



**UNIVERSITI TUN HUSSEIN ONN
MALAYSIA**

**FINAL EXAMINATION
SEMESTER I
SESSION 2011/2012**

COURSE NAME : OPERATIONS STRATEGY
COURSE CODE : BPC 4103
PROGRAMME : 4BPB
EXAMINATION DATE : JANUARY 2012
DURATION : 2 HOURS 30 MINUTES
INSTRUCTIONS : ANSWER ALL QUESTIONS

THIS QUESTION PAPER CONSISTS OF FOUR (4) PAGES

- Q1 (a) Explain why, the way in which companies develop their products and services is so important. (5 marks)
- (b) Compare the differences between managing large 'breakthrough' improvement and managing continuous improvement using appropriate. (10 marks)
- (c) Describe how should a manufacturing company judge the effectiveness of the product and service development process in terms of fulfilling the market requirements. (10 marks)

Q2 Born in 1961 into a family of shoemakers in Penang, Jimmy Choo made his first shoe when he was only 11. He worked part-time as a shoe factory cleaner to help fund his education in London. International fame came when his creations were featured in a record eight pages in a 1988 issue of Vogue magazine. His handmade shoes have adorned the feet of some of the world's best dressed women. He said, "If you get into Vogue you can get into any magazine. I worked hard but I was also very lucky that Vogue asked to feature my shoes."

Virtually all large luxury goods makers hail from Europe, and while Europeans and Americans consume a large portion of luxury goods. Luxury retailers are increasingly shifting manufacturing to cheaper labor regions such as China and India.

- (a) Assess the attractiveness of the Chinese or the India markets for an operation like Jimmy Choo's shoes. (5 marks)
- (b) Assess what will be the downside of moving the manufacturing operation of Jimmy Choo's shoes to such countries. (5 marks)
- (c) Illustrate in an operation strategy matrix, how Jimmy Choo's shoes competitive strategy is related to operations strategy. (10 marks)
- (d) Explain what the formulation process is trying to achieve, in terms of the operations strategy matrix. (5 marks)

- Q3 Jeans are one of the most commonly worn types of clothing around the world. Not surprisingly, the thread which holds them together has to be strong and of high quality.

Coats Thread is a major manufacturer of jeans thread, supplying product to companies such as Levi-Strauss and Vanity Fair (who manufacture Lee and Wrangler brands). The manufacturer of jeans thread involves spinning the polycotton corespun thread, formulating and mixing the dyes, dyeing the thread in batches, lubricating and winding the thread onto smaller reels and shipping these to many jeans factories around Europe. Up until recently Coats sold product on a country-by-country basis, with up to five of its plants each producing jeans thread for customers all over Europe. Now all of Coats' jeans thread for its European markets is distributed through a single plant in Scotland. All orders and deliveries are also dealt with by a single integrated supply chain planning and control system. This has led to significant advantages for both Coats and their customers. The Scottish plant could focus on the manufacturing and marketing skills necessary to sell into this market and their customers had a single point of contact when they wanted to discuss supply issues.

- (a) Describe the main competitive issues in selling thread to jeans manufacturers. (10 marks)
- (b) Determine the main issues for Coats' operations management. (15 marks)

Q4 Originally called the Swallow Side Car Company, Jaguar Cars was founded in 1922 and became famous for its luxury and sports cars. In 1990, Jaguar was taken over by Ford and is now a wholly owned subsidiary. At the time of the Ford takeover, Jaguar's quality performance was something of a paradox. Aesthetically and in terms of on-the-road performance the cars were often highly regarded, especially by a hard core of enthusiasts.

Yet even they could not ignore Jaguar's reputation for making cars which were, in comparison to its rivals, of exceptionally poor reliability. Plagued by under-investment and a conservative technical-led, rather than customer-led, culture, the company's old plants were struggling to achieve even acceptable levels of conformance quality. At this time, the JD Power survey of customer satisfaction of cars imported to the US ranked only one car (the Yugo) lower than Jaguar.

All this changed through the 1990s. The company invested heavily in training, especially in quality techniques such as statistical process control. Piecework was abolished, as was 'clocking in' and a general productivity bonus introduced which encouraged flexible working. Other shop floor initiatives included the introduction of multi-skilled teams, total productive maintenance, continuous improvement teams and benchmarking against the best in the business. The success of this quality improvement programme was dramatic. It encouraged Ford to invest in new Jaguar models and also had a significant impact on customer satisfaction. The same surveys which once put Jaguar at the bottom of the league now rank it in the very top group of luxury car makers.

- (a) Relate what 'quality' means for a motor vehicle manufacturer such as Jaguar. (5 marks)
- (b) (i) List the changes which Jaguar made to its operations practice. (5 marks)
- (ii) Discuss how these changes affect the quality of its products. (15 marks)

END OF QUESTION PAPER