

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION

SECOND MAIN SEMESTER EXAMINATION 2017

FULLTIME

TITLE OF PAPER : MARKETING LOGISTICS

COURSE : BA 422

DEGREE AND YEAR : BCOM 4

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

- 1. THIS PAPER CONSISTS OF SECTIONS (A) AND (B)**
- 2. SECTION (A) IS COMPULSORY**
- 3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B**
- 4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)**

**NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION**

**THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS
GRANTED PERMISSION**

SECTION A (COMPULSORY)

READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW

PROCUREMENT AT SIYAVUNA MILLS

The president of Siyavuna Mills sat at his desk in the hushed atmosphere, so typical of business offices, after the close of working hours. He was thinking about Mehlomamba, the manager in-charge of procurement, and his ability to work with Sozinyama, the production manager, and Lujulwenyosi, the marketing and sales manager in the firm.

When the procurement department was established two years ago, both Sozinyama and Lujulwenyosi agreed with the need to centralise this function and place a specialist in charge. Sozinyama was of the view that this would free his supervisors from detailed ordering activities. Lujulwenyosi opined that the flow of materials into the firm was important enough to warrant a specialised management assignment. Yet since the procurement department began operating it has been precisely these two managers who have had a number of confrontations with the new purchase manager, and occasionally with one another, in regard to the way the procurement function is being carried out.

From Sozinyama's point of view, instead of simplifying his job as production manager by taking care of procurement for him, the procurement department has developed a formal set of procedures that has resulted in as much time commitment on his part as he had previously spent in placing his orders directly with vendors. Further, he is specially irritated by the fact that his need for particular items or particular specification is constantly being questioned by the procurement department. When the department was established, Sozinyama assumed that the procurement manager was there to fill his needs, not to question them.

As Lujulwenyosi sees it, the procurement function is an integral part of marketing function, and the two therefore need to be jointly managed as a unified process. Procurement function cannot be separated from a firm's overall marketing strategy. However, Mehlomamba has attempted to carry out the procurement function without regard for this obvious relationship between his responsibilities and those of Lujulwenyosi, thus making a unified marketing strategy impossible.

In his previous position, Mehlomamba had worked in the procurement department of a firm considerably larger than Siyavuna. Before being hired, he was interviewed by all the top managers, including Sozinyama and Lujulwenyosi, but it was the president himself who negotiated the details of the job offer. As Mehlomamba sees it, he was hired as a professional to do a professional job. Both Sozinyama and Lujulwenyosi have been

distracting him from this goal by presuming that he is somehow subordinate to them, which he believes is not the case. The people in the production department, who use the procurement function most, have complained about the detail that he requires on their requisitions. But he has documented proof that materials are now being purchased much more economically than they were under the former decentralised system. He finds Lujulwenyosi's interests more difficult to understand, since he sees no particular relationship between his responsibilities for efficient procurement, and Lujulwenyosi's responsibilities to market the firm's products.

The president has been aware of the continuing conflict among three managers for some time, but on the theory that a little rivalry is healthy and stimulating, he has felt that it was nothing to be unduly concerned about. But now that much of his time is being taken up by much of what he considers to be petty bickering, the time has come to take some positive action.

QUESTION 1

- a) Explain to Sozinyama and Lujulwenyosi the objectives of procurement management.
(20 MARKS)
- b) How might the use of electronic procurement (e-procurement) benefit Siyavuna Mills?
(20 MARKS)

SECTION B (ANSWER ANY THREE QUESTIONS)**QUESTION 2**

Holding inventory involves numerous risks. Discuss why companies might find it necessary to hold inventory despite the risks involved. **(20 MARKS)**

QUESTION 3

- a) Describe the various types of packaging materials available and their relative advantages and disadvantages. **(10 MARKS)**
- b) Discuss the factors to consider when planning a bulk packaging system. **(10 MARKS)**

QUESTION 4

- a) Discuss the importance of materials handling in logistics. **(10 MARKS)**
- b) All facilities must move with the times and introduce bar coding and scanning in order to be effective. Comment on this assertion and motivate your answer. **(210 MARKS)**

QUESTIONS 5

Deliberate on the strengths and weaknesses of the various modes of transportation and then discuss the role of multimodal solutions. **(20 MARKS)**