



**The Chartered
Institute of Logistics
and Transport**

INTERNATIONAL ADVANCED DIPLOMA IN LOGISTICS AND TRANSPORT

STRATEGIC NETWORK PLANNING

ADIP03

November 2022

Note to Candidates

The aim of this paper is to establish your in depth understanding of the principles and applications involved in Strategic Network Planning. Candidates are encouraged to make use of relevant examples where applicable.

Instructions to Candidates

- Duration of examination: 3 hours
- **Answer Question 1(Compulsory) in Section A and 3 Questions in Section B**
- Questions may be answered in any order
- Allocation of marks is indicated alongside each question
- Credit will be given for citing relevant examples
- Write legibly

SECTION A: COMPULSORY

Using Benchmarking to Evaluate Performance

According to Xerox Corporation, the company that pioneered this concept in the United States, **benchmarking** is “the continual process of measuring products, services, and practices against the toughest competitors or those companies recognized as industry leaders.” Benchmarking, an increasingly popular program, is based on the concept that it makes no sense to reinvent something that someone else is already using. It involves openly learning how others do something better than one’s own company so that the company not only can imitate, but perhaps even improve on its techniques.

Benchmarking has been found to produce best results in companies that are already well managed. Apparently, poorer performing firms tend to be overwhelmed by the discrepancy

between their performance and the benchmark—and tend to view the benchmark as too difficult to reach. Nevertheless, a survey by Bain & Company of 460 companies of various sizes across all U.S. industries indicated that more than 70% were using benchmarking in either a major or a limited manner.

Cost reductions range from 15% to 45%. Benchmarking can also increase sales, improve goal setting, and boost employee motivation. The average cost of a benchmarking study is around \$100,000 and involves 30 weeks of effort. Manco, Inc., a small Cleveland-area producer of duct tape regularly benchmarks itself against Wal-Mart, Rubbermaid, and Pepsico to enable it to better compete with giant 3M. APQC (American Productivity & Quality Center), a Houston research group, established the Open Standards Benchmarking Collaborative database, composed of more than 1,200 commonly used measures and individual benchmarks, to track the performance of core operational functions. Firms can submit their performance data to this online database to learn how they compare to top performers and industry peers (see www.apqc.org).

Adapted from T. Wheelan & D Hunger, Strategic Management and Business Policy, 2012, Pearson Publishing.

Question 1

- a) Can Zimbabwean companies adopt the above strategy? **(5 marks)**
- b) Explain the challenges that a company can face when trying to benchmark? **(8 marks)**
- c) Discuss the notion that benchmarking creates copycats. **(12 marks)**

SECTION B – Answer any THREE questions

Question 1

Discuss the concepts of supply chain and value chain and how they can be utilized to improve the organization's bottom line. **(25 marks)**

Question 2

Evaluate with examples the product life cycle as a tool to ensure business continuity. **(25 marks)**

Question 3

What is the balanced scorecard as a decision-making tool for a company or organization of your choice? **(25 marks)**

Question 4

Discuss why change is resisted in an organization and how do you implement change with less resistance? **(25 marks)**