

FINAL EXAMINATION

December 2013

P-17(SPM)

Syllabus 2012

Strategic Performance Management

Time Allowed: 3 Hours

Full Marks: 100

The figures in the margin on the right side indicate full marks.

This Question paper has been divided into 3 parts viz., Section-A, Section-B and Section-C. Section-A carries 60 marks, while Section-B & C carry 20 marks each.

Please note:

- From *Section-A: Performance Management*, you are to answer Question No. 1&2, which are *compulsory Questions*, each carrying 15 marks. Further answer any *three Questions* from the rest of the Questions in this section, each carrying 10 marks.
- From *Section-B: IT & Econometric tool in Performance Management*, you are to answer any *one Question*, carrying 20 marks.
- From *Section-C: Enterprise Risk Management*, you are to answer any *one Question*, carrying 20 marks.

SECTION A (60 Marks)

Performance Management

You are to answer Question No. 1&2, which are compulsory Questions, each carrying 15 marks. Further answer any three Questions from the rest of the Questions in this section, each carrying 10 marks.

1. M/s. Kraft Foods Ltd., is the world's second largest food company, with an average annual turnover of over ₹ 200 Billion. The company provides the best brands of Coffee, Chocolate, Cheese and many savory food items. To help in consistently delivering against its objectives,. M/s. Kraft Foods Ltd. has created a very strong Supply Chain Relationship between the company and its Suppliers/Customers. M/s. Kraft Foods Ltd., believes that a truly excellent Supply Chain Relationship with its customers cannot be achieved without the support and co-operation from its employees. Further the company believes that Customer Satisfaction is the key for its success.

M/s. Kraft Foods Ltd., is committed to ensure that right products are made available to its customers at right time and in right quantity and price. Its brand image is quite strong, based on 3 key areas, viz., quality, value and trust.

M/s. Kraft Foods Ltd.'s supply chain functions are provided with excellent operational support, which helps to deliver, as per its objectives.

M/s. Kraft Foods Ltd., focused on the successful management of a customer order from the moment it is compiled at the customer, its processing through M/s. Kraft Foods Ltd.'s order systems to the point of delivery at the customer warehouse. The company's policy is to ensure that any 'waste' that could cause delay or disruption should be eliminated. The customer order is compiled correctly, using accurate data, sent at agreed timings with jointly agreed delivery windows. Ideally the order is electronically communicated using EDI or

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the Internet. Further the company believes that e-commerce is improving communication with the use of e-mail and the extranets making contract and the sharing of knowledge and information faster and easier.

You are required to—

- (i) Describe the objectives of Supply Chain Management, with regard to M/s. Kraft Foods Ltd.,
 - (ii) Describe the importance of Supply Chain Management to the company under reference viz., M/s. Kraft Foods Ltd.,
 - (iii) Describe the measures taken by M/s. Kraft Foods Ltd., to change to Supply Chain Management. What are the benefits the company has been able to derive due to its sound Supply Chain Management? 5×3
2. M/s. Royal & Sun Alliance is one of the world's major insurance companies, with operations in 50 countries around the world. Like other service industries, Insurance companies are faced by consumers, whose requirements are becoming increasingly sophisticated and whose willingness to switch to another supplier is on the increase. To compete successfully and thrive in its environment, M/s Royal & Sun Alliance must be forward-thinking in their approach to its customers and in applying new techniques. M/s. Royal & Sun Alliance has applied successfully the concept of customer segmentation and relationship management to achieve successful relationships with its key customers. M/s. Royal & Sun Alliance sells most of its commercial business thru' Insurance brokers, who place the business with the company, on behalf of their industrial and commercial customers. Because selling insurance is so competitive, it was essential that the company focused on working with high quality brokers, who had a positive attitude to business.

M/s. Royal & Sun Alliance believed in

- Understanding each customer's unique needs.
- Developing strategic plans and achieve mutual goals.
- Provide the tools, resources and service to achieve goals.

A Relationship Manager controls the overall business strategy and acts as a co-ordinator between different business divisions and customers.

M/s. Royal & Sun Alliance has created a website dedicated to its customers.

You are required:

- (i) to define Customer Relationship Management.
 - (ii) what are the problems faced by the company before implementing Customer Relationship Management?
 - (iii) what are the steps taken by the company to solve the problem? 5+5+5
3. The following is the pay-off matrix of a game, being played by A and B. Determine the optimal strategies for the players and the value of the game:

		<u>B's Strategy</u>	
		b_1	b_2
<u>A's Strategy</u>	a_1	8	-7
	a_2	-6	4