

ch2

Student: _____

1. At Disney, "Making People Happy" is an example of:
 - A. Operations Mission
 - B. Corporate Strategy
 - C. Business Strategy
 - D. Operations Strategy

2. The four elements that form the heart of operations strategy include:
 - A. Mission, distinctive competence, objectives, and internal analysis
 - B. Mission, distinctive competence, internal analysis, and external analysis
 - C. Mission, objectives, internal analysis, and external analysis
 - D. Mission, distinctive competence, objectives, and strategic decisions
 - E. Mission, objectives, strategic decisions, and analysis

3. According to Michael Porter, the generic types of business strategies include:
 - A. Differentiation
 - B. High-priced products
 - C. Focus
 - D. All of the above
 - E. Only a and c

4. The four common objectives of operations are:
 - A. Quality, delivery, cost, and innovation
 - B. Quality, cost, flexibility, and agility
 - C. Quality, cost, delivery, and flexibility
 - D. Cost, quality, capacity, and flexibility
 - E. Quality, cost, capacity, and delivery

5. An example under the capacity area of strategic decisions in operations would be:
 - A. Make or Buy
 - B. Permanent or temporary investment
 - C. Handmade or machine-made
 - D. High levels or low levels of inventory
 - E. Flexible or hard automation

6. The operation objectives of quality, cost, delivery, and flexibility are:
 - A. Mutually exclusive
 - B. Independent of each other
 - C. Connected
 - D. Unique
 - E. Non-value-added

7. In the product imitator strategy, the order winner is _____ for the customer, while in product innovator strategy, the order winner is _____.
- A. flexibility, price
 - B. flexibility, quality
 - C. quality, price
 - D. price, quality
 - E. price, flexibility
8. Make or buy is an example of what type of strategic decision?
- A. Inventory
 - B. Process
 - C. Quality
 - D. Capacity
 - E. None of the above
9. Which of the following is not a characteristic of a global corporation?
- A. Facilities and plants are located on a country-by-country basis
 - B. Global product design and process technology are used
 - C. Logistics and inventory control systems are global in nature
 - D. Organized into divisions that have global responsibility for the marketing, R&D, and operations functions
 - E. Component, parts, and services are sourced on a global basis
10. Another term used for operations objectives is:
- A. Order winners
 - B. Order qualifiers
 - C. Competitive priorities
 - D. Distinctive competence
11. Strategic decisions are to be made for which of the following decision areas?
- A. Quality, Process, Capacity, and Inventory
 - B. Cost, Quality, Delivery, and Flexibility
 - C. Mission, Distinctive Competence, Objectives, and Tactics
 - D. All of the Above
12. Which are the common objectives of operations?
- A. Quality, capacity, flexibility, and cost
 - B. Cost, quality, delivery, and flexibility
 - C. Quality, process, capacity, inventory, and workforce
 - D. Quality, cost, capacity, and delivery
13. A decision has been made that suppliers will be chosen based on quality rather than cost. This is an example of which of the following?
- A. Objective
 - B. Mission
 - C. Distinctive Competence
 - D. Strategic decision

14. Next year's goal is to fill 99% of all orders from stock. This is an example of which of the following?
- A. Objective
 - B. Mission
 - C. Distinctive competence
 - D. Strategic decision
15. A company uses proprietary computer software to offer services that other companies have not been able to emulate. These services have enabled Marketing to enter new markets and have caused new organizational structures to be formed. This is an example of which of the following?
- A. Objective
 - B. Mission
 - C. Distinctive competence
 - D. Strategic decision
16. Which operations objective does the author suggest as the basis for improvement in the other operations objectives?
- A. Cost
 - B. Quality
 - C. Delivery
 - D. Flexibility
17. Which of the following statements about operations objectives is NOT true?
- A. Focusing attention on improving quality frequently results in lower costs
 - B. Reducing costs often causes improvement in quality
 - C. Each of the operations objectives can be improved nearly simultaneously
 - D. Reducing the time necessary to produce and deliver a product will result in greater flexibility
18. Which of the following is NOT a characteristic of a distinctive competence?
- A. Could be based on human resources that are difficult to imitate
 - B. Could be based on proprietary technology
 - C. Cannot be copied easily
 - D. None of the above
19. A global corporation has which of the following characteristics?
- A. A separate subsidiary or division for each country where it does business
 - B. Demand based on a worldwide versus a local basis
 - C. Products designed for each individual marketplace
 - D. Both a and c
20. McDonald's distinctive competence has changed over time from continuous improvement of the transformation system and brand to the unique service and supply chain transformation system.
- True False
21. A corporate strategy drives the business strategy, which in turn drives the operations strategy in an organization.
- True False

22. The business strategy can be derived from a firm's distinctive competence that is difficult for competitors to copy or imitate.

True False

23. Imitative products have low profit margins and predictable demand.

True False

24. Think of an example of any manufacturing (e.g., 3M) or service (e.g., Southwest Airlines) firm. Briefly discuss in your own words the operations mission, order winner, order qualifiers and distinctive competence of the chosen firm(s).

25. What are five focused initiatives with which a company should start its sustainability journey?

26. How do the operations strategic decisions differ for a product imitator strategy versus a product innovator strategy?

ch2 Key

1. At Disney, "Making People Happy" is an example of:

- A. Operations Mission
- B. Corporate Strategy**
- C. Business Strategy
- D. Operations Strategy

Difficulty: Easy
Schroeder - Chapter 02 #1

2. The four elements that form the heart of operations strategy include:

- A. Mission, distinctive competence, objectives, and internal analysis
- B. Mission, distinctive competence, internal analysis, and external analysis
- C. Mission, objectives, internal analysis, and external analysis
- D. Mission, distinctive competence, objectives, and strategic decisions**
- E. Mission, objectives, strategic decisions, and analysis

Difficulty: Easy
Schroeder - Chapter 02 #2

3. According to Michael Porter, the generic types of business strategies include:

- A. Differentiation
- B. High-priced products
- C. Focus
- D. All of the above
- E. Only a and c**

Difficulty: Moderate
Schroeder - Chapter 02 #3

4. The four common objectives of operations are:

- A. Quality, delivery, cost, and innovation
- B. Quality, cost, flexibility, and agility
- C. Quality, cost, delivery, and flexibility**
- D. Cost, quality, capacity, and flexibility
- E. Quality, cost, capacity, and delivery

Difficulty: Easy
Schroeder - Chapter 02 #4

5. An example under the capacity area of strategic decisions in operations would be:

- A. Make or Buy
- B. Permanent or temporary investment**
- C. Handmade or machine-made
- D. High levels or low levels of inventory
- E. Flexible or hard automation

Difficulty: Moderate
Schroeder - Chapter 02 #5

6. The operation objectives of quality, cost, delivery, and flexibility are:

- A. Mutually exclusive
- B. Independent of each other
- C. Connected**
- D. Unique
- E. Non-value-added

Difficulty: Moderate
Schroeder - Chapter 02 #6

7. In the product imitator strategy, the order winner is _____ for the customer, while in product innovator strategy, the order winner is _____.

- A. flexibility, price
- B. flexibility, quality
- C. quality, price
- D. price, quality
- E. price, flexibility**

Difficulty: Moderate
Schroeder - Chapter 02 #7

8. Make or buy is an example of what type of strategic decision?

- A. Inventory
- B. Process**
- C. Quality
- D. Capacity
- E. None of the above

Difficulty: Hard
Schroeder - Chapter 02 #8

9. Which of the following is not a characteristic of a global corporation?

- A. Facilities and plants are located on a country-by-country basis**
- B. Global product design and process technology are used
- C. Logistics and inventory control systems are global in nature
- D. Organized into divisions that have global responsibility for the marketing, R&D, and operations functions
- E. Component, parts, and services are sourced on a global basis

Difficulty: Easy
Schroeder - Chapter 02 #9

10. Another term used for operations objectives is:

- A. Order winners
- B. Order qualifiers
- C. Competitive priorities**
- D. Distinctive competence

Difficulty: Moderate
Schroeder - Chapter 02 #10

11. Strategic decisions are to be made for which of the following decision areas?

- A. Quality, Process, Capacity, and Inventory
- B. Cost, Quality, Delivery, and Flexibility
- C. Mission, Distinctive Competence, Objectives, and Tactics
- D. All of the Above

Difficulty: Easy
Schroeder - Chapter 02 #11

12. Which are the common objectives of operations?

- A. Quality, capacity, flexibility, and cost
- B. Cost, quality, delivery, and flexibility
- C. Quality, process, capacity, inventory, and workforce
- D. Quality, cost, capacity, and delivery

Difficulty: Moderate
Schroeder - Chapter 02 #12

13. A decision has been made that suppliers will be chosen based on quality rather than cost. This is an example of which of the following?

- A. Objective
- B. Mission
- C. Distinctive Competence
- D. Strategic decision

Difficulty: Moderate
Schroeder - Chapter 02 #13

14. Next year's goal is to fill 99% of all orders from stock. This is an example of which of the following?

- A. Objective
- B. Mission
- C. Distinctive competence
- D. Strategic decision

Difficulty: Easy
Schroeder - Chapter 02 #14

15. A company uses proprietary computer software to offer services that other companies have not been able to emulate. These services have enabled Marketing to enter new markets and have caused new organizational structures to be formed. This is an example of which of the following?

- A. Objective
- B. Mission
- C. Distinctive competence
- D. Strategic decision

Difficulty: Hard
Schroeder - Chapter 02 #15

16. Which operations objective does the author suggest as the basis for improvement in the other operations objectives?
- A. Cost
 - B. Quality**
 - C. Delivery
 - D. Flexibility

Difficulty: Moderate
Schroeder - Chapter 02 #16

17. Which of the following statements about operations objectives is NOT true?
- A. Focusing attention on improving quality frequently results in lower costs
 - B. Reducing costs often causes improvement in quality**
 - C. Each of the operations objectives can be improved nearly simultaneously
 - D. Reducing the time necessary to produce and deliver a product will result in greater flexibility

Difficulty: Hard
Schroeder - Chapter 02 #17

18. Which of the following is NOT a characteristic of a distinctive competence?
- A. Could be based on human resources that are difficult to imitate
 - B. Could be based on proprietary technology
 - C. Cannot be copied easily
 - D. None of the above**

Difficulty: Moderate
Schroeder - Chapter 02 #18

19. A global corporation has which of the following characteristics?
- A. A separate subsidiary or division for each country where it does business
 - B. Demand based on a worldwide versus a local basis**
 - C. Products designed for each individual marketplace
 - D. Both a and c

Difficulty: Easy
Schroeder - Chapter 02 #19

20. McDonald's distinctive competence has changed over time from continuous improvement of the transformation system and brand to the unique service and supply chain transformation system.

FALSE

Difficulty: Moderate
Schroeder - Chapter 02 #20

21. A corporate strategy drives the business strategy, which in turn drives the operations strategy in an organization.

TRUE

Difficulty: Easy
Schroeder - Chapter 02 #21

22. The business strategy can be derived from a firm's distinctive competence that is difficult for competitors to copy or imitate.

TRUE

*Difficulty: Easy
Schroeder - Chapter 02 #22*

23. Imitative products have low profit margins and predictable demand.

TRUE

*Difficulty: Easy
Schroeder - Chapter 02 #23*

24. Think of an example of any manufacturing (e.g., 3M) or service (e.g., Southwest Airlines) firm. Briefly discuss in your own words the operations mission, order winner, order qualifiers and distinctive competence of the chosen firm(s).

Southwest Airlines

Operations Mission: "The mission of Southwest Airlines is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit." (adopted from southwestairlines.com)

Order Winner: High quality of service provided (fewer customer complaints), Low Price per ticket.

Order qualifier: Safe and comfortable travel

Distinctive Competence: Quick turnaround times, Point-to-Point Operations (No Hub and Spoke concept), Single Fleet of Airplanes (Boeing 737 aircrafts and hence maintenance is easier).

*Difficulty: Moderate
Schroeder - Chapter 02 #24*

25. What are five focused initiatives with which a company should start its sustainability journey?

- (1) Eliminate air, water, and landfill pollution.
 - (2) Reduce energy consumption.
 - (3) Measure and minimize transportation and total carbon footprint.
 - (4) Work with suppliers to use recyclable and biodegradable packaging.
 - (5) Incorporate product re-use, end-of-life return, and recycling.
- (Refer to Section 2.7 of the text)

*Difficulty: Moderate
Schroeder - Chapter 02 #25*

26. How do the operations strategic decisions differ for a product imitator strategy versus a product innovator strategy?

Superior processes vs. superior products.

Dedicated automation vs. flexible automation.

Slow reaction to changes vs. fast reaction to changes.

Economies of scale vs. economies of scope.

Workforce involvement vs. use of new product development teams.

(Refer to Section 2.6 of the text)

*Difficulty: Moderate
Schroeder - Chapter 02 #26*

ch2 Summary

<u>Category</u>	<u># of Questions</u>
Difficulty: Easy	10
Difficulty: Hard	3
Difficulty: Moderate	13
Schroeder - Chapter 02	26