

Examiner's Report

Unit Title: Operations Management

Unit Code: 5UOM

RQF Level: 5

Session: March 2021

Comments on unit cohort performance

Task 1

Part (a): Effective operations strategy requires sound decisions on five physical factors that include location, capacity, facilities, flow and process. Discuss the importance of each of these five physical factors in realizing your chosen organisation's strategy.

Part (b): Assess how quality management could help your organisation to remain competitive.

Learning Outcome

- **LO1: Analyse the role and importance of operations management**

1. Comments on learners' performance

Task 1(a): A majority of candidates were able to briefly explain each factor – supported by reference of the official study guide – and then apply it in the chosen context. However, it would be considered a good practice to sum up the response.

Examples of a relatively good development:

- *Since selecting the location is a strategic decision (Lowson, 2002), the organisation chose Poland to set up its new automobile plant as the country offered a stable political environment, relatively cheap land and labour. What's more, the country offers a good access to the EU market.*
- *"Nestle's food products are produced using a continuous flow method along a production line dedicated to producing large quantities (White, 2020)."*

Task 1(b): There was a great deal of diversity in the responses. However, in spite of taking very different routes, a majority of candidates gave good evidence of learning.

Example of a good demonstration of knowledge and its application:

- *TQM, when supported with empowering and engaged leadership, results in the organisation doing things right the first time (Slack and Lewis, 2011). Two important dimensions of quality are performance and reliability (Garvin, 1987). For the biscuit company, these dimensions imply that its product should taste good and be safe to consume. TQM has the potential to achieve this, and therefore create a superior perception of quality that can be a source of competitive advantage.*

2. Recommendations for learners

Topics that are covered briefly in the study guide should be explored in tandem with external academic sources and recommended texts. Many academic resources are available online.

3. Quick Tips

Avoid wasting words on discussing knowledge points that are NOT relevant.

Task 2

Discuss how your chosen organisation might benefit from mapping its supply chain.

Learning Outcome

- **LO2:** Discuss the importance of the supply chain and supply chain management

1. Comments on learners' performance

The key word was 'how' this best practice of supply chain mapping might enable the chosen organisation to build a resilient supply chain.

A majority of candidates showed began the answer with the well-referenced definition of supply chain mapping and then discussed key benefits (risk management by identifying weak links, ethical non-compliance, transparency in sourcing etc.) of mapping. For most, the explanations were basic. However, there was enough evidence of learning. There were some instances of wide research.

Example of a relatively good development (LEVEL 3 / 4 band)

Key point: Mapping as an instrument of supply chain risk management

- *The key aim of supply chain mapping is to allow the focal organisation to assess the potential risks and vulnerabilities arising from complex linkages between suppliers at various tiers of the supply chain, and mitigate "subsequent ripple effects" (Juttner and Ziegenbein, 2009: 199). For instance, mapping makes it easier for the focal organisation to identify the source of non-compliance of the organisation's strict policy on waste disposal. Once the source is identified, the supplier can be made to comply or the contract may be terminated, if non-compliance is unenforceable. This reduces the risk of getting bad publicity due to perception that the organisation's products have negative externality.*

Example of a weak development (lack of focus)

- *The organisation continues to focus on corporate social responsibility as they create an ecosystem of transportation and green energy which can electrify New York.*

2. Recommendations for learners

Use of websites of commercial organisations should be limited to general understanding, but NOT for citations. For example, in this instance, websites such as achilles.com, leathersustainability.com and sedex.com

3. Quick Tips

A useful resource for this particular topic is **Google Scholar** where, with a bit of search effort, relevant articles can be found. One such relevant article available in public domain is: Norwood, F.B. and Peel, D. (2020). Supply chain mapping to prepare for future pandemics. *Applied Economic Perspectives and Policy* (2021), Vol 43 No. 1, pp. 412-429.

Task 3

Analyse using appropriate theory, for example Kraljic's 2 x 2 matrix (Kraljic, P. 1983) how your organisation might improve its procurement decision making and develop more effective purchasing strategy.

Learning Outcome

- **LO3:** Analyse the role of Procurement and Procurement Approaches

1. Comments on learners' performance

Almost all candidates answered this task with great deal of confidence and gave it their best to apply Kraljic's 2x2 category management matrix. With a little more reading, many could have produced good analysis and crossed the threshold of Level 3 marks. However, overall, there were some good, well referenced knowledge points and sound application in context in spite of vanilla development.

Example of a development that shows analysis:

- **Without analysis:** *Strategic items are high profit and high supply risk (Kraljic, 1983). Engine and transmission are strategic items for the automobile company. By entering into a partnership with its key supplier, the company was able to innovate and produce low emission engine at a much lower cost.*
- **Same key point BUT WITH analysis:** *Strategic items are high profit and high supply risk (Kraljic, 1983). Engine and transmission are strategic items for the automobile company. By entering into a partnership with its key supplier, the company has been able to innovate and produce low emission engine at a much lower cost (**Reference company website**). As the government policies around the world are increasingly encouraging the use of low-emission vehicles (**Reference news article**), this partnership driven procurement strategy would allow the automobile company to produce efficient eco-friendly cars and offer them at competitive price which could lead to a larger market share.*

2. Recommendations for learners

Ideally choose an organisation that is global, well known and well covered in press. This would create an opportunity for research, and facts can then be integrated with theory to produce meaningful arguments.

3. Quick Tips

The command word 'analyse' requires from you not only demonstration of knowledge and application, but also how you examine the elements and derive their contribution to the whole.

Task 4

Evaluate to what extent outsourcing transportation and warehousing to a third-party logistics (TPL) provider might be a more effective approach for achieving the cost and flexibility objectives for your organisation.

Learning Outcome

- **LO4:** Analyse the role of logistics and logistics management

1. Comments on learners' performance

This task offered a huge spectrum for discussion as there is a lot of reading material available on third party logistics (TPL). The expected focus in this task was whether outsourcing transportation and warehousing to a TPL could enable the focal organisation to achieve its cost and flexibility objectives while '*preserving the economic value of goods*'. Beyond the basic demonstration of knowledge, the task expected candidates to weigh the pros and cons of taking the services of TPLs for achievement of cost and flexibility objectives by a two-sided assessment of 4-5 key points. Most candidates understood the question but not the requirement of evaluation. The result was responses that were one-sided in almost all cases except a few.

Example of a relatively good development:

Key point: Linking the flexibility objective with TPL outsourcing – a two-sided approach

- *“Warehousing outsourcing strategy to a third party might help Nike to achieve the flexibility objective (Slack, Chambers and Johnston, 2010). Taking the route of third-party public warehouse will give Nike the ability to expand or shrink the number and location of warehousing facilities in response to the market demand (Ross, 2003). However, if logistics is one of Nike’s core-competences as a result of investments made in warehousing management software and managerial talent, then the organisation may experience a loss of control especially if the TPL lacks the necessary IT infrastructure. This shortcoming has been highlighted by Coyle et al. (2009: 126): “When asked about their overall satisfaction with the software and IT support available from 3PLs, most users indicate that improvement is needed.”*

Comment: by taking a two-sided approach on key points – as illustrated above – a logical conclusion could be drawn and the response can be ended with a sound judgement.

2. Recommendations for learners

Practice assignment writing by building small but sharply developed 300-500 words pieces. The habit of inserting good quality academic sources at appropriate places must be cultivated.

3. Quick Tips

A useful resource for preparing for this topic is the article '**Logistics – Taking the road to success**' published in the '**FOCUS**' magazine, *issue 62, May-Oct. 2019*.

Some practices to consider and adopt in assignment-based assessment

- Ideally the organisation chosen for context should be a multinational corporation. Such context increases the opportunity for research on the focal firm, its competitive landscape and the industry in which it operates. It also makes the examiner's task much easier as facts can be checked easily.
- The purpose of references is to underpin/support arguments with theory and other relevant material. The list of references at the end need not run into multiple pages. For a task of 1000 words, 8-10 distinct and good quality academic citations and other sources (*news articles / corporate websites / financial reports*) – relevant to the chosen organisation – may be enough to give evidence of research. Some sources may be common across tasks. The reference list in the end should comprise of these citations. The background reading material that is not cited in the responses, need not exceed 5-6 in number. This implies that a bibliography of 20-25, which includes references cited in the body of response, plus other good quality reading material not used in supporting arguments, would be considered sufficient.
- There is no need for a holistic conclusion at the end of the assignment. Ideally each task – and particularly those for which the requirement is '*assess*', '*analyse*', '*recommend*', '*justify*' or '*evaluate*' – should end with a conclusion or judgement drawn logically from arguments presented.