



## ASSIGNMENT

<b>DRIVE</b>	<b>WINTER 2014</b>
<b>PROGRAM</b>	<b>MBA/ MBADS/ MBAFLEX/ MBAHCSN3/ PGDBAN2</b>
<b>SEMESTER</b>	<b>II</b>
<b>SUBJECT CODE &amp; NAME</b>	<b>MB 0044 - PRODUCTION AND OPERATION MANAGEMENT</b>
<b>BK ID</b>	<b>B1627</b>
<b>CREDIT &amp; MARKS</b>	<b>4 CREDITS, 60 MARKS</b>

Q.No	Criteria	Marks	Total Marks
1	Write short notes on: <ul style="list-style-type: none"> <li>• Outsourcing strategies for capital productivity</li> <li>• Implementation of operations</li> <li>• Basic competitive priorities</li> <li>• Market survey method of forecasting</li> </ul>		
A	<ul style="list-style-type: none"> <li>• Outsourcing strategies for capital productivity</li> <li>• Implementation of operations</li> <li>• Basic competitive priorities</li> <li>• Market survey method of forecasting</li> </ul>	10(2.5 marks each)	10
2	<p><b>“Gujarat’s emergence as an auto hub is a positive for the economy</b></p> <p>Saturday, 17 September 2011 - 8:00am IST   Place: Mumbai   Agency: DNA</p> <p>Several domestic and foreign auto manufacturers have either announced plans to establish manufacturing plants in Gujarat or are considering it as a possible location.</p> <p>Several domestic and foreign auto manufacturers have either announced plans to establish manufacturing plants in Gujarat or are considering it as a possible location.</p> <p>Those establishing the plants include the US-based Ford Motor and PSA Peugeot Citroen from France, joining India’s Tata Motors, General Motors of US, Bombardier of Canada and Asia Motor Works (AMW), a heavy commercial vehicle manufacturer.</p> <p>Auto ancillary hubs, which are critical for a thriving auto hub, are located in Rajkot, Ahmedabad and Vadodara, and more to come in Kutch and Sanand</p>		

districts. A precision engineering park is planned to come up in Dahej.

Domestic companies that are considering to enter Gujarat, with the exception of [Maruti Suzuki](#), include [Hero MotorCorp](#) (formerly Hero Honda), Bajaj Auto and Hindustan Aeronautics Ltd (HAL), a public sector company specialising in production of aircraft and helicopters. (Recently Maruti

Gujarat's auto hub thus goes beyond the production of cars. The mix of domestic and foreign auto companies also provides opportunities for skills transfer and learning.

Total installed capacity of Tamil Nadu, mainly around Chennai, is 1.28 million units, and is among the top 10 centres globally for car manufacturing, while that of Maharashtra, mainly around Pune, is 0.61 million units. With the entry of Ford and Peugeot, Gujarat's production capacity, mainly around Sanand, is projected at 0.76 million by 2014. This will rise significantly if Maruti's production, largely for export, comes on stream.

Gujarat's currently established but relatively mid-sized auto ancillary units are getting a boost from these automakers, referred to as OE (original equipment) procedures, asking their tier I, II and III vendors to locate manufacturing and assembly facilities in and around their main production sites. Tata, for example, is encouraging and facilitating key vendors to locate to Sanand and set up a facility within a reasonable time horizon.

Gujarat's emergence as an auto hub is not an accident, but an outcome of leveraging its strengths through sound economic policies and competent management by the state government.

Gujarat has leveraged its locational advantages, with relatively low transaction costs for accessing markets in the western and northern India. Good rail connectivity is slated to improve significantly with the opening of the dedicated freight corridors to Dahej and Nhava Sheva passing through large parts of Gujarat. Sanand is also a part of the Delhi-Mumbai Industrial Corridor (DMIC), a multi-billion dollar India-Japan initiative. The Delhi-Mumbai freight corridor project will provide excellent rail connectivity for the auto sector in Sanand and for other industries.

Gujarat's port development initiatives are closely coordinated with rail transport. These provide access for exports to the West, a favoured market for Indian OE. Since 2009, Maruti has been shipping cars by rail from Manesar to the Mundra Port, where there is a roll-on-roll-off (RORO), terminal for receiving and prepping new cars for exports. Korean automakers are also exploring this option.

Gujarat's port development also could permit economical transportation to other parts of the country, through viable coastal shipping routes which is yet to take

off, thus diversifying transport modes.

Developing domestic and international financial services, improving road and air connectivity and focusing on affordable housing and other amenities could further add to Gujarat's locational advantage.

One of the advantages of Gujarat is the larger share of non-fertile agricultural land. This potentially makes managing the requirements of industry for land easier. Gujarat Industrial Development Corporation (GIDC) deserves credit for turning the above potential into actual accomplishments.

As many of the established tier I, II and III manufacturers in Tamil Nadu and Delhi are faced with space and environmental constraints in expanding their operations in their historic sites, they are exploring alternate avenues. Gujarat's land bank could thus be an attractive factor.

Sanand is a part of special investment region, which permits firms investing there to avail various fiscal and non-fiscal benefits, reducing project costs, including time for completing the project cycle.

The Gujarat government recognises the importance of overall conducive investment environment in attracting investments rather than merely relying on tax incentives. This policy lesson is applicable to the investment and manufacturing zones (NIMZs) under the national manufacturing policy (NMP) which is being finalised. It envisages around five greenfield integrated industrial townships.

Another noteworthy policy initiative is establishment of an automotive skills development institute at Sanand on a public private partnership basis by Gujarat government and Peugeot Citroen. This approach to human capital development will serve, India, Gujarat and the new entrants well as they will have access to a younger work force, well trained in modern manufacturing techniques with skills honed around the productivity needs of the future.

There are several reasons why Gujarat's emergence as an auto hub is a positive for India's economy. First, the auto sector is a mother industry and for every direct job in the OE, minimum 5-7 indirect jobs are created in tier I, II and III, not including jobs for drivers, service station attendants and mechanics that form a well paying proposition for many relatively less skilled, but aspirational Indians.

Secondly, importance of transport equipment, which includes all types of motorised vehicles, in India's trade has been increasing. Its share in India's exports rose from 2.3% in 2000-01 to 7.8% in April-February 2010-11; while the corresponding share for imports soar from 1.4% to 2.5%. The emergence of Gujarat as an auto hub is expected to assist in India's external trade in transport equipment as exports are likely to constitute a significant proportion of auto

	<p>sector's output from Gujarat.</p> <p>Many European OE are building their design and engineering back offices in India, providing job opportunities for the design, hardware and software engineers. This will help India to develop a niche position globally and diversify its export basket.</p> <p>Thirdly, healthy competition among auto hubs in Tamil Nadu, Maharashtra and Gujarat will be a positive for the manufacturing productivity. This is because such competition will mitigate against complacency by each of them and contain costs.</p> <p>Finally, it would assist India in progressing towards the goal of increasing the share of manufacturing in GDP from 16% in 2010 to 25% by 2022. It could also assist in India's international competitiveness in manufacturing as PTAs (preferential trade agreements) with economic partners with strong manufacturing sectors, such as China, Japan, and Korea, are implemented.”</p> <p>Source: <a href="http://www.dnaindia.com/money/report-gujarat-s-emergence-as-an-auto-hub-is-a-positive-for-the-economy-1588052">http://www.dnaindia.com/money/report-gujarat-s-emergence-as-an-auto-hub-is-a-positive-for-the-economy-1588052</a>, accessed 24<sup>th</sup> Oct, 2014</p> <p><b><u>Instructions: Read the above article and hyperlinked articles to answer the question given below</u></b></p> <p><b>Question</b></p> <p>Evaluate the factors that favour Gujarat as a location for manufacturing automobiles.</p>		
A	<p>List the general factors that favour Gujarat as a destination for automobile manufacturing</p> <p>List the special factors that favour Gujarat as a destination for automobile manufacturing</p> <p>Explain why each of these factors favour Gujarat as automobile manufacturing hub</p> <p>Compare Gujarat with other states like Tamil Nadu or Haryana in terms of locating a automobile manufacturing plant</p> <p>Summarize if Gujarat is a better location for manufacturing automobiles</p>	<p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p>	<p>10</p>
3	<p>Write short notes on:</p> <ul style="list-style-type: none"> <li>• 5Ss system of waste elimination</li> <li>• Scheduling in services</li> </ul>		

	<ul style="list-style-type: none"> <li>• Vendor managed inventory</li> <li>• Subcontracting capacity (production) option</li> </ul>		
A	<ul style="list-style-type: none"> <li>• 5 Ss system of waste elimination</li> <li>• Scheduling in services</li> <li>• Vendor managed inventory</li> <li>• Subcontracting capacity (production) option</li> </ul>	10 (2.5 marks each)	10
4	Describe the post implementation review of a project. Explain the tools that may be considered for post implementation review.		
A	<p>Description of the four parts of the post implementation review of a project</p> <ul style="list-style-type: none"> <li>• Final product review</li> <li>• Outstanding project work review</li> <li>• Project review</li> <li>• Process review</li> </ul> <p>Explanation of the four tools that may be considered for post implementation review.</p> <ul style="list-style-type: none"> <li>• Final product evaluation</li> <li>• Outstanding project work evaluation</li> <li>• Project review questionnaire</li> <li>• Process evaluation</li> </ul>	8( 2 marks each)  2 (0.5 marks each)	10
5	<p>Explain the steps to set data in logical order so that the business process may be defined.</p> <p>List the ingredients of a business process.</p>		
A	<p>Explanation of the steps to set data in a logical order</p> <p>Listing of the ingredients of a business process</p>	7.5  2.5	10
6	Describe the dimensions of quality.		
A	Explain the four dimensions of quality	10(2.5 marks for each dimension)	10

A-Answer

Note –Answer all questions. Kindly note that answers for 10 marks questions should be approximately of 400 words. Each question is followed by evaluation scheme



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