

## **ABA 418-BLM 3413-TQM- AUGUST 2014**

Euro-Tents is a company that specializes in making tents but also organizes Holiday Camping for tourists. The company has grown from a small branch in industrial area with a turnover of 5,000,000 at a start of 1970 to be a big company with a turnover of 600,000,000 and branches all over East Africa. The directors are committed to quality. This is expressed in a company statement “Euro-Tents is a learning organization and recognizes that customers must be given priority whether internal or external”.

For Euro-Tents to achieve its objectives, it recognizes the continuity for key staff. It sees its business as being a partnership with customers and suppliers. The company recognizes the need for continuous improvement and tries to achieve it through a multi-pronged strategy. This covers safety commitments, total quality, teamwork, preventive maintenance, employee development, information system and local presence.

Euro-Tents has had to face problems of rapid growth. The director, Mr. Nalesh who is trying to co-ordinate all branches seem to be overwhelmed with work. Although the sale team who are mainly paid through commission are working so hard and hence bringing lot of jobs to the organization, there is a lot of confusion in the production and misunderstanding between the marketing, production and finance departments.

Every salesperson in the organization is empowered to place his or her order directly to the production manager and expediting is done individually.

There is now considerable mess in each location. Every department is being faced with the challenge to come up with quality plans because customers are seriously complaining about defective tents.

The company recognizes that if it is to remain a learning organization, development of key staff is essential. A new general manager has been brought in to assist in the situation but found out that he could not agree with some heads of department on matters of quality.

### **QUESTION ONE**

- (a) Discuss FIVE challenges facing Euro-Tents in its effort to implement Total Quality Management.(10mks).
- (b) Explain FOUR aspects of extent to which Euro-Tents has applied the concept of internal and external customer.(10mks) .
- (c) As a TQM consultant, highlight any FIVE problems facing Euro-Tents and advice the management on how to solve them.(10mks).

## **QUESTION TWO .**

- (a) Discuss the historical evolution of Total quality management. (10mks)
- (b) Discuss the views of Dr.W.Edwards Deming and its relevance to you as a student in your area of specialization. (10 mks)

## **QUESTION THREE**

- (a) Define the term external failure (1mks)
- (b) With suitable examples from your area of specialization explain aspect of external failure cost. (5Mks)
- (c) Discuss the seven principles of TQM that logistics and supply chain manager /Finance student must uphold. (14 mks).

## **QUESTION FOUR**

- (a) Define the term benchmarking (1mk).
- (b) As a logistics supplier chain / Finance official in your organization explain the five main steps in benchmarking process that you would follow to enhance TQM( 7 mks).
- (c) Discuss the drawbacks of benchmarkingthat you are likely to have in the implementation of the above. (12 mks)

## **QUESTION FIVE .**

- (a) The main issue in building customer satisfaction is to acquire satisfied customers.Discuss the three major categories of customer satisfaction.(10mks)
- (b)Outline some of the strategies for building a loyal relationship with customer .(10mks).