FINAL EXAMINATION

Semester	:	**JANUARY 2024 SEMESTER**
Programme Name	:	**BA (HONS) BUSINESS 3+0 IN COLLABORATION WITH UNIVERSITY OF PLYMOUTH, UK**
Course Code & Name	:	**MAL3034 OPERATIONS MANAGEMENT FOR COMPETITIVE ADVANTAGE**
Duration	:	**3 HOURS**

INSTRUCTIONS TO CANDIDATES:

1. Please read the instructions given in the question paper **CAREFULLY.**
2. The question paper consists of **FOUR (4)** questions.
3. Answer **ANY THREE (3) QUESTIONS** in the question paper.
4. Answers to the questions are to be written into the examination booklet.
5. Electronic dictionaries, lecture notes, files or any unauthorised materials except writing equipment are strictly prohibited.

This question paper must be submitted along with all used and/or unused rough papers and/ or graph papers (if any). Candidates are **NOT ALLOWED** to take any examination paper(s) used or unused out of the examination hall.

WARNING:

The Examination Board of Peninsula College Georgetown regards cheating as a very 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 Peninsula College Georgetown.

(*This booklet contains 3 printed pages including this page*)

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ALLOWED TO DO SO

Answer **ALL** questions on the separate sheet provided. **[100 marks]**

SECTION A

Operations in an Era of Uncertainty

Operations have always been, and remain, crucial to achieving a competitive advantage. Tim Cook, who has created more shareholder value than any other CEO at any other company, is an operations specialist. Indeed, he believes that being innovative in operations was crucial to Apple's success even when the visionary, Steve Jobs was at the company's helm. But the nature of competitive advantage shifts over time — and so does the role operations plays in it. Historically, the main strategic value of operations was to create scale in order to gain a self-reinforcing efficiency advantage by riding the experience curve. With the digital revolution, static, physical scale lost its edge: By building or leveraging digital platforms and ecosystems that connected suppliers and consumers, even small start-ups were able to attain dominant positions and high margins. Nonetheless, the process of establishing competitive advantage started from the process design and layout decisions.

The Next Frontier of Operational Advantage

We are now entering an era of radical uncertainty, with multiple crises unfolding simultaneously across different scales and timeframes. As a result, firms must be prepared to adapt to a very broad range of plausible future states of the world – and they must be able to do so efficiently, given recently elevated costs of capital. In other words, they must flexibly combine both efficiency and flexibility considerations to thrive in this new era. As companies navigate our era of radical uncertainty, operations will remain crucial to competitive advantage, but in a new way – by creating strategic optionality, efficiently. This means moving from a model of thinking then doing to one of thinking while doing: Strategizing and operationalizing will become even more intertwined, with successful strategies being continuously tuned based on operational data and new operational capabilities emerging regularly to support the strategic intent. Traditionally, companies tend to position itself using three strategies known as cost leadership strategy, differentiation strategy and focus strategy based on target market and planned strategic advantage.

Source: Adapted from Michael Reeves (2023). *Operations in an era of radical uncertainty*. Harvard Business Review. https://hbr.org/2023/10/operations-in-an-era-of-radical-uncertainty

1. Based on the case above, analyse how companies can achieve competitive advantage by leveraging on the following strategies: (20 marks)

   a) cost leadership strategy

   b) differentiation strategy

   c) focus strategy

2. a) Define the four different types of service process design: service shop, service factory, mass service and professional service. (8 marks)

   b) Evaluate with relevant examples the challenges of process choice selection (process mix) for service operations based on the four service types. (12 marks)

3. Critically analyse the influence of **FIVE (5)** factors in manufacturing that affect the selection and configuration of process design and layout decisions (process mix) using pertinent examples. (20 marks)

Total: [60 marks]

SECTION B

4. Critically assess **TWO (2)** main differences between quantitative and qualitative forecasting methods, and outline **THREE (3)** advantages of each method. (10 marks)

5. Just in Time (JIT) aims to meet demand instantaneously with no waste and producing only what it is needed.

   a) One of the important elements of JIT is the elimination of waste. Explain how waste affects the efficiency of a manufacturing operation. Justify your answer with five types of waste. (10 marks)

   b) Examine how JIT helps organisations in minimising operational cost. (10 marks)

6. Explain with an example how capacity planning is applied in the following strategies, giving advantages and disadvantages of each.

   a) Level strategy (5 marks)

   b) Chase strategy (5 marks)

Total: [40 marks]

- END OF QUESTIONS -