



Uva Wellassa University
Faculty of Management

Degree of Bachelor of Business Management in Entrepreneurship and Management
FOURTH YEAR FIRST SEMESTER EXAMINATION - FEBRUARY/MARCH 2012

EMG 473-2 Operations Management



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Part C- Essay Questions

Answer two (02) questions including question number 01.
Marks allocation: 50 Marks

1. Read the following case study and answer the questions given below.

Jaguar Regains its Reputation

Originally called the Swallow Side Car Company, Jaguar Cars was founded in 1922 and became famous for its luxury and sports cars. In 1990, Jaguar was taken over by Ford and is now a wholly owned subsidiary. At the time of the Ford takeover, Jaguar's quality performance was something of a paradox. Aesthetically and in terms of on-the-road performance the cars were often highly regarded, especially by a hard core of enthusiasts. Yet even they could not ignore Jaguar's reputation for making cars which were, in comparison to its rivals, of exceptionally poor reliability. Plagued by under-investment and a conservative technical-led, rather than customer-led, culture, the company's old plants were struggling to achieve even acceptable levels of conformance quality. At this time, the JD Power survey of customer satisfaction of cars imported to the US ranked only one car (the Yugo) lower than Jaguar.

All this changed through the 1990s. The company invested heavily in training, especially in quality techniques such as statistical process control. Piecework was abolished, as was 'clocking in' and a general productivity bonus introduced which encouraged flexible working. Other shop floor initiatives included the introduction of multi-skilled teams, total productive maintenance, continuous improvement teams and benchmarking against the best in the business. The success of this quality improvement programme was dramatic. It encouraged Ford to invest in new Jaguar models and also had a significant impact on customer satisfaction. The same surveys which once put Jaguar at the bottom of the league now rank it in the very top group of luxury car makers.

- i) What does "quality" mean for a motor vehicle manufacturer such as Jaguar?
(06 marks)
- ii) Explain how these changes which Jaguar made to its operations would enable the organization to achieve its performance objectives.
(08 marks)
- iii) Briefly explain the factors to be considered, if Jaguar wants to make a decision on whether to buy a certain set of parts of the car from outside suppliers or to manufacture them in-house.
(04 marks)

iv) How the operations of Jaguar are differentiated from those of a service organization?
(04 marks)

v) Explain the relationship between product design and process selection with adequate examples.
(08 marks)

Total marks – 30 marks

2. The reason why quality has gained a prominence is that organizations have gained an understanding of the high cost of poor quality. Quality affects all aspects of the organization and has dramatic cost implications.

i) Explain the five (05) main components of “House of Quality” Matrix.
(7½ marks)

ii) Discuss five (05) principles of Total Quality Management (TQM) by emphasizing how they contribute to reduce the cost of the organization.

(12½ marks)

Total marks – 20 marks

3. “Eliminating disruptions, making the system flexible and eliminating waste are the three supporting goals of lean manufacturing concept which focuses on achieving a balanced and a rapid operational flow.”

You are required to:

Explain how an organization can achieve these supporting goals in accordance with the lean manufacturing concepts.

Total marks – 20 marks

