



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS  
2021/2022 ACADEMIC YEAR  
FOURTH YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS  
BCOM-PURCHASING AND SUPPLY**

**COURSE CODE: BCM 4148**

**COURSE TITLE: LOGISTICS STRATEGY**

**DATE: 1ST APRIL, 2022**

**TIME: 1100-1300**

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**INSTRUCTIONS TO CANDIDATES**

Answer Question **ONE** and any other **THREE** questions

## **Hessingen Farm**

Conrad and Elizabeth Kole moved into Hessingen Farm in 1983. Over the past few years their income from milk and traditional crops has dropped because of lower market prices. They have supplemented this income from other sources, including the conversion of old barns into holiday homes. Eight years ago Elizabeth took over a small field and started growing herbs. She sold a small range of herbs to local people who wanted fresh, organic produce for cooking. Passing tourists would also buy an unusual souvenir, and the herb business began to grow.

Five years ago Elizabeth started growing more unusual herbs, expanded her growing area into a second field and opened a visitors' centre. People now came to look at the growing and preparation of herbs, and taste samples in various foods. Three years ago Elizabeth introduced a new range of herb products. This was a major expansion, converting some of the farm buildings into a 'herb kitchen' and making products for cooking (sauces, dressings and marinades), perfumes (posies, pot-pourri and sachets of dried herbs) and what she called 'healthy stuff' (herb mixtures traditionally said to have beneficial effects).

The farm is now widely advertised as a tourist attraction. The website is particularly useful, as Elizabeth uses it to collect orders. She currently delivers 100 parcels a week to regular locals (up to about 50 km away) and posts 200 parcels to more distant customers. Herbs started as a small business to generate additional income for the farm, but have now become its main activity. Elizabeth is considering another expansion. She could expand the product range even further and move all the processing to an industrial estate 15 km away. Supporting this would need sales around ten times the current postal sales. Elizabeth plans to generate these by introducing a mailorder catalogue and increasing use of the website.

### **QUESTION ONE (25 MARKS)**

- a) How does Elizabeth currently organise her logistics? **(5 marks)**
- b) Highlight five of her main logistics strategies? **(5 marks)**
- c) What would be the effect of the expansion on logistics? **(5 marks)**
- d) What problems would Elizabeth face? **(5 marks)**
- e) What are her options of overcoming those problems? **(5 marks)**

### **QUESTION TWO**

It is often more difficult to implement a logistics strategy than to design one. This is why most logistics plans fail in the practice rather than the theory. Discuss ways an organisations can improve the implementation? **(15 marks)**

### **QUESTION THREE**

- a) Discuss five benefits of international logistics? **(5 marks)**
- b) Explain five transport planning strategies in an organisation of your choice **(10 marks)**

### **QUESTION FOUR**

- a) Expound on any five different ways of adding value through logistics **(5marks)**
- b) Explain five principles of strategic positioning related to logistics strategy **(10marks)**

### **QUESTION FIVE**

- a) Discuss five ways of creating an effective logistics strategy **(5 marks)**
- b) Differentiate between lean and agile logistics strategies **(10 marks)**

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