**OM 305 S23**

**Quiz 2 Notes**

**Notes (Primarily based on the PowerPoint Presentations)**

**3/15/23**

**1. The NWC rule does not require that:**

* total demand is always equal to total supply or
* total demand is never equal to total supply

**2. The function of a Transshipment point is:**

* to receive shipments of items from sources, sort them, and then ship these items to destinations.

**3. The "Cross-docking" technique is:**

* a transshipment technique used to sort merchandise before re-shipment to destinations.
* goods cross from one loading dock to another (inside a distribution facility) in 48 hours or less. The distribution facility does not take a title to these goods.

**4. In a network, the shortest path is:**

* the shortest path through the network between two nodes. It is just one of the possible solutions.

**5. The "Minimal Spanning Tree" is a technique:**

* that connects all of the nodes of the network while minimizing total distance.

**6. A "Travelling Salesman" technique is:**

* a transportation problem where the start and the end point are the same.

**7. Factors affecting location decisions may include:**

* labor availability
* 0perating costs
* political and economic risk
* social and cultural aspects

**8. The "Competitiveness Index" is:**

* an aggregate index designed to rank countries based on factors related to ease of doing business.

**9. Labor Productivity:**

* is one of the key determinants of where a production plant should be located.

**10. Transparency International:**

* ranks countries based on the degree of corruption in their political and economic spheres.

**11. Political Risk is:**

* always considered before making any international investments.

**12. Industry Clustering is:**

* geographic locations where industry specific ecosystems and supply chains gravitate to

**13. The "Factor Rating" method is:**

* an approach for selecting a location by combining a diverse set of factors
* one of the site selection techniques used by Hard Rock Café

**14. A Location break-even analysis:**

* may provide different answers depending on the volume of production.

**15. The "Center of Gravity" method is:**

* a technique for locating a single facility that considers; the location of existing facilities, the distance between them, and the volumes of goods to be shipped to each facility.

**16. The "Load-Distance" method is:**

* a method of selecting the best possible location from amongst all other available location options

**17. GIS software is:**

* used to pinpoint optimum locations for an activity

**18. The Dell's production system uses:**

* the JIT production process.

**19. Hard Rock Cafe's location selection is based on:**

* a portfolio of qualitative and quantitative selection criteria

**20. The "Bullwhip" effect is:**

* an effect of the change in demand on the downstream supply chain. It occurs when slight demand variability is magnified as information moves back upstream.

**21. In most organizations, the Vendor selection process is:**

* not always fair to other vendors, not always objective, not always driven be the lowest costs or best offer
* projects or sales contracts are often driven by the social and political considerations

**22. Ethical concerns related to outsourcing and offshoring should be:**

* always considered

**23. Successful supply chains are built on:**

* "Win-Win" (cooperation) principles.

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**25. Supply chain:**

* the facilities, functions, and activities involved in producing and delivering a product or service from suppliers (and their suppliers) to customers and their customers. It is an integrated group of processes to “source.” “Make,” and “deliver” products.

**26. Value Add:**

* the creation of value for the customer.

**27. Inventory:**

insurance against supply chain uncertainty.

**28. Supply-chain management:**

* requires managing the flow of information through the supply chain in order to attain the level of synchronization that will make it more responsive to customer needs while lowering costs.

**29. Electronic Data Interchange (EDI):**

* a computer-to-computer exchange of business documents.

**30. Point-of-sale data:**

* creates an instantaneous computer record of a sale.

**31. Radio Frequency Identification (RFDI):**

sends product data from an item to a reader via radio waves.

**32. Collaborative Planning, Forecasting, and Replenishment (CPFR):**

* is a process for two or more companies in a supply chain to synchronize their demand forecasts into a single plan to meet customer demand.

**33. Procurement:**

* is the purchase of goods and services from suppliers.

**34. On-demand (direct response) delivery:**

* requires the supplier to deliver goods when demanded by the customer.

**35. Continuous replenishment:**

* supply orders in a short period of time according to predetermined schedule.

**36. Sourcing:**

* the selection of suppliers.

**37.Outsourcing:**

* the purchase of goods or services from an outside supplier.

**38. Single sourcing:**

* a company purchases goods and services from only a few (or one) supplier(s).

**39. E-procurement:**

* direct purchase from suppliers over the internet.

**40. E-marketplace:**

* web sites where companies and suppliers conduct business-to-business activities.

**41. Reverse auction:**

* a version of a bidding process.

**42. Cross-docking:**

**43. Order fulfillment:**

* the process of ensuring on-time delivery of an order.

**44. Logistics:**

* the transportation and distribution of goods and services.

**45. Velocity:**

* is one of the most important factors in transportation and distribution.

**46. Warehouse Management System (WMS):**

* is an automated system that runs the day-to-day operations of a distribution center. A WMS may include the following features: transportation management, order management, yard management, labor management, and warehouse optimization.

**47. Distribution outsourcing:**

* allows a company to focus on its core competencies and can lower inventory and reduce costs.

**48. Enterprise Resource Planning (ERP):**

* software that integrates the components of a company by sharing and organizing information and data.

**49. Key Performance Indicators:**

* metrics used to measure supply chain performance. For example: Inventory turns, Average aggregate value of inventory, days of supply, etc..

**50. Global competition requires:**

* an effective global supply chain.

**51. Trade specialists include:**

* freight forwarders, custom house brokers, export packers, export management, and trading companies.

**52. Tariffs (duties):**

* are taxes on imported goods.

**53. Intermodal transportation:**

* combines several modes of transportation

**54. Just-in-time system:**

* is a symbiotic arrangement between vendors a platform company.

**55. Cross-enterprise teams:**

* coordinate processes between a company and suppliers.

**56. Productivity:**

* a measure of process performance; the rate of output to input.

**57. Single Factor Productivity:**

* a productivity score that measures output levels relative to a single input.

**58. Multi-factor Productivity:**

* a productivity score that measures output levels relative to more than one input.

**59. Efficiency:**

* a measure of process performance; the ratio of actual outputs to standard outputs. Usually expressed in percentage terms.

**60. Standard Output:**

* an estimate of what should be produced, given a certain level of resources.