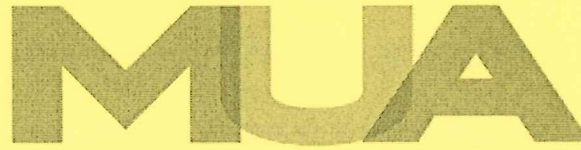


The
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POSTGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MASTER OF BUSINESS ADMINISTRATION

LSO 501: LOGISTICS AND SUPPLY CHAIN MANAGEMENT

DATE: 28th march, 2022

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow

THIRD PARTY LOGISTICS PROVIDERS IN SPAIN

Increased global competition has caused the managerial paradigm to shift from “bigger is better” to “lean and mean”. Outsourcing logistics is part of a general trend toward contracting out some of the activities in a company’s value chain. Inside this changing scenario new actors have emerged, in particular third-party logistics (3PLs) providers. During the last two decades or so, the third-party service provider industry has changed dramatically. In order to be successful in today’s competitive environment, 3PLs increasingly strive to develop close, mutually beneficial long-term relationships with customers. Third party users highly value their 3PL relationships, with 89 per cent of all users surveyed agreeing they represent a strategic, competitive advantage to their companies. That sentiment is borne out by savings in costs and fixed assets and shorter order cycles. 3PLs are also delivering customer service and business process efficiencies. Furthermore, third-party service providers continue to bring strategic and operational value to customers worldwide: total spending on logistics accounts for an average 11 per cent of sales, 42 per cent of which is channelled into the outsourcing of logistic services. In Spain the participation of the logistics sector in economic activity as a whole is similar to that found in primary developed areas such as the USA and other EU states. However, with regard to the degree of maturity shown by European markets in their use of 3PLs there are notable differences between countries. The UK leads the way in terms of the proportion of total logistics spending that goes on outsourcing, followed by France, Luxembourg, Germany and Holland. At the other end of the scale, Greece, Italy, Portugal and Spain have less mature logistics markets and so within Spain there are enormous opportunities for 3PLs providers. Specifically, in 2005 the 3PL providers market in Spain was worth e2,865 million, a fivefold increase on the figure of ten years previously, and this in a sector that has shown growth rates of around 10 per cent in recent years.

Required

- a) Increased global competition has caused a paradigm shift in management approach of “bigger is better” to “lean and mean”. Critique the statement in relation to 3PL providers as in the case. (15 marks)
- b) In reference to the case study, examine the reasons for outsourcing, its pros and cons. (15 marks)

QUESTION TWO

- a) Identify five different types of activities that companies can perform in coordinating logistics management. (10 marks)
- b) Extensively elaborate the emerging packaging alternatives (5 marks)

QUESTION THREE

- a) Effective logistics and supply management can provide a major source of competitive advantage. Discuss five sources of competitive advantage in supply chain management. (10 marks)
- b) Containerization have the basic objective of increasing handling and transport efficiency. Explain five benefits of rigid containerization (5 marks)

QUESTION FOUR

- a) Explain five potential areas of measuring logistics performance (5marks)
- b) The foundation for developing a successful channel arrangement rests in fully understanding the underlying economics of distribution. Explain the economic functions in logistics and supply chain (10 marks)

