FEEDBACK TUTORIAL LETTER

1st SEMESTER 2019

ASSIGNMENT 2

FOR
Supply Chain Management
(SCM711S)
Dear Students

Thank you for the effort and congratulations on completing your assignment 2. The majority of you managed to type the assignment, which made your work more appealing and neat at your level of study. However there are still a few students who submitted handwritten assignments. I urge you to start typing your assignments. This is just a beginning of your professional report writing in the business context; hence you should practice report writing skills all the time.

On this assignment you were required to choose a local company and discuss how the company adopted the concept of Total Quality Management. You also required to draw the supply chain of the local company you have chosen. In so doing it is important to discuss the company background and its supply relations. The majority of you have tried to put more efforts in the investigation and wrote a good report. By reading on your report, I can see that you have done your work thoroughly. There are some students who just copied the company background and annual reports from the websites and so on, believe learning did not take place and you have cheated yourself and the system. There are still students who did not include the table of contents; introduction; title on the cover page; page numbers; conclusion and references. These students have lost 5 marks allocated to these aspects.

The outline of the assignment on page two to ten provided possible solutions to questions and acceptable structure. Marks are also allocated to students who reasoned using applicable concepts and theories of Supply Chain Management that are not listed in the feedback letter.

Best Regards

Ms Ester Kalipi

SCM711S Marker Tutor
ASSIGNMENT 2

Introduction

A brief introduction of what an assignment is all about is required. Student should clearly mention the name of the local company they chose to discuss in this assignment. Students should also discuss a brief background of the company and the products the company offers.

Namib Mills is used as an example in addressing questions in this assignment.

This feedback report is focusing on Namib Mills supply chain relations, the role of IT in its Supply Chain and application of its TQM approach.

QUESTION 1

Consider the supply chain of any local firm of your choice. Produce a simple annotated flowchart describing the supply chain for this firm. 10 marks

Company Background

NB: Students should give a background of the chosen company which include the year of establishment, the products and services they offers and target customers.

Example:

This assignment will focus on the supply chain of Namib Mills Company operating in Namibia. Namibi Mills was established in 1982 in Windhoek, Namibia. The company offers products such as maize meal -top score, Namib sun, Ten sifted maize meal, everyday traditional unsifted maize meal, Number one unsifted meal, Namib braaipap, Namib diamond maize rice; Baking flour- Bakpro, Snowflake self-raising wheat flour, cake wheat flour, brown wheat flour, white bread wheat flour; Pasta Polana; Sugar King, Rice King; Mahangu Meal- Pure Meme Mahangu, Mixed Meme Mahangu, Oshikundu/ Ontaku Meme Mahangu; Pasta La Vita.

The supply chain Network of Namib Mills begins with the suppliers of raw materials such as sugarcane, Maize grains and Mahangu Wheat grains required for production/milling process. The suppliers of these raw materials are commercial farmers in Namibia and South Africa. Namib Mills has silos storage facilities, namely Windhoek Silo, Kliparani Bunker Mahikeng in South Africa and Gordonia Mill Upington in Northern Cape of South Africa to store tons of Maize and Mahangu grains. The milling facility in Windhoek, Katima Mulilo and Otavi replenish raw materials from the silo when required and the finished products are then transported to the relevant depots. The depots are located in Gauteng South Africa, Windhoek, Katima Mulilo, Ondangwa, Otavi, Otjiwarongo, Gobabis, Walvis Bay, Mariental, Keetmanshop, and Orangemund. The wholesalers and retailers are supplied with products produced by Namib Mills from the nearest depots. The retailers then provide the products such as Bakpro, Top Score, Sugar King, Snowflake, Pasta Polana, and Meme Mahangu, to the customers of Namib Mills. The dash arrows represent the flow of information throughout the supply chain network while the solid arrows represent the flow of raw materials, semi-finished products, work in progress and finished products throughout the supply chain network.
Question 2
Explain the role of IT in the Supply Chain of this local firm.  

The role of IT in Customer Relations Management (CRM) and how it can help facilitate its execution in: 

Marketing process: IT capability facilitate analysis of relevant data and decision-making on issues such as price setting, product profitability analysis and customer profitability analysis.

Selling process
Effective IT capability facilitate automation, configuration, and personalisation of information by enhancing timelines, integrity and accuracy. IT also helps with sales activity monitoring, sales territory management, lead management and knowledge management.

Order management process
- Facilitate matching demand with supply and provide visibility to order processing. IT capability is also provided by systems such as Enterprise Resource Planning (ERP), which provide visibility to every transaction to all parties in the supply chain.

Call/Service Center
- IT facilitate the primary point of contact between Namib Mills and their customers. Provide necessary assistance to customer with regards to placement of orders, resolution of complaints and problems, tracking of orders and product options. It also helps to provide timely attention to customers.

The role of IT in Internal Supply Chain Management and how it can help to facilitate its execution:
Strategic Planning
IT Capability analyse the strategic plans under uncertain future environments.

Demand planning
IT capability will enable you to produce a demand plan that accounts for the marketing and promotion plans.

Supply Planning
Requires Information Technology software to execute process design and inventory planning.

Fulfilment
IT capability are very important for shipment planning, scheduling, trucking, warehousing management, ERP that enhances quality and timeliness of decisions and actions which, in turn enhance cost effectiveness and responsiveness.

The role of IT in Supplier Relationship Management and how it helps to facilitate execution in:

Design collaboration
IT capability lead to ease and efficiency to eliminate the costly delays that occur when several suppliers are concurrently designing components for the manufacturers’ products.

Sourcing
IT capability facilitates timely and accurate data availability on the basis of which supplier performance can be evaluated and improved as necessary.

Negotiation that are consent with contract negotiation process, hence the IT capability facilitates the automation of elements such as request for quotation (RFQ), delivery parameters, price for the product or service, value for money etc.

Buying
IT capability facilitates the automation of the procurement process, enabling partners to reduce processing costs and time taken to fulfill orders.

Supply collaboration
IT capability can help to integrate forecasts, production plans and inventory levels. Hence collaborative forecasting and planning in the supply chain.

Question 3
Discuss how the supply chain of this local firm adopted the Total Quality Management (TQM) principles. 20 Marks

This question is focusing on the application of Total Quality Management concepts of Namib Mills Company in Namibia. Bowersox, Closs, Cooper and Bowersox (2013) defined Total Quality Management as a philosophy that is supported by a managerial system focused on meeting customer expectations with respects to all needs, from all departments or functions of an organization, whether the customer is internal or external, a supply chain partner or a consumer. The answer to this question is presented onto two sections, namely the Quality standards and process of Namib Mills, and Dimensions of product quality.
Dimensions of Namib Mills Products Quality

The quality of Namib Mills’ products should be consistent with the following dimensions

a) Performance
Namib Mills understand and provide quality based on customers perspective. The company ensure that their products have nutritional balanced diet that consumers need.

- Top Score Products- Provide consumers with a top quality super maize meal with vitamins and sustainable energy.

- Bakpro Products – are designed with nutritional ingredients such as protein, energy, glycaemic carbohydrate and fat to provide consumers with excellent and confident baking experience as well as balanced diet.

- Polana Products – designed with nutritional ingredients such as protein, energy, glycaemic carbohydrate, fat, sodium and dietary fibre to provide consumers with creative and exciting cooking experience in the kitchen as well as balanced diet.

- Sugar King Products – a fine quick dissolving sugar, full of energy for consumers’ needs.

- Rice King Products – full of nutritional value, easy to prepare and a value for money.

- Meme Mahangu Products – Meme Mahangu meal designed with nutritional ingredients such as protein, energy, glycaemic carbohydrate, fat, sodium, dietary fibre, ash (minerals), vitamin B1 (Thiamine), vitamin B2 (Riboflavin), Vitamin B3 (Niacin) and iron to give consumers a total digestible nutritional value.

b) Reliability
Namib Mills ensures that its products provide consumers with the best nutritional values and balanced diets that consumers need throughout their daily lives.

c) Durability

Namib Mills Products have an optimum life expectancy of at least one year and above. Consumers are able to buy in bulk, taking advantage of discounts sales and store the products for later use.

d) Conformance

Namib Mills’ products such as Top Score, Meme Mahangu, Polana and Rice King meet the precise specifications if used or cooked following the instructions provided on the product package. Consumers did not file any allegations against these products.

e) Features

Namib Mills’ products are available into many flavours and sizes.

- Top Score – is available in various sizes such as 1kg, 2.5kg, 5kg, 10kg, 12.5kg, 25kg and 50kg.

- Bakpro – is available in various flavours and sizes such as White Bread 1kg, 2.5kg, 5kg, 10kg,
Polana – is available in various flavours and sizes such as Macaroni 500g, 1kg, and 3kg, Elbows 500g & 3kg, Spaghetti 250g, 500g & 1kg, Fusilli 500g, Shells 500g Tagliatelle 500g and Rice 1kg.

Sugar King – available in various flavours and sizes such as White Sugar 500g, 1kg, 2.5kg, 2kg, 5kg, 10kg, 12.5kg, 25kg and 50kg; Dry Brown Sugar 500g, 1kg, 2kg, 10kg & 50kg; and Special Golden Brown 2.5kg, 5kg, 10kg & 12.5kg

Rice King - available in parboiled rice 500g, 1kg, 2kg, 5kg & 10kg.

Meme Mahangu – available in pure Meme Mahangu flavour 1kg, 2.5kg, Oshikundu Flavour 1kg, 2.5kg, Mixed Meme Mahangu favour 1kg, 2.5kg and Meme Mahangu Rice.

f) Aesthetics

Namib Mills has a complete mix products made for consumers convenience for typical in-house bakeries and consist of all ingredients except water, required to bake bread and cakes. Bakers only add water and bake without the risk of losing sensitive products pilferage like sugar and yeast. The complete mix products are also good for first time bakers or consumers learning how to bake. Products range consists of brown bread, white bread, soft rolls, crispy crust rolls and sweet dough mixes.

Quality standards and Process used by Namib Mills

I. Certification

Namib Mills is using a quality assurance of International Organization Standards ISO 9001, which maintains the quality system for product design, development, production, installation and service and ISO 9002 (Model for quality assurance in production, installation, and servicing).

Namib Mills Pasta Polana Plant received a Hazard Analytical Critical Control Point (HACCP) certification in March 2010. HACCP is a food safety management system that enables the Pasta Plant to identify and control hazards before they threaten the safety of food and ultimately consumers. HACCP process adds more value to the quality of Namib Mills’ quality assurance system and reassures consumers about the safety of the products.

II. Key elements of Total Quality Management

✓ Customer focus

Namib Mills’ products satisfy the customers’ needs. Their brands have become the households’ names. The company also focus on consumers’ health issues by producing dietary products.

✓ Leadership and Involvement of people

Namib Mills focus on quality and excellent service is one of the main priorities. The company’s leadership
support its team with training, facilitation and supervision. The company has a wellness programme that take care of employees needs to ensure good health, job satisfaction and teamwork.

- **Process, System Management & Continuously Improvement**

Namib Mills continuously upgrade its Milling process by converting the roll stands of an idle wheat mill into maize mill roll stands. The upgrade intends to update to the recent technology and improve quality of Namib Mill maize meal. Namib Mills has also upgraded its supply chain facilities such as silos, depots, and milling process to accommodate customers’ growing demand.

### III. Key element of Quality Management Systems

Namib Mills ensures that every member of the supply chain observes the desired quality standards and practices through the following elements:

- **Management Responsibility**

The Namib Mills’ management team consisting of Chief Executive Officer, Sales & Marketing Manager, Operations Manager, Distribution and Logistics Manager, Commercial Manager, Operations Milling Manager, and Operations Manager Pasta ensures that every employee is fully understands the dimensions of quality that should be incorporated in products and they are fully involved in the quality assurance process. Namib Mills has documented quality manuals, quality policies and quality objectives and employees have undergone proper training on the application of the manuals and implementation of quality policies and objectives.

- **Documentation**

Namib Mills ensures that approved and updated quality manuals, quality policy, ISO 9001 & ISO 9002 manuals, quality objectives and SHEQ operating procedures are on the company intranet whereby they are accessible to employees and they are also distributed in hard copies to every employee.

- **Resources Management**

Namib Mills ensure that relevant resources that required to implement and remain in compliant with the HACCP, ISO 9001 and ISO 9002 are in place. The resources include:

  - **Human Resources**

    Namib Mills ensured that the company is staffed with human capacity required to operate the milling and distribution process of their products. Employees are trained in their assigned responsibilities to ensure quality.

  - **Facilities**

    Namib Mills continuously upgrade its silos, depot and milling factory to maintain quality and integrity of materials such as Maize grains, Mahangu grains, sugarcane, and products such as Meme Mahangu, Rice King, Sugar King and Pasta Polana.

  - **Equipment**

    Namib Mills has machinery such as roller miller, square plansifter purifier, multi storey flour milling plant and monitoring devices used to mill, hold and move products within the supply chain.
Materials
Wheat grains, maize grains, and Mahangu grains used in the milling process of Namib Mills have written specifications used for purchasing, selling and quality controls, identification and storage.

✓ Operations

Namib Mills has written standard operating procedures for receiving grains detailing to inspect and record the raw materials before storing in the silos and checklist facilitating consistent application of the procedure.

✓ Addressing performance discrepancies

Namib Mills has documented methods of handling performance discrepancies regarding customers’ complaints, returns, recalling product, reprocess and reworks.

✓ Monitoring and Improvements

Namib Mills conduct monitoring and evaluation audits on the milling process, distribution process to obtain information regarding the supply chain performance on the basis of corrective action and preventative action (CAPA) and continual improvement.

Namib Mills Supply Chain Relations

Relationship with supplier (commercial farmers)

Namib Mills get 15% of its raw materials or supplies from commercial farmers in Namibia and 85 % of it supplies from commercial farmers in South Africa. Namib Mills ensures that the grains adhere to quality specifications detailed in the bill of materials manuals.

Relationship with the Distributors

Namib Mills depots are located in a decentralized format throughout Namibia and beyond borders to reach all customers country-wide and internationally efficiently and effectively. The depots are located in Gauteng South Africa, Windhoek, Katima Mulilo, Ondangwa, Otavi, Otjiwarongo, Gobabis, Walvis Bay, Mariental, Keetmanshop, and Orangemund. Efficient storage and warehousing solutions are installed to ensure quality of products, inspections, and smooth operations.

Relationship with wholesalers & retailers

Namib Mills maintains a good relationship with retailers and wholesalers to ensure that their products reach consumers in good shape and also keep track of consumers’ demand to avoid over-production or stock-out situations at depots which leads to lost sales. Wholesalers and retailers also facilitate feedback on products from consumers to Namib Mills and suppliers of raw materials.

Namib Mills has operation standards procedures and specifications that monitor the quality of raw materials from suppliers into the milling process as well as the information systems, storage & distribution solutions that ensure quality of products is maintained at each stage of the supply chain until products reach customers and consumers. Customers also make use of the relevant platform in place to provide feedback to Namib Mills a process that informs quality corrective action or continual improvement. Namib
Mills also made provision for reverse logistics (performance discrepancies) to ensure that quality is maintained at each stage of the supply chain.

Namib Mills aims to be an exceptional processor of grains and cereals and provider of quality basic foodstuffs for humans. The Company has successfully adopted the Total Quality Management concept at each stage of the supply chain management. Namib Mills also strive by all means to prevent faults and defects in its products because detection of problems is a costly process than prevention.

Grand total 50 Marks
References


