

MONDAY: 5 December 2022. Morning paper

Time Allowed: 3 hours.

Answer ALL questions. Marks allocated to each question are shown at the end of the question. DO NOT write anything on this paper.

SECTION A

QUESTION ONE

- (a) Outline FIVE ways logistics management creates customer value. (5 marks)
- (b) Identify FIVE factors to consider when developing a logistics strategy for the organisation. (5 marks)
- (c) State FIVE benefits of market segmentation in logistics management. (5 marks)
- (d) Explain FIVE metrics that can be used to measure the performance of logistics service providers. (5 marks)

(Total: 20 marks)

SECTION B

QUESTION TWO

- (a) Examine FIVE challenges an organization may face when managing global logistics. (10 marks)
- (b) Describe FIVE factors considered when developing a customer service policy for an organization. (10 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Illustrate FIVE terms that can be inserted in a service level agreement with a third-party logistics provider (3PL). (10 marks)
- (b) Determine FIVE information and communication technology (ICT) tools that can be used to enhance logistics operations (10 marks)

(Total: 20 marks)

SECTION C

QUESTION FOUR

Read the case study below and answer the questions that follow.

HATNA INC

Hatna Inc has been a major supplier of domestic electrical appliances such as microwaves, televisions, blenders, fryers and cookers. It has been working as an independent company importing these appliances from Asian. Its product market has grown tremendously in the past two years among customers because of fair pricing and quality of the electrical appliances. Hatna Inc has embarked on an expansion programme, but its logistics operations in the new markets have been quite ineffective, resulting in a rapid cost rise.

Hatna Inc has decided to overhaul its logistics and distribution operations to redesign its logistics and distribution strategy to achieve effective customer service and reduce logistics costs. To start with, Hatna Inc designed a mission statement for logistics “to deliver goods to customers in good condition at a favourable price”. The move has laid the foundation of the new

culture based on customer satisfaction and performance while at the same time benchmarking with best-in-class companies offering similar services.

Hatna Inc's expansion program is now bearing fruits and management in its quest to improve the efficiency of logistics operations and customer satisfaction. The management intends to implement the following within six months:

- Begin a collection of old appliances from its customers for recycling and disposal.
- Compensate customers who collect old appliances for recycling and disposal.
- To outsource warehousing and transport for the new markets.
- Install enterprise resource planning (ERP) system to manage Hatna Inc operations globally and locally.
- Develop a customer service policy for the new market.

Required

- (a) Hatna Inc aims to collect old appliances from customers for recycling and disposal for compensation. Analyse FIVE benefits of this approach to Hatna Inc. (10 marks)
- (b) Advise Hatna Inc on FIVE risks the company may encounter by outsourcing warehousing and transport functions. (10 marks)
- (c) Propose FIVE challenges Hatna Inc may face in implementing the enterprise resource planning. (10 marks)
- (d) Recommend FIVE measures Hatna Inc can put in place to reduce logistics costs. (10 marks)

(Total: 40 marks)

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