

**CHALMERS**

KANDIDAT

**TEK118-0005-EUY**

PROV

**TEK118 HT18 LP1**

---

Ämneskod	--
Bedömningsform	--
Starttid	01.11.2018 13:00
Sluttid	01.11.2018 17:00
Bedömningsfrist	--
PDF skapad	21.11.2018 10:11

---

**Info**

Fråga	Uppgiftstyp
<b>i</b>	Dokument

**Multiple choice questions**

Fråga	Uppgiftstyp
1	Flersvarsfråga
2	Flersvarsfråga
3	Flersvarsfråga
4	Flersvarsfråga
5	Flersvarsfråga
6	Flersvarsfråga
7	Flersvarsfråga
8	Flersvarsfråga
9	Flervalsfråga
10	Flersvarsfråga
11	Flersvarsfråga
12	Flersvarsfråga
13	Flersvarsfråga

**Text questions**

Fråga	Uppgiftstyp
14	Essä
15	Essä

- 1 Which of these statements are in line with what we have discussed concerning the actor dimension in the Industrial network perspective?

**Select one or more alternatives:**

- Power is more utilized in evolving networks than in traditional channels
- Power is less apparent in evolving networks than in traditional channels
- Conflicts should always be avoided in relationships
- Power has in recent years shifted from manufacturers to retailers
- There is greater conflict potential in high-involvement relationships than in low-involvement relationships
- Power is rooted in dependence

---

Totalpoäng: 3

**2** In the course we have discussed the discrepancies between buyers and sellers that must be overcome. Which are these?

**Select one or more alternatives:**

- Discrepancy in quantity
- Discrepancy in communication
- Discrepancy in space
- Discrepancy in assortment
- Discrepancy in information
- Discrepancy in identity
- Discrepancy in power
- Discrepancy in time

---

Totalpoäng: 3

**3** In the course we have talked about physically efficient and market responsive supply chains. What is true about these two supply chains?

**Select one or more alternatives:**

- Products that fit into physically efficient supply chains have a long product life cycle
- Physically efficient supply chains will minimize inventory throughout the chain
- Market responsive supply chains will deploy excess buffer capacity
- Market responsive supply chains will generate high inventory turns
- Products that fit into physically efficient supply chains are difficult to forecast

---

Totalpoäng: 3

**4** Which of the below is (are) way(s) for sustainable value co-creation in B2B networks with a service dominant focus?

**Select one or more alternatives:**

- Involving customers in sustainable product / service innovation processes
- Acknowledging and managing the interface between customer and supplier networks
- Working with sustainability KPIs (key performance indicators) for new product/service development in the production department of an organization
- Building communication channels for collecting customer and user input for sustainability value
- Auditing suppliers based on sustainability management systems like ISO 14001, 26001 or 18001

---

Totalpoäng: 3

5 Merge-in-transit could be a good solution when you want to

**Select one or more alternatives:**

- Reduce costs associated with material tracking activities
- Increase customer service
- Improve Time to Customer
- Offer focused product offerings

---

Totalpoäng: 3

6 The principle of speculation, according to Bucklin (1965) is applied in order to take advantage of:

**Select one or more alternatives:**

- Reduction of stockouts and related costs
- Limitation of loss of consumer good will due to stock outs
- High interest rates
- Large scale production
- Small frequent orders reducing the cost of sorting and transportation

---

Totalpoäng: 3

7 Which of the below attribute(s) of digital technologies put(s) a burden on sustainability of supply chains?

**Select one or more alternatives:**

- The rapid development of digital technology causes products dependent on this technology to have a shorter life cycle
- Digital communication tools, like social media, helps customers to share information about sustainability
- Digital technologies enable real-time monitoring of data that supply chains require
- Digital technologies require an enhancement of existing distribution channels
- Digital technologies enable customers to order all types of goods and services any time and from anywhere in the world

---

Totalpoäng: 3

8 Which of below is/are among action(s) to take for achieving sustainable supply chain management?

**Select one or more alternatives:**

- Developing controlling and monitoring systems for suppliers that cover all aspects of triple bottom-line
- Separating various parts of supply chains according to their vulnerabilities in relation to sustainability
- Searching partners that can handle the outsourced operations below their existing cost with current suppliers
- Configuring the supply chains that organizations operate within and setting the boundaries for control
- Focus on the internal organization and develop sustainability goals for the organization

---

Totalpoäng: 3

9 Which of the below is a characteristic of Life Cycle Assessment (LCA)?

**Select one alternative:**

- LCA exhibits the introduction, growth, maturity and decline phases of products and services
- LCA refers to the evaluation of suppliers with respect to their sustainability activities
- LCA is a method that measures and analyzes the environmental impact of products throughout their life; i.e. from development to after-use
- LCA is a method for designing closed-loop supply chains
- LCA is a method that companies use to understand the environmental impact of their products throughout the production process

---

Totalpoäng: 1

10 What is true about Supply and Demand Chain Management?

**Select one or more alternatives:**

- Supply Chain is Physical efficient and Demand Chain market responsive
- Integration of those that define demand (Marketing: externally focused on value creation) with those who fulfill it (SCM: Inward focus on efficient use of resources).
- Value chain management can be seen as the same as the demand chain management
- SCM has focused on efficient supply and has been cost oriented while marketing has focused on demand generation and revenues (sales). Demand Chain Management has been pointed out as a solution to accomplish this reintegration.
- DCM has been defined as "a set of practices aimed at managing and coordinating the whole demand chain, starting from the end customer and working backward to raw material supplier".

Totalpoäng: 3

11 One idea in Value added distribution is splitting manufacturing in two parts, primary and secondary manufacturing. What is true about this idea?

**Select one or more alternatives:**

- It concerns the postponement of inventory from a local to an international level, i.e. a upstream repositioning of the supply chain
- It involves place postponement of primary manufacturing from a global level to an international level, i.e. a downstream repositioning of the supply chain
- The idea is based on that distribution units creating customer unique products, carried out by creating a customer specific product option, from standardized components, i.e. a downstream repositioning of the supply chain
- The transfer of value-adding services from an international level to local levels in distribution units, i.e downstream in the supply chain

Totalpoäng: 3

12 According to marketing channels theories the distribution channel will contain many warehouses if:

**Select one or more alternatives:**

- The products are customised
- There are many competent middlemen available
- The customers purchase large volumes
- The number of customers is large
- The customer structure is geographically spread out

Totalpoäng: 3

13 Which of these statements are in line with what we have discussed concerning the resource dimension in the Industrial network perspective?

**Select one or more alternatives:**

- There is a maximum potential value of a resource
- Resources can be homogenous
- Resources are heterogeneous
- The value of a resource depends on how it is used
- Resourcing means making the best use of the resources available to a firm
- The 4-R model discusses the following four resource categories: Products, Facilities, Financial assets, People

---

Totalpoäng: 3

- 14** Office LFC. is a supplier of office equipment's (printers, copiers, papers, toners etc). They work with a traditional business model which essentially means selling as much hardware (copiers and printers) as possible. The sales force also gets bonus based on how much hardware they sell. Recently their profitability has decreased and they are selling less copiers and printers than before.
- The CEO of Office FC, Mr. Keegan, is very worried about the situation and has argued that the firm needs to reconsider its business model and try to move towards a new business model, that he had heard about from a former colleague, Sir. K. Dalglish, which he refers to as 'Servicizing for improved profitability'.
- Based on your knowledge about "Servicizing" discuss:
- a) What would the main advantages of this new business model be? (2p)
  - b) What are the main challenges for Office LFC when changing business model? (2p)
  - c) What should they do to manage the change of business model? (2p)

**Fill in your answer here**

A new business model of servitization could be that LFC should take care of their customers documents. Instead of selling hardware they could move to leasing and including software as well. They should package their whole deal as a "document handling service".

a) The main advantages of servitization of the printer business is that

- Add value due to extra services of the printers and papers
  - LFC could offer services of the printers regularly which would bring a recurring revenue which is very important today for a company's ROI
  - They can reuse old printers if they have leasing agreements and sell the scrapped parts, or reuse the parts that is reusable when the customer is done with the service
  - In the future the LCA-footprint will probably be regulated or taxed, so having power over the hardware and plastics is important for future profits.
  - With their own services they can take control of the aftermarket segment, by using their own ink and papers when servicing and refilling the printers
- Minimize their ecological footprint through using less paper, printers and ink.
  - Customers might be able to share a printer at another place if they don't use it so much
  - LFC will fill up the paper when it runs out and charge a fee per used sheet, instead of making their customers buy papers in bulk
  - The business model could then continuously move towards digital document handling and develop a software to handle all documents on the web to further decrease the ecological footprint

b) It will be internal and external challenges

- Internal
  - Employees will have to change from bonus systems when selling hardware and might provide some resistance
  - Employees will have to learn a new way of working, and change their routines
  - You might have to fire some and hire new people that have more competence in the service / technical area
  - In the beginning it will be a lot of costs due to the change and could push the margins even further
- External
  - How will the customers react to the change from products to services?
    - They should think of their core competence and should be happy with buying a service instead of hardware. But you might have to split the profits between the customer and LFC if the customers already have tight margins and isn't able to spend more money on additional services.

c) To manage this change of business model they could do following stuff.

- They could give their employees bonuses and rewards depending on how many printers and services they can provide with high quality. So for example if you have monthly services on the printer, if a staff manage to service 40 printers in one week and another is only servicing 30 printers they will get bonuses accordingly.
  - A problem with bonus systems is that speed could affect quality of the work so you will have to make sure there are a clear checklist of what should be done and some sort of quality assessment list of the services.
- They could keep their old business model and let their customers get a free month of trial to test the new leasing service. In that way you could let the customer see the benefits of the service and see that it will add value and then implement it.
  - To do this it would affect the profitability in the short term but in the long run you could achieve more customers. Trial versions exist in almost any purchase today so I think it is important. When you buy your car you can borrow it for a weekend for free, and many kinds of computer softwares also has some sort of trial period.

There has been many examples of servitization during the last couple of years and it seems to be where we are heading.



- 15 In the course we have discussed middlemen in marketing/distribution channels. When e-commerce was introduced there were a lot of discussions about dis-intermediation. Why did this discussion come then? What happened and why? Please discuss and elaborate around this topic.

**Fill in your answer here**

#### **Looking at intermediaries from an old perspective**

When e-commerce arrived, the manufacturer didn't see the value of having intermediaries. The causes of this could be that the manufacturer was having the perspective of intermediaries as bridging the gap of place and time. A manufacturer couldn't provide all the customers with all the possible products on every position in the world at the same time, that is why they needed middlemen. With e-commerce they thought that everyone would start to order through the web. If that would be true then they could skip the middlemen and send direct to the end consumer.

#### **Alternative roles and gap bridged by the intermediaries**

The problem was that it wasn't working so well. Intermediaries could have another role than just bridging the gap of time and place. They could also be doing promotions, provide the customer with a specific assortment and information to the customers. A customer might want to have a physical person to talk to because that can provide more trust than what they feel they get on the web.

The customer could feel value of being able to touch and feel the products in store before buying. You have to look at the customer's perspective when designing a supply chain. Some customers might not want to pay for the shipment and want to go to the store themselves.

#### **Globalization**

Today as shipping all across the world gets cheaper and faster it is easier to ship, the customers might reconsider buying from the web and then ship back if not satisfied, when shipping is cheaper and easier. This might decrease the value added of having intermediaries like retailers.

#### **The IDR cycle exemplified**

Intermediation is the idea of adding intermediaries to help you expand your company and to be able to focus on your core competences. With for example retailers you can reach out to the whole world instead of just your region. Then you can scale up the production and get economies of scale without having to manage stores from all over the world.

An example of disintermediation is Dell, that build their computers on order from customers. The customers had good knowledge of computers and were then able to get the latest computer parts very quick from the release. Instead of when using intermediaries, they had to make computers to stock and then you as a customer weren't able to get the very latest processor units, or graphics cards for example.

An example of reintermediation is when you see that intermediaries can create additional values and bridge more gaps except from those in the past. When technology is evolving you might want to add servitization. If Volvo Cars want to use car pools instead of selling one car to one customer, then they might add an intermediary to handle the car pool. Then they could sell to bulk to the car pool and the car pool company would handle the customers.

#### **Today and in the future**

I think it is important to have a very flexible supply chain, and exist on both the web as well as physical stores. I think you can benefit from Omni-channels for example, where you can minimize transportation costs if the customer is returning products in store. When the customer is in the store you could also receive additional sales. You have to be open minded to intermediaries but also to try out disintermediation and try to see if customers are ready to skip them. The technology is changing rapidly and you never know where we are heading in the next couple of years.

Totalpoäng: 5