: by transferring activities to strategic suppliers that had previously been done in each restaurant, franchisees suddenly enjoyed massive cost savings, as they were able to reduce kitchen space and have greater consistency in the preparation of their dishes. Business intelligence systems: Spur added a point of sales analytics system that better enabled the supply chain to forecast demand and therefore reduce stock-outs and optimise inventory levels. Supplier development initiatives: Spur introduced a supplier development initiative. The first strategic move of this initiative was the acquisition of a 30% stake in a meat processing company called Braviz, the direct supplier of Spur’s famous ribs for the past 11 years. This acquisition not only allowed Spur to have an input in the operational process of Braviz but also served as a massive cash injection for Braviz.

Improved distribution

Spur also identified distribution effectiveness as a key to their supply chain’s success. Spur, therefore, took the strategic decision to outsource all distribution and logistics activities within Spur to Vector, a logistics provider. By outsourcing distribution, Spur was able to focus on their core competency of providing good quality food to all their patrons, while ensuring the security of supply and consistent quality of products. In addition, they were able to free up capacity within Spur and cut costs along the supply chain.

Becoming closely involved with the manufacturing of their food products

Contrary to the outsourcing of their distribution, Spur realised that they needed to become more involved with all aspects of their food production; this included the sauces they provided to their patrons. Spur determined that if they were to manufacture the sauces themselves, they would have better control over the quality of sauces they provide and would be able to produce these sauces at a lower cost compared to buying it from suppliers. As a result, Spur started to manufacture their own range of sauces. Today, they manufacture more than 400 000 litres of sauce per month.

Through these initiatives, Spur was able to improve the efficiency of their supply chain, which ultimately resulted in satisfying the needs of their customers better.

Adapted from:
http://www.biznews.com/interviews/2014/03/25/pierre-van-tonder/
ALL the assignments for Semesters 1 AND 2 are based on the case study named “How Spur revamped their supply chain.” Please refer to Appendix B for the case study.

Assignment 01 (COMPULSORY) for Semester 1

<table>
<thead>
<tr>
<th>Assignment 01</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Study units 1 to 4)</td>
</tr>
<tr>
<td>Due date</td>
</tr>
<tr>
<td>Unique numbers</td>
</tr>
<tr>
<td>28 March 2018</td>
</tr>
<tr>
<td>750030</td>
</tr>
</tbody>
</table>

LEARNING OUTCOME

The objective of this assignment is to focus your attention on the basic concepts of supply chain management and the applicable theory on a case study.

Indicate the assignment answers on the mark-reading sheet. Please refer to Appendix B for the case study “How Spur revamped their supply chain.” Note: Some questions will test your insight, so you will not be able to find the answers on a specific page in the study material. Each question counts one mark.

QUESTIONS 1-7 ARE BASED ON THE CASE STUDY

HOW SPUR REVAMPED THEIR SUPPLY CHAIN

Consider Figure 1 the generic supply chain of Spur, when answering questions 1 - 7.

Figure 1: The generic supply chain of Spur
QUESTION 1
In the generic supply chain of Spur, the letter F would represent:

[1] A Spur franchise, such as Spur Hawk Lake situated in Pretoria.
[2] Sally’s bakery, who supplies the bread rolls for Spur’s famous burgers.

QUESTION 2
Suppose a small spaza shop buys Spur’s range of sauces in bulk from Makro to resell to their customers. Which of the following options would represent Makro in the generic supply chain of Spur?

[1] Letter D
[2] Letter C
[3] Letter E
[4] Letter G

QUESTION 3
In the generic supply chain of Spur, the letter G would represent:

[1] Sourcing and consumption.

QUESTION 4
“The first strategic move of this initiative was the acquisition of a 30% stake in a meat processing company called Braviz, the direct supplier of Spur’s famous ribs for the past 11 years.” Which of the following options would represent Braviz in the generic supply chain of Spur?

[1] Letter C
[2] Letter D
[3] Letter E
[4] Letter F
QUESTION 5
In the generic supply chain of Spur, the arrow marked B would represent … in Spur’s supply chain.

[1] supply
[2] sustainable sourcing
[3] integration
[4] reverse logistics

QUESTION 6
In the generic supply chain of Spur, which one of the following options would be an obstacle to the process represented by the letter H?

[1] Pareto analysis
[3] Silo mentality

QUESTION 7
…. would refer to the action wherein Spur acquires the entity represented by the letter C.

[1] Forward vertical integration
[2] Decentralised/centralised purchasing
[3] Centralised/decentralised purchasing

QUESTIONS 8-20 ARE BASED ON THE PRESCRIBED MATERIAL

QUESTION 8
Managing an organisation’s external resources in ways that support the long-term goals of the organisation refers to … sourcing.

[1] ethical
[3] strategic
[4] hybrid
QUESTION 9
The following term refers to an act that creates the greatest good for the greatest number of people:

[1] Rights and duties  
[2] Corporate responsibility  
[3] Utilitarianism  
[4] Sustainability

QUESTION 10
What is the main difference between a supply chain and a value chain?

[1] A supply chain is focused on the supply activity, whereas the value chain is focused on value-adding activities.  
[2] A supply chain has different upstream and downstream linkages, whereas the value chain has only downstream linkages.  
[3] A supply chain consists of the value-adding activities of a network of organisations, whereas a value chain consists of the value-adding activities of a specific organisation.  
[4] A supply chain focuses its activities on satisfying the final consumer’s need, whereas a value chain coordinates the supply chain activities of different supply chain role players.

QUESTION 11
Sourcing can be defined as …

[1] identifying and exploiting cost-efficient opportunities for insourcing.  
[2] developing and using a website for online purchases based on customer preferences.  
[3] appointing and developing experts in the purchasing function to ensure professionalism.  

QUESTION 12
In South Africa, the difference between procurement and purchasing usually lies in the following:

[1] Procurement is the strategic focus of purchasing.  
[2] Procurement entails buying only from government suppliers, whereas purchasing is mainly made from small businesses.  
[3] Procurement is the purchasing function of government entities.  
[4] Procurement entails the distribution of the requirements bought by the purchasing function.
QUESTION 13
Rethinking and redesigning processes in order to reduce waste and increase performance is known as …


QUESTION 14
When an organisation wants to improve their supply chain responsiveness, they need to …

[1] reduce supply chain relationships.

QUESTION 15
When using the weighted criteria evaluation system to evaluate and certify suppliers, an overall score of 65 will classify the supplier as …


QUESTION 16
Supplier certification can best be defined as …

[1] a strategic management process whereby commodities (materials and services) and suppliers are analysed, and relationships are formed and managed according to best practices and appropriate strategies in support of long-term organisational goals.

[2] the management of relationships to optimise the value delivered through the relationship with suppliers over a life cycle.

[3] an organisation’s process for evaluating the quality systems of key suppliers in an effort to eliminate incoming inspections.

[4] a supply chain function comprising mostly of primary and support activities that can lead to a competitive advantage for an organisation when they are configured properly.
QUESTION 17
Global sourcing has many advantages. The primary advantage for an organisation to use non-domestic suppliers would be to …

[1] improve the quality of products  
[2] obtain materials at lower prices  
[3] improve the performance of the supply chain  
[4] expand their supplier base

QUESTION 18
The most common formula for calculating an organisation’s inventory turnover ratio (ITR) is the combination of …

[1] labour, capital, energy and material costs over average inventory costs  
[2] average inventory costs over the cost of storing goods  
[3] the cost of goods sold over average inventory at cost  
[4] average total expenses over the ratio of total income

QUESTION 19
One of the Ethical Trading Initiative’s (ETI) base code clauses states that regular employment should be provided. Which one of the following would best describe what this clause entails?

[1] Wages should be enough to meet basic needs.  
[2] Work performed must be on the basis of recognised employment relationships established through national law and practice.  
[3] Overtime should be voluntary and should not exceed 12 hours per week.  
[4] There is no discrimination in hiring, compensation, access to training, termination of employment or retirement based on the demographics of an employee.

QUESTION 20
Ethical sourcing policies should include …

[1] a report provided to the stakeholders which indicate the degree to which suppliers adhere to performance standards.  
[2] the supplier’s rating of their level of vendor compliance.  
[3] only ethical ratings for suppliers and no other performance criteria.  
[4] a draft of sourcing expectations that vendors should comply with as indicated by all stakeholders.
Assignment 02 consists of 10 multiple-choice questions. Indicate the assignment answers on the mark-reading sheet. Please refer to Appendix B for the case study: “How Spur revamped their supply chain.” Note: Some questions will test your insight, so you will not be able to find the answers on a specific page in the study material. Each question counts one mark.

**LEARNING OUTCOMES**

After completing this assignment, you should have an idea of the type of multiple-choice questions we can ask in the examination about supply chain management, specifically with regard to a case study.

---

### Assignment 02

(Study units 1 to 7)

<table>
<thead>
<tr>
<th>Due date</th>
<th>Unique number</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 April 2018</td>
<td>784658</td>
</tr>
</tbody>
</table>

### QUESTION 1

In the balanced score card framework, the organisational *learning and growth* are focused on …

1. people, systems and the external environment.
2. customer requirements and customer satisfaction.
3. improved profitability and cost reduction.
4. the performance of the most critical internal business processes.

### QUESTION 2

The balanced scorecard is used to help …

1. integrate the operations of supply chain members by linking delivery to operations.
2. track real-time progress towards organisational milestones, by linking via the web to an organisation’s enterprise software system.
3. track performance and identify areas of weakness on a formal framework.
4. integrate purchasing with operational capabilities to ensure stable supply.
QUESTION 3
Customer service is one of the key capability areas needed when developing world-class performance measures. The number of … would be an example of dependability as part of customer service performance measures?

[1] customised services available
[2] days to process special or rushed orders
[3] stock-outs per product
[4] new product or service introductions

QUESTION 4
Which one of the following is a problem when using traditional performance measures to evaluate an organisation’s overall performance?

[1] Organisational decisions based on results obtained from traditional measures will not bear fruit in the long term.
[2] Traditional measures do not allow an organisation to determine the actual performance of any of the resources behind the elements measured.
[3] An organisation’s traditional performance measures are limited to operating decisions and customer requirements.
[4] Traditional performance measures should be error free since most of an organisation’s decisions will be based on the findings of these measures

QUESTION 5
Customer relationship management (CRM) becomes necessary as soon as an organisation finds a market for its products. With which one of the following options is CRM mostly associated?

[1] Integration forecasting
[3] Certification requests
[4] Communication applications

QUESTION 6
There are several activities which cause the bullwhip effect. Which one of the following is such an activity?

[1] Lacking supply chain visibility
[2] Lacking knowledge
[3] Order batching
[4] Having a silo mentality
QUESTION 7
A first tier customer would refer to the …

[1] primary set of suppliers.

QUESTION 8
Distribution management entails managing the outbound … processes in a basic supply chain.

[1] downstream
[2] upstream
[3] purchasing
[4] focal firm

QUESTION 9
One of the main advantages of the SCORmark portal is the …

[1] reduction in the normal time it takes organisations to perform benchmarking.
[2] real-time access buyers have to purchase requisitions.

QUESTION 10
The SCOR model helps to integrate the operations of supply chain members by linking …

[1] internal organisational performance to strategic objectives.
[2] shared resources to all other supplier information.
[4] the delivery operations of the seller to the sourcing operations of the buyer.

[END OF ASSIGNMENT 02]
APPENDIX D – ASSIGNMENTS FOR SEMESTER 2

ALL the assignments for Semesters 1 AND 2 are based on the case study named “How Spur revamped their supply chain.”

ASSIGNMENT 01 (Compulsory) for Semester 2

This assignment consists of 20 multiple-choice questions.

Make sure that you use the correct unique number, given below, on the mark-reading sheet or when you submit this assignment on myUnisa.

<table>
<thead>
<tr>
<th>ASSIGNMENT 01 for Semester 2</th>
<th>(Study units 1 to 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due date</td>
<td>Unique number</td>
</tr>
<tr>
<td>29 August 2018</td>
<td>862534</td>
</tr>
</tbody>
</table>

LEARNING OUTCOMES

The objective of this assignment is to focus your attention on the basic concepts of supply chain management and the application thereof to a case study.

Indicate the assignment answers on the mark-reading sheet. Please refer to the case study “How Spur revamped their supply chain” before answering the questions. Note: Some questions will test your insight, so you will not be able to find the answers on a specific page in the study material. Each question counts one mark.
QUESTION 1
Considering figure 1, which one of the following options would represent Braviz in the Spur case study?


QUESTION 2
Suppose Spur were to order ribs from Braviz. Which one of the following options would represent the starting point of the manual purchasing process of Spur?

Consider the following scenario to answer questions 3-5

The manager from Spur Hawk Lake, one of Spur’s franchises orders ribs from Spur’s warehouse, however, the warehouse does not have enough of the ribs left to fulfil the order placed by Spur Hawk Lake. The warehouse contacts the supplier of the ribs, Braviz to place a bulk order of the ribs to replenish all variations of ribs-inventory needed by the warehouse.

QUESTION 3
Considering Figure 1 and the scenario, the letter D would then represent …

[1] Spur Hawk Lake, situated in Midrand.
[4] Braviz, the supplier of Spur’s famous ribs.

QUESTION 4
How many duplicate material requisitions (MRs) would generally be issued during such a manual purchasing process (apart from the original MR issued by Spur Hawk Lake)?

[1] None
[2] Three
[3] Two
[4] One

QUESTION 5
After Spur’s warehouse received the order from Spur Hawk Lake, the warehouse needed to issue a … to order additional ribs from Braviz?

[1] delivery order
[2] purchase requisition
[3] materials requisition
[4] purchase order

QUESTION 6
From the case study, which one of the following options would best describe Spur’s reason for making the sauces they serve in their restaurants?

[1] There is no competent supplier to make the sauces for Spur.
[2] Spur will have better control over the quality of the sauces.
[4] Spur has the capacity to produce the sauces themselves.
QUESTION 7
CEO of Spur, Pierre van Tonder, indicated that Spur had a renewed focus on supplier relationships. Which one of the following would be an example of stability as a key performance indicator to measure supply chain relationship performance?

[1] “Spur took the strategic decision to outsource all distribution and logistics activities within Spur to Vector, a logistics provider.”

[2] “The first strategic move of this initiative was the acquisition of a 30% stake in a meat processing company called Braviz, the supplier of Spur's famous ribs for the past 11 years.”

[3] “…by purchasing from fewer suppliers, Spur was able to reduce the cost of dishes sold in their restaurants.”

[4] “… by transferring activities to strategic suppliers that had previously been done in each restaurant, franchisees suddenly enjoyed massive cost savings.”

QUESTION 8
“By purchasing from fewer suppliers, Spur was able to reduce the cost of dishes sold in their restaurants, and improve standardisation of dishes. In addition, they could improve monitoring of suppliers to ensure compliance.” Considering this quote from the case study, which type of supplier relationship management does Spur practice?

[1] Optimisation

[2] Transactional

[3] Integrated


QUESTION 9
Logistics decisions are primarily concerned with a trade-off between which one of the following?

[1] Delivery time, customer service and cost

[2] Cost, supplier certification and delivery time

[3] Customer service, demand management and cost

[4] Supplier certification, delivery time and demand management
QUESTION 10
The difference between supply management and purchasing management lies in the following:

[1] Purchasing management is an organisational function, whereas supply management is not an organisational function.
[2] Supply management is strategic in nature, whereas purchasing management refers to performing purchasing activities at a tactical level.
[3] Purchasing management refers to the actual purchasing process, whereas supply management refers to the distribution of requirements internally to different users.
[4] Supply management activities are performed on a tactical level, whereas purchasing management is performed on a strategic level.

QUESTION 11
What is the main difference between logistics management and supply chain management?

[1] The entire scope of supply chain management involves purchasing management and logistics management.
[2] Logistics management mainly focuses on identifying third-party logistics service providers, whereas supply chain management mainly focuses on managing first- and second tier suppliers.
[3] Logistics management is that subsection of supply chain management which is responsible for managing the different flows within a supply chain.

QUESTION 12
Supply management can best be defined as a …

[1] process of planning, implementing, evaluating and controlling strategic and operating decisions to direct all the activities of the purchasing function towards opportunities that are consistent with the organisation’s capabilities in order to achieve its long-term goals.
[2] process of identifying, conducting negotiations with and forming supply agreements with vendors of goods and services.
[3] strategic process of identifying, acquiring, accessing, positioning and managing the resources that the organisation currently or potentially needs to achieve its mission and strategic goals.
[4] strategic management process whereby commodities (materials and services) and suppliers are analysed, and relationships are formed and managed according to best practices and appropriate strategies in support of long-term organisational goals.
QUESTION 13
Third-party logistics services (3PLs) are *for-hire outside agents* to which all or much of an organisation's *logistics activities* can be outsourced. Which one of the following would be considered a *logistics activity* that a 3PL could provide?

[1] Labelling  
[3] Technological development  
[4] Purchasing

QUESTION 14
The two major challenges with the implementation of supplier relationship management (SRM) software, are the assembling of all the data needed for the SRM software and …

[1] employee training  
[2] supplier relationships  
[3] customer relationships  
[4] supplier training

QUESTION 15
Supplier relationship management (SRM) software can offer an organisation a wealth of information and provide answers to questions such as:

[1] Who are our current customers?  
[2] Can we consolidate our buying to achieve greater scale economies?  
[3] How do our customers perceive our performance in terms of on-time delivery, quality and cost?  
[4] What is our organisation’s consistency in terms of performance across different locations?

QUESTION 16
ISO 9000 is based on a series of quality management principles. The … *principle* refers to *establishing unity of purpose and the direction of the organisation*.

[1] factual  
[2] leadership  
[3] customer focus  
[4] continual improvement
QUESTION 17
According to the prescribed book, maintaining a successful strategic alliance programme is a five-step process. **Step 3 is to elevate the importance of the strategic alliance programme.** Which one of the following best describes this step?

[1] Management increases the value and acceptance of alliance programmes when successes are made visible to the organisation’s lower-level managers and employees.

[2] Rewards include increased organisational and other non-monetary awards to ensure ongoing supplier relationships.

[3] Key strategic parameters based on business units, geographic areas or industries are determined.

[4] A director or vice president of alliance programmes is assigned to report to top management.

QUESTION 18
An organisation needs to realise that a collaborative, long-term supplier relationship with shared benefits and problem-solving is the most lucrative supplier relationship strategy. This type of strategy is known as ...


QUESTION 19
The following term refers to an act that creates the greatest good for the greatest number of people:

[1] Rights and duties

[2] Corporate responsibility

[3] Utilitarianism

[4] Sustainability

QUESTION 20
When an organisation wants to improve their supply chain responsiveness, they need to …

[1] reduce supply chain relationships.


Assignment 02 consists of 10 multiple-choice questions. Please refer to the case study “How Spur revamped their supply chain.” Note: Some questions will test your insight, so you will not be able to find the answers on a specific page in the study material.

**LEARNING OUTCOMES**

After completing this assignment, you should have an idea of the multiple-choice questions that we can ask in the examination about supply chain management, specifically with regard to a case study.

<table>
<thead>
<tr>
<th>Assignment 02</th>
<th>(Study units 1 to 7)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Due date</strong></td>
<td><strong>Unique number</strong></td>
</tr>
<tr>
<td>18 September 2018</td>
<td>773283</td>
</tr>
</tbody>
</table>

**QUESTION 1**

By comparing the Australian and UK restaurant markets to the South African market, Spur can …


**QUESTION 2**

Which one of the following customer relationship management (CRM) performance measures should an organisation use to determine if the *marketing* department is meeting their goals?

[1] Sales generated from customer calls
[2] Logged complaints per customer
[3] Repeat customer visits resulting in sales
[4] Annual internal user satisfaction survey

**QUESTION 3**

Which one of the following automated sales force tools would best comply with an organisation’s need to allow sales representatives to follow prescribed sales tactics when dealing with sales prospects?

[1] Sales activity
[2] Lead
[4] Sales territory
QUESTION 4
Which one of the following options would be an advantage of all purchasing decisions being made by a single purchasing department within an organisation?

[1] A common supply base is used, which makes it easier to manage and negotiate contracts.
[2] Buyers at the head office are more likely to know the needs of each retail store.
[3] Purchasing officers at corporate level will have knowledge of local suppliers, allowing materials to be shipped more frequently.
[4] Close contact between users and buyers allow the head office to communicate with operations and other divisions more efficiently.

QUESTION 5
An organisation can decide to review and establish their supply chain strategy in an attempt to improve supply chain integration. Which one of the following options best represents what this step in the supply chain integration model entail?

[1] Product strategies should be translated into internal functional policies.
[2] First-tier suppliers must be identified and links between the organisations should be managed.
[3] The primary strategy must be identified for each supply chain end product.
[4] Procedures and metrics must be put in place to collect and report internal performance data.

QUESTION 6
… can be defined as the part of supply chain management that plans, implements and controls the efficient and effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption to meet customers’ requirements.

[1] Transportation
[2] Logistics management
[3] Distribution management
[4] Distribution channels
QUESTION 7
The value chain comprises of primary and support activities that can lead to a competitive advantage for an organisation when they are configured properly. Which one of the following would be an example of a primary activity in the value chain?

[1] Human resource management  
[2] Technological development  
[3] Purchasing  
[4] Outbound logistics

QUESTION 8
Distribution management entails managing the outbound … processes in a basic supply chain.

[1] downstream  
[2] upstream  
[3] purchasing  
[4] focal firm’s

QUESTION 9
In South Africa, the difference between procurement and purchasing usually lies in the following:

[1] Procurement is the strategic focus of purchasing.  
[2] Procurement entails buying only from government suppliers, whereas purchasing is mainly made from small businesses.  
[3] Procurement is the purchasing function of government entities.  
[4] Procurement entails the distribution of the requirements bought by the purchasing function.

QUESTION 10.
If a retailer in Soweto buys merchandise from a wholesaler to resell in his general store to final consumers, the retailer is the wholesaler’s … in a supply chain.

[1] first-tier customer  
[2] first-tier supplier  
[3] second-tier customer  
[4] second-tier supplier

[END OF ASSIGNMENT 02]
Feedback on the self-assessment assignment will be provided in Tutorial Letter 201. Please try to do this assignment before consulting the suggested solutions.

The objective of this assignment is to empower you by giving you the tools to answer an essay-type examination question. More specifically, it will enable you to demonstrate your ability to apply theory to a case study. Start by familiarising yourself with the technical presentation of answers, as summarised below.

When you answer the assignment questions, first analyse the questions carefully and critically to determine precisely what is required of you. It is important to present your answer in an acceptable format. This entails the following:

- Write down the question as a heading to your answer.
- Use headings and sub-headings, and number them correctly.
- Ensure that you understand the technical requirements of a question (use tables and figures as per the instructions in the question).
- **Structure** your answers and leave lines between headings and main ideas.
- Pay attention to the **mark allocations** of questions. Do not waste time writing an entire page when a question only counts two marks.

You should have studied all the study units in the study guide to be able to answer this assignment effectively.

Please use the case study “How Spur revamped their supply chain” to answer the self-assessment questions.
### SELF-ASSESSMENT

1.1 One of the ways in which Spur has enhanced their relationships with suppliers was through their supplier development initiative. Name the steps in the seven-step approach to supplier development and discuss how Spur should approach each of these steps. *(You will receive marks for the correct application of theory to the Spur case study).*

1.3 The make-or-buy decision can influence the organisation’s competitive position. Discuss the reasons why Spur would decide to outsource distribution while simultaneously deciding to manufacture their own sauces in-house. Use the following headings and *direct quotations* from the case study to structure your answer.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Explain the core competency of Spur.</td>
<td>[1]</td>
</tr>
<tr>
<td>b)</td>
<td>Discuss how the manufacturing of their own sauces in-house <em>and</em> outsourcing distribution relates to Spur’s core competency.</td>
<td>[2]</td>
</tr>
<tr>
<td>c)</td>
<td>Identify and discuss three reasons why Spur would decide to outsource distribution.</td>
<td>[6]</td>
</tr>
</tbody>
</table>

*[END OF TUTORIAL LETTER 101]*