

GARISSA UNIVERSITY

**SCHOOL OF BUSINESS & ECONOMICS**

**DEGREE IN BUSINESS MANAGEMENT**

**DEPARTMENT OF BUSINESS MANAGEMENT**

**UNIT NAME: SUPPLY CHAIN MANAGEMENT**

**UNIT CODE: BBM 344**

**Main Exam Draft**

**QUESTION ONE**

Shell Chemical offers its manufacturing customers an inventory-management solution called SIMON (supplier inventory management order network) that simplifies their purchasing process and cuts costs from the supply chain at the same time. With Shell’s automated replenishment system, customers no longer place orders, run out of inventory, or build “safety cushions” of stock. Instead, they’ve integrated their information technology (IT) systems with Shell’s so that they can share information. Every night, data on consumption, inventory levels, and usage forecasts are recorded at the customer’s site and forwarded to Shell. At predetermined inventory trigger points, Shell places a refill order for the customer, schedules order transport, and tracks the shipment until it arrives. The system is invoice-less. Each month, based on consumption figures that both parties share, the customer sends payment electronically. Shell’s solution makes life easier for everyone. By cutting administrative costs for customers and the safety cushions of stock that result from forecast uncertainty, the solution reduces the total amount of inventory in the supply chain and vastly simplifies inventory management. Shell gains an added bonus. In exchange for using the company’s service, and because the solution couldn’t work if inventory from different suppliers were mixed in the same tanks, customers agree to use Shell as their exclusive vendor for products managed under SIMON. By choosing where to focus and achieving best-in-class supply chain performance in those key areas, companies can set themselves apart from the competition.

**Required;**

1. This solution by shell reduces administrative costs but has other costs. Advice shell on the costs of supply chain integration they should watch out for (10 marks)
2. Discuss the benefits of supply chain integration realized by Shell Chemical (10 marks)
3. To assess the effectiveness of SIMON, Shell Company needs to conduct a performance measurement systems (PMS). Discuss the importance of performance measurement systems (PMS) in supply chain management (10 marks)

**QUESTION TWO**

1. Highlight five supply and value chain trends (5 marks)
2. Explain five factors to consider when selecting a supplier (5 marks)
3. Discuss the strategies for supplier relationship management (10 marks)

**QUESTION THREE**

1. Explain the major limitations of using Information technology in supply chain management (10 marks)
2. Explain how the Barcodes system works and highlight its benefits in supply chain management (10 marks)

**QUESTION FOUR**

1. Highlight five techniques of demand forecasting in supply chain (5 marks)
2. State any five strategies on how to manage inventory efficiently (5 marks)
3. Discuss five benefits of adopting green supply chain management (10 marks)

**QUESTION FIVE**

1. Explain any five requirements for successful outsourcing (5 marks)
2. State the main goals of supply chain integration (5 marks)
3. Discuss the strategic supply chain decisions, use relevant examples (10 marks)