Test Bank for Managing Operations Across the Supply Chain 4th Swink

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***Managing Ops Across the Supply Chain, 4e* (Swink)**
Chapter 2 Operations and Supply Chain Strategy

1) Corporate strategic planning involves decisions related to:
A) What businesses should we be in?
B) What specific product- and market-based initiatives and goals should we establish?
C) What measures should we use to control strategic initiatives?
D) All of these.

Answer: A
Explanation: Corporate strategic planning is very broad and relates to what businesses the company should be involved in.
Difficulty: 1 Easy
Topic: Levels of Strategic Planning
Learning Objective: 02-01 Describe how operations strategy fits within a firm s overall strategic planning process.
Bloom's: Remember
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

2) Functional strategic planning involves decisions related to:
A) What businesses should we be in?
B) Specific product- and market-based initiatives and goals.
C) What metrics should be used to ensure progress in operations management?
D) All of these.

Answer: C
Explanation: Functional planning includes decisions regarding appropriate metrics for the specific functions in a business unit.
Difficulty: 1 Easy
Topic: Levels of Strategic Planning
Learning Objective: 02-01 Describe how operations strategy fits within a firm s overall strategic planning process.
Bloom's: Remember
AACSB: Reflective Thinking
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3) A well-designed value proposition possesses four characteristics. Which of the following is NOT one of those characteristics?
A) It offers the highest product quality in each quality dimension.
B) It differentiates the firm from its competition in a way that is difficult to imitate.
C) It satisfies the financial and strategic objectives of the firm.
D) It can be reliably delivered given the operational capabilities of the firm and its supporting supply chain.

Answer: A
Explanation: Providing value does not require the highest quality in each dimension of quality.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-02 Describe the need for fit between the key customers, value propositions, and operations capabilities-the essential elements that define an operations strategy.
Bloom's: Remember
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

4) Which of the following is the most appropriate definition of an "order winner"?
A) A product characteristic that causes customers to choose the product over that of a competitor.
B) A product characteristic that permits the product to compete in a market.
C) A product that has the highest profit margin.
D) A product that generates the highest dollar sales volume.

Answer: A
Explanation: Order winners are traits that cause customers to actually choose a specific product.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-03 Describe customer-desired outcomes in terms of order winners, order qualifiers, and order losers.
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5) Which of the following is NOT true about "order qualifiers"?
A) These are product traits that must meet a certain level in order for the product to even be considered by customers.
B) The firm must perform acceptably on these traits, usually at least as well as competitors' offerings.
C) Order qualifier traits may include availability, price, and conformance quality.
D) All of the items are true.

Answer: D
Explanation: "Order qualifiers" are traits a product must meet at a certain threshold level to be considered; the product must perform acceptably on traits including availability, price, or conformance quality.
Difficulty: 2 Medium
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-03 Describe customer-desired outcomes in terms of order winners, order qualifiers, and order losers.
Bloom's: Understand
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

6) Xanadu makes HD televisions. It claims that its HD televisions have the clearest picture clarity in the industry. Xanadu is emphasizing which dimension of quality?
A) Reliability
B) Performance
C) Features
D) Conformance

Answer: B
Explanation: Picture clarity is a basic performance dimension of HD televisions.
Difficulty: 2 Medium
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-04 Explain what product-related and process-related operational competitive priorities are and how they are related to competitive advantage.
Bloom's: Apply
AACSB: Reflective Thinking
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7) Scantron Inc. claims that its competitors have to recall 10 percent of their products to fix defects, while it only has to recall 5 percent. Scantron is emphasizing which dimension of quality?
A) Durability
B) Reliability
C) Performance
D) Conformance

Answer: D
Explanation: Defects are an indication of lack of conformance.
Difficulty: 2 Medium
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-04 Explain what product-related and process-related operational competitive priorities are and how they are related to competitive advantage.
Bloom's: Apply
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

8) Which of the following is considered a "process-related" competitive priority?
A) Flexibility
B) Quality
C) Cost
D) All of these

Answer: A
Explanation: Quality and cost are product-related. Flexibility is process related.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-04 Explain what product-related and process-related operational competitive priorities are and how they are related to competitive advantage.
Bloom's: Remember
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9) Xanadu Inc. claims that its manufacturing processes result in fewer greenhouse gases than those of its primary competitors. This suggests that Xanadu has a focus on:
A) Risk management.
B) Sustainability.
C) Flexibility.
D) Profitability.

Answer: B
Explanation: Maintaining operations that are profitable and nondamaging to the environment is sustainability.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-04 Explain what product-related and process-related operational competitive priorities are and how they are related to competitive advantage.
Bloom's: Remember
AACSB: Ethics
Accessibility: Keyboard Navigation; Screen Reader Compatible

10) Which of the following is NOT considered a key characteristic of a core capability:
A) It is based on factors that are rare or unique to the firm.
B) It is hard to imitate.
C) It does not need to be extendable to many market opportunities.
D) There are few substitutes for it.

Answer: C
Explanation: Core capabilities should be extendable to many market opportunities.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-05 Explain how strategic performance can be assessed both operationally and financially by using the strategic profit model.
Bloom's: Remember
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Accessibility: Keyboard Navigation

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11) "When operational capabilities are consistent with and supportive of the value proposition and the outcomes desired by key customers" - this statement best describes the concept of:
A) Execution.
B) Flexibility.
C) Strategic planning.
D) Fit.

Answer: D
Explanation: Fit exists when operational capabilities are consistent with and supportive of the value proposition and the outcomes desired by key customers.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-05 Explain how strategic performance can be assessed both operationally and financially by using the strategic profit model.
Bloom's: Remember
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

12) A vice president of operations wants to evaluate the impact of reducing manufacturing expenses on the firm's return on assets. Which measurement should be examined?
A) Cost of goods sold
B) Asset turnover
C) Net profit margin
D) None of these

Answer: A
Explanation: In the Strategic Profit Model, cost of goods sold includes manufacturing expenses.
Difficulty: 1 Easy
Topic: Deploying Operations Strategy: Creating Value through Execution
Learning Objective: 02-05 Explain how strategic performance can be assessed both operationally and financially by using the strategic profit model.
Bloom's: Remember
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13) You are an upper-level manager in a firm. You believe that corporate objectives are not effectively disseminated throughout the organization and that line-level managers do not take them into account in their decision making. Which of the following would best help you to try to correct this problem?
A) Hold a series of supervisory manager meetings.
B) Establish metric-based performance measures.
C) Evaluate personality indicators to ensure inter-departmental worker compatibility.
D) Evaluate and increase manager salaries and benefits.

Answer: B
Explanation: Performance measures communicate strategic intentions to operations personnel.
Difficulty: 2 Medium
Topic: Deploying Operations Strategy: Creating Value through Execution
Learning Objective: 02-05 Explain how strategic performance can be assessed both operationally and financially by using the strategic profit model.
Bloom's: Understand
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

14) Which of the following is the most appropriate definition of a core capability?
A) A set of products unique to a firm.
B) Technical capabilities of a firm.
C) Reputation.
D) Production/design processes unique to the firm.

Answer: D
Explanation: Core capabilities are skills, processes, and systems that are unique to the firm and desired by the customer.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-04 Explain what product-related and process-related operational competitive priorities are and how they are related to competitive advantage.
Bloom's: Understand
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15) Which of the following is NOT a component of the business model?
A) Key customer
B) Value proposition
C) Desired outcome statement
D) System capabilities

Answer: C
Explanation: This is based on the discussion of the business model.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-02 Describe the need for fit between the key customers, value propositions, and operations capabilities-the essential elements that define an operations strategy.
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16) A company with a number of physically separate plants has a centralized tool room. This tool room in the past has been responsible for emergency repairs. Whenever equipment (e.g., a spindle, boring machine, transfer line) in one of these separate plants breaks down, the affected items are brought to the tool room, where they are repaired. In some cases, the breakdowns affect production schedules. In other cases, the breakdowns are more annoying but do not adversely affect schedules. Complicating the operations in the tool room is the fact that many of the plans for the equipment are incomplete or out-of-date, thus resulting in "make from sample"; requests (the broken part is provided and the tool room is asked to make the replacement piece just like the broken part). It is difficult to predict what equipment will break down and when. Furthermore, the company owns a wide variety of equipment. What are the order winners and order qualifiers in this scenario?

	Order Winners	Order Qualifiers
A.	Cost,Quality	Speed,Flexibility
B.	Flexibility,Quality	Speed,Cost
C.	Speed,Cost	Flexibility,Quality
D.	Speed,Flexibility	Quality,Cost

A) Option A
B) Option B
C) Option C
D) Option D

Answer: D
Explanation: This situation demands speed and flexibility. Quality and cost are also important, but should not be exchanged for less speed or inflexibility.
Difficulty: 2 Medium
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-03 Describe customer-desired outcomes in terms of order winners, order qualifiers, and order losers.
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17) Currently, our system is characterized by a lack of fit between what the customer wants and what the SCM system is best able to provide. As a result, which of the following would apply?

1. The only way to restore fit is for the firm to change the market segment it is going after.
2. Unless something is done, our firm will not be the most effective and efficient long-term supplier.
3. Any firm can successfully counter such inconsistencies through the use of patents and aggressive advertising.
A) 1 only.
B) 2 only.
C) 3 only.
D) 1 and 2 only.
E) 1, 2, and 3.

Answer: B
Explanation: Only solution 2 addresses this situation directly. Solution 1 "blames the customer" for the firm's shortcomings and solution 3 does not address the issues at all, providing symptomatic relief at best.
Difficulty: 2 Medium
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-02 Describe the need for fit between the key customers, value propositions, and operations capabilities-the essential elements that define an operations strategy.
Bloom's: Understand
AACSB: Reflective Thinking
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18) Which three elements make up the triple bottom line?
A) Planet, Pollution, Profit.
B) Pollution, Equality, People.
C) Profit, Equality, Pollution.
D) People, Profit, Planet.

Answer: D
Explanation: The term "triple bottom line" refers to three different measures of profit and loss: People, Profit, and Planet.
Difficulty: 1 Easy
Topic: Deploying Operations Strategy: Creating Value through Execution
Learning Objective: 02-05 Explain how strategic performance can be assessed both operationally and financially by using the strategic profit model.
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19) Which of the following attributes is directly related to fitness for consumption by a customer?
A) Transaction Price
B) Timeliness
C) Performance
D) Availability

Answer: C
Explanation: A product's performance is an aspect of its quality, which is its fitness for consumption by the consumer who bought it.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-04 Explain what product-related and process-related operational competitive priorities are and how they are related to competitive advantage.
Bloom's: Remember
AACSB: Reflective Thinking
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20) Under which component of the business model would people and culture fall?
A) Key customer
B) Value proposition
C) Environment
D) System capabilities

Answer: D
Explanation: People and culture are a key component of an organization's systemic capabilities.
Difficulty: 1 Easy
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-04 Explain what product-related and process-related operational competitive priorities are and how they are related to competitive advantage.
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21) Within the supply chain and operations management system, the value proposition is most effectively communicated to the rest of the organization through which of the following mechanisms?
A) Performance measures
B) Mission statements
C) Management mandates
D) Corporate slogans and promotional materials.

Answer: A
Explanation: Performance measures communicate strategic intentions to operational personnel.
Difficulty: 2 Medium
Topic: Deploying Operations Strategy: Creating Value through Execution
Learning Objective: 02-05 Explain how strategic performance can be assessed both operationally and financially by using the strategic profit model.
Bloom's: Understand
AACSB: Reflective Thinking
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22) An electronics firm produces smart phones for sale to the worldwide market. One of the most crucial process-related competitive operational priorities for this firm is:
A) Aesthetics
B) Cyber security
C) Flexibility
D) Durability

Answer: C
Explanation: Flexibility is important because of the short life cycle of a current model and the rapid progression of technology. Cyber security is handled by the ultimate customer's network vendor. Aesthetics and Durability are product-related characteristics, not process-related characteristics.
Difficulty: 2 Medium
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-03 Describe customer-desired outcomes in terms of order winners, order qualifiers, and order losers.
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23) A manufacturer of generic prescription drugs must excel at delivering which of the following product traits?
A) Product performance
B) Features (unique attributes)
C) Durability
D) Low cost

Answer: D
Explanation: Since generic products seek to mimic brand-name products, their central appeal is lower purchase price.
Difficulty: 2 Medium
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-03 Describe customer-desired outcomes in terms of order winners, order qualifiers, and order losers.
Bloom's: Understand
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

24) Decision making regarding customers and products is often led by the:
A) CEO
B) Board of Directors
C) Marketing Management
D) Financial Managers

Answer: C
Explanation: Marketing managers often lead decisions regarding customers and products.
Difficulty: 2 Medium
Topic: Developing Operations Strategy: Creating Value through Strategic Choices
Learning Objective: 02-03 Describe customer-desired outcomes in terms of order winners, order qualifiers, and order losers.
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25) Internal questions that may be addressed in a SWOT analysis include:
A) What obstacles do we face?
B) What trends are we well positioned to take advantage of?
C) What do we do better than anyone else?
D) What changes in technology will affect us?

Answer: C
Explanation: "What do we do better than anyone else?" is a question that helps identify strengths in the SWOT analysis.
Difficulty: 1 Easy
Topic: Levels of Strategic Planning
Learning Objective: 02-01 Describe how operations strategy fits within a firm s overall strategic planning process.
Bloom's: Remember
AACSB: Reflective Thinking
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26) The three elements of Value Proposition, Key Customers, and Capabilities operate within an environment. Which of the following is NOT part of that environment?
A) Competition
B) Regulation
C) Technology
D) Founder's ideology

Answer: D
Explanation: The environment consists of conditions such as competition, regulations, and technology that influence how managers develop an operations strategy.
Difficulty: 2 Medium
Topic: Levels of Strategic Planning
Learning Objective: 02-01 Describe how operations strategy fits within a firm s overall strategic planning process.
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