



**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER I  
SESSION 2019/2020**

COURSE NAME : OPERATIONS STRATEGY FOR  
TECHNOLOGY MANAGEMENT

COURSE CODE : BPB 34603

PROGRAMME : BPA

EXAMINATION DATE : DECEMBER 2019 / JANUARY 2020

DURATION : 3 HOURS

INSTRUCTION : ANSWER ALL QUESTIONS

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THIS QUESTION PAPER CONSISTS OF FOUR (4) PAGES

**Q1** Once, the only profession that saw their work as a series of ‘gigs’ were stand-up comics and musicians. No longer. Now it is common for many professional people from Web developers to consultants to offer their expertise in an ‘on-demand’ talent marketplace. Partly, this trend established itself because of the downturn in many economies after the financial crisis of 2009. This affected even professional service firms like lawyers and designers. Staff numbers were cut, professionals laid off, and recruitment slashed or postponed. It also led to a certain grim humour. ‘What do you say to a recent law-school graduate?’ Answer – ‘A skinny double-shot latte to go, please.’ But businesses, including professional services, recover as economies recover. Possibly more significant is that such firms are taking far more advantage of outsourcing to protect themselves against fluctuations in demand (as well as cut costs generally). Partly also, it has been argued that the trend is a function of a desire of some people to gain more flexibility in their working lives. This has been significantly facilitated by cloud-based platforms that make it easier for freelancers to advertise their skills and their potential customers to find the people they need. A good example is that of, Ying Li Looi-Garman, who is a freelance video producer. Based in Singapore, she is one of the many skilled professionals who work and advertise their talents independently, rather than applying to conventional recruitment agencies. She uses a cloud-based video production platform called ‘90 Seconds’ that has a network of over 5,000 freelancers in 70 countries, and gets between 4 and 10 jobs every month. The platform hosts her profile page that lists her experience and also a show-reel of her work. The platform, she says, ‘offers flexibility. I work from home and I can just accept work when I want’. And because all communication with her clients is via one central hub, communication is efficient. ‘If there’s a new script change or say I’ve made a video cut, the client gets updated through the platform’, she says. But not everyone is enthusiastic; to some critics it signifies a dystopian future where disenfranchised workers have to desperately scavenge for their next scrap of work. While some see the platforms that enable the gig economy (such as Uber, the cab hailing service) as the passage to more freedom, others say they depend on low wages (for drivers, in the case of Uber) who, because they are often treated as independent contractors, enjoy none of the protections of conventional employees.

*(Page 171: Nigel Slack and Michael Lewis, Operations Strategy 5th Edition, 2017)*

Based on the above case study, answer the following questions.

(a) Define:

- (i) purchasing
- (ii) value creating supply networks

(5 marks)

(b) Compare in house and outsourced supply that affect an operation’s performance objective using appropriate examples.

(10 marks)

(c) Elaborate **TWO (2)** categories of purchasing and supply risks using appropriate examples.

(10 marks)

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**Q2** Technology has a profound impact on all operations. However, despite a widespread acceptance of its significance, strategic analysis too often treats it as a black box fit only for technical experts.

- (a) Discuss **TWO (2)** suitable dimensions for characterising process technology. (5 marks)
- (b) Distinguish **THREE (3)** generic classes of evaluation process technology criteria by using appropriate examples. (15 marks)
- (c) Describe **TWO (2)** dimensions of strategic operations resources. (5 marks)

**Q3** Organizations aspire to develop and improve their operations on a more routine basis by using ongoing improvement activity.

- (a) Distinguish managing large breakthrough improvement and managing continuous improvement. (10 marks)
- (b) Explain **TWO (2)** of the improvement cycles. (5 marks)
- (c) Elaborate the **FOUR (4)** stages of deployment of operations capabilities into the market. (10 marks)

**Q4** There are limits to the ability of any organisation to align itself to changing environmental requirements. This is because in any complex system there are certain resources and processes that tend to prevent adaptation/innovation rather than enable it, or, in other words, organisations are subject to a wide range of inertial forces. The dictionaries tend to define inertia as ‘the tendency to continue in the same state [or] to resist change’, and as we discuss the practical challenges of achieving operational alignment, it is important to explore the sources of inertia. One of the most infamous examples of an operation that was unable to overcome inertia and adapt itself to a new set of market requirements is IBM between 1980 and the mid-1990s, when it struggled to adapt to the world of the PC. It is easy to forget that in 1980 Microsoft was a start-up with fewer than 50 staff (IBM had 300,000 employees), and that despite phenomenal growth, by 1982 the combined market capitalisation of both Intel and Microsoft was only about one-tenth of IBM’s. But many successful organisations contain the seeds of their own downfall – a phenomenon that has been explored by a number of authors, including Dorothy Leonard.<sup>11</sup> When discussing the relationship between what she calls core capabilities and core rigidities, Leonard offers the following quote from John F. McDonnell of the McDonnell Douglas Corporation to illustrate the phenomenon of success-enabled inertia:

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*'While it is difficult to change a company that is struggling, it is next to impossible to change a company that is showing all the outward signs of success. Without the spur of a crisis or a period of great stress, most organisations – like most people – are incapable of changing the habits and attitudes of a lifetime.'*

But why should this be so? Surely success generates revenue and profits that in turn can be invested in the future of the firm? Inertial forces need to be understood if their negative impact is to be overcome. If we explore the impact of high levels of success we can discern a number of specific structural issues that can increase the potential level of inertia.

*(Page 323: Nigel Slack and Michael Lewis, Operations Strategy 5th Edition, 2017)*

Based on the above case study, answer the following questions.

- (a) Discuss **TWO (2)** roles of alignment. (8 marks)
- (b) Elaborate **TWO (2)** analysis for formulation using appropriate examples. (12 marks)
- (c) Explain **TWO (2)** challenges to operations strategy formulation. (5 marks)

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- END OF QUESTIONS -