

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM

FIFTH TRIMESTER (Batch 2019-21)

END-TERM EXAMINATIONS, JANUARY 2021

Set-I

Course Name	Managing Service Operation	Course Code	G/S/M/OM501
Max. Time	2 hours	Max. Marks	40 Marks

INSTRUCTIONS:

- All questions are compulsory. Attempt all questions in sequence.

Question No. 1. (10X1=10 Marks)

- What are the different service types in the industry (services classification)?
- How does Service Concept influence services operations management?
- How ow benchmarking can help organizations? What are the various ways to do benchmarking?
- What are the wastes identified as per LEAN, which needs to be reduced?
- What are the common attributes in the role of Operations Manager in Services sector (ITES, KPO, BPO) and Operations Manager in Manufacturing floor?
- Explain the importance of customer journey map/ persona map for problem identification?
- Explain the challenges, roles and responsibilities of an Operations Manager of a large private resort.
- How does quality management principles like TQM, Six Sigma help organizations?
- Give examples of recent innovation in service processes through the use of technology (you can take examples from any industry – Banking, Retail, Automotive etc)?
- How does services operations influence customer experience?

Question No. 2. (7.5 X2=15 Marks)

Case: Nissan's Continued Operations Through Disaster Management

Nissan leveraged a regional, decentralized supply chain structure, imposed strong central control and coordination when crises affecting global operations occurred. Complementing this focus on flexibility, Nissan maintained a simplified product line compared to its competitors. The company adopted a build-to-stock strategy for just a few SKUs in each model and a build-to-order strategy for the rest. Management believed that this strategy had not only helped it to simplify its operations and product offerings, but it actually contributed to a significant increase in sales. In 1999 Nissan was rescued from impending bankruptcy by Renault who put in place a revitalized management team led by Carlos Ghosn. This 'crisis mentality' was critical to our recovery from the 2007/2008 Global Liquidity Crisis, the Great Japan Earthquake and subsequent Thai Floods in 2011. Nissan's supply chain philosophy is one of vigilance and extreme responsiveness allied with single point responsibility. It is the supply chain management organization's responsibility to keep the production plants running. This clarity of purpose and responsibility engenders confidence and decisiveness both of which are crucial to disaster recovery. Nissan's risk management philosophy was born out of its near-death experience. It focused on identifying and analyzing risks as early as possible, and planning and rapidly implementing countermeasures. The company established a dedicated risk management function which was responsible for these activities. Nissan's actions after the earthquake and tsunami adhered to the principles detailed in its earthquake emergency-response plan. The Recovery

Committee emphasized a few simple yet meaningful practices in coordinating the company's response to the disaster -

1. Sharing Information - Management recognized that the non-Japanese operations would want information, but the effort to provide it would be a distraction to those on the ground handling the crisis, each region was asked to send two staff members to Japan to gather their own information and to help solve problems holistically.

2. Allocation Supply - Given the capacity constraints in the weeks and months after the disaster, and the dependencies that existed across the Nissan operational network, allocation of component parts was critical. The sales, marketing, and the regional supply chain management functions were brought together to identify how to globally allocate supplies to focus on highest margin goods. For example the supply of integrated Global Positioning System (GPS) units was constrained by the disaster.

3. Managing Production - Management closely considered in-stock and in-transit inventory within their network and slowed production upstream and downstream of anticipated bottlenecks. For example, the company was able to ramp down production, and thereby decrease costly overtime, for operations that were expected to be bottlenecked.

4. Empowering Actions - Nissan emphasized rapid and flexible action. Management was empowered to make decisions in the field without lengthy analysis from a central authority. To speed critical decision-making process on recovery-related issues, the company modified its delegation of authority rules for a limited period.

Questions:

a. What are the benefits of decentralized supply chain that Nissan was able to leverage?

b. What were the capacity management decisions/ measures taken by Nissan that helped in continued production?

Question 3 (7.5 X2=15 Marks)

Case: Quest Diagnostics (A): Improving Performance at the Call Centers

Quest Diagnostics was founded in 1967 as the Metropolitan Pathology Laboratory in New York City.

Between 1996 and 2012, Quest grew considerably through more than a dozen acquisitions across the United States. Acquired labs continued to operate autonomously, purchasing their own equipment, following their own operational practices, and serving customers through their own call centers. Several of the acquisitions were outside of Quest's core laboratory business. Quest enjoyed top-line growth as a result of its acquisitions and, starting in 2000, its stock began an upward trajectory (Exhibit 1). But by 2008, its core laboratory business began to falter. Quest began losing business to its top competitor, Laboratory Corporation (LabCorp), most notably when LabCorp won over one of Quest's key customers, UnitedHealthcare Insurance.

Quest developed the Quest Management System (QMS), which included the company's own approaches to process management, project management, change management, and continuous improvement. QMS included modules for various operational approaches such as process mapping and standardization, root-cause problem solving, and frontline driven process improvement. Quest centralized procurement and began standardizing patient services, specimen processing, and logistics. One of the problems identified as a key to improvement was high employee turnover across the network, particularly in the customer-facing groups: High employee turnover in patient services centers and logistics services led to people go to doctor's offices, pick up specimens, and they see the staff. They build relationships and those relationships matter.

In 2013, the call centers had been consolidated from 20 regional customer service centers—which had been co-located with Quest labs—into two: one in Lenexa, Kansas, and one in Tampa, Florida. The NCS (National Customer Service) suffered from high labor costs, largely due to the low productivity of inexperienced reps. Sixty percent of reps left in their first year, costing Quest up to \$10.5 million a year. Every

day, Davis received calls from members of his sales team who were furious that they had lost a customer because

the customer couldn't get anyone at the NCS to answer the phone or, when they did, the representative couldn't answer the question and transferred them to someone else.

Locational strategy, hiring, cross skilling, compensation benchmarking followed the complete remodeling of the call center operating model.

Questions:

- a. **What are the major issues in NCS performance that led to performance slow down?**
- b. **Which quality management tools will you apply if you were the Call Centre Operations Lead?**

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M/20
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Moderated

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INSTRUCTIONS:

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Question 1.

What is B2C service vs B2B service? Explain with example

Question 2.

How does Service Concept influence brand of an organization?

Question 3.

What is performance benchmarking ?

Question 4.

Why are quality management standards important in services operations?

Question 5.

What are the key responsibilities of a Operations Manager in a large resort

Question 6.

Why do we need customer journey map/ persona maps

Question 7.

What is capacity management?

Question 8.

Why services industry also adopted Six Sigma/ TQM which was started by Japanese Automotive sector?

Question 9

Give examples of recent innovation in service processes through the use of technology (you can take examples from any industry – Banking, Retail, Automotive etc)

Question 10.

What is operations strategy?

Question 11.

Nissan's Continued Operations Through Disaster Management

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Q11.1 – What are the disaster management steps adopted by Nissan.

Q11.2 – How did this help Nissan to stay competitive and deliver services

Question 12

Quest Diagnostics (A): Improving Performance at the Call Centers

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Q12.1. What was the major problem faced by the Quest Labs call center

Q12.2. Which quality standard/ practice you think will help Quest and why?