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1601E1146

Candidate's Seat No : \_\_\_\_\_

PG in LM Sem.-1 Examination

Paper-1

Logistics & SCM

January-2025

Time : 2-30 Hours]

[Max. Marks : 70

Q-1	A) Explain basic supply chain Process. Draw the flow of SCM. Also give brief of the importance of supply chain management.	14
Q-2	A) Provide a detailed explanation of the push and pull perspectives within the context of the furniture supply chain.  <u>OR</u>  B) Provide a detailed explanation of the value chain model and its components?	14
Q-3	A) What are the various types of industries that require logistics, and how has logistics evolved over the years?  <u>OR</u>  B) Explain different type of logistics in detail.	14
Q-4	A) Explain difference between Logistics and Supply Chain Management.  <u>OR</u>  B) How important is IT in logistics and supply chain management? Illustrate with the example of any company.	14
Q-5	A) Kindly review the case study and respond to the question provided. Kamal Motors (KM), one of the leading automotive manufacturers, was incurring high cost on logistics and wanted to improve upon the same. They engaged dynamic logistics (DL) as their 3PL partner. The quality team of DL was trained in six sigma practices and worked closely with Kamal Motors to streamline operations and create and maintain a more centralized logistics network. Together, they uncovered several areas for real cost savings	14

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as a result of reducing inbound carrier discrepancies, eliminating unnecessary premium costs, and reducing shipment overages. They implemented accountability procedures and advanced logistics management technologies to gain more visibility of its overall supply network.

At the time, each of KM's three-assembly plants managed its own logistics operations. A decentralized approach provided total control of logistics at the plant level, but resulted in high cost of material handling and transportation. A centralized approach to logistics operation of the company would increase both inventory velocity and visibility throughout the network, as well as reduce supply chain costs. The decision was that DL would centralize and manage all inbound materials handling (550 parts vendors) for three assembly plants and four vendor subassembly plants. The new logistics program would establish a Dynamic Logistics Center that included the following core functions:

- Implement an efficient inbound materials strategy through order dispatching centers.
- Manage all carriers and logistics companies, while reducing premium freight costs.
- Achieve real-time visibility of supply chain shipments, schedules, and orders.
- Improve freight bill payment, claim processing, and complaint resolution throughout the SC.

Under the older plant-centric approach, suppliers would make multiple deliveries of the same parts to different plants. Carriers with half-empty trucks would often cross routes with each other en-route to the same plant. This design allowed for excessive inventory and storage costs at the plant level.

To centralize transportation and distribution operations, DL implemented a new network design consisting of a new ODC (order dispatch center). The ODCs would be a central delivery point for suppliers. Different supplier shipments going to the same plant would now be cross-docked into trailers at the ODC. Shipping loads would be consolidated and delivered on a scheduled basis to reduce the amount of milk runs, less than truckload shipments (LTL), and premium freight charges so they are almost done away with. To meet DL new transportation and distribution standards, more than 300 suppliers were trained on new uniform procedures.

With new stringent carrier requirements in place, DL introduced the accountability by implementing a "carrier rating system." If a carrier accumulated an excessive amount of defaults/errors on their "scorecard," DL would issue a low carrier rating, thus barring the carrier to take part in future bids. In approximately 24 months, DL had completely transitioned KM's logistics operations to a centralized network design. More than 100 inbound and 75 outbound trailers now move to and from KM's ODCs per day. Trailers load carrying has improved to 95% of its capacity. Shipments are now consolidated at the ODC and previously unused cross-docking space is now in high demand.

This new initiative resulted in an inventory reduction of 15%.

#### **QUESTIONS**

- i) Identify the challenge faced by Kamal motor in business. (5)
- ii) Explain in detail about the suggestion given by Dynamic logistics to Kamal motors to overcome challenges and how was it benefited to company. (9)