

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA-SEMESTER-III-EXAMINATION-WINTER-2024

Subject Code: 4539272

Date: 16/12/2024

Subject Name: Services Operations Management

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

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|------------|--|-----------|
| Q.1 | Definitions / terms / explanations / short questions | 14 |
| | (a) List down the risks in Offshoring? | |
| | (b) Why service sector is important for any economy? | |
| | (c) How employee empowerment help yield management? | |
| | (d) What are the benefits of creating Process Flow Diagrams? | |
| | (e) List the methods used in Site selection for Delivered services. | |
| | (f) What is the purpose of overbooking in service industries? | |
| | (g) What is Markdown Money? | |
| Q.2 | (a) What are the unique features of service operations compared to manufacturing processes in operations management? | 07 |
| | (b) What factors should be considered when selecting a site for demand-sensitive services, and how do these factors influence the decision-making process? | 07 |
| | OR | |
| | (b) How can a Process Flow Diagram (PFD) be utilized in services management to optimize service delivery and improve efficiency? | 07 |
| Q.3 | (a) How can Yield Management strategies be adapted during periods of high demand or low demand in service industries? | 07 |
| | (b) What is customer class cheating, and how can it negatively impact service operations and customer experience? | 07 |
| | OR | |
| Q.3 | (a) What is the Newsvendor Model, and how does it help businesses make optimal inventory decisions in the face of uncertain demand? | 07 |
| | (b) What strategies can businesses implement to prevent phantom stockouts and effectively minimize shrinkage? | 07 |
| Q.4 | (a) What are the key benefits and potential drawbacks of outsourcing business functions or services? | 07 |
| | (b) Define offshoring and distinguish it from outsourcing. What are the key factors that drive companies to offshore their operations? | 07 |
| | OR | |
| Q.4 | (a) In the context of retail, what does markdown money refer to, and how does it impact inventory management and the dynamics of supplier relationships? | 07 |
| | (b) What role does risk management play in outsourcing strategies, and | 07 |

how can companies mitigate the risks associated with outsourcing?

Q.5

CASE STUDY:

Airborne Airways, a mid-sized airline, is aiming to enhance its operational efficiency and profitability. As the airline prepares to implement various yield management strategies and streamline its inventory management processes, it also considers which services can be outsourced and the use of Process Flow Diagrams (PFD) to improve operations.

Airborne Airways seeks to maximize revenue through effective yield management strategies. Key methods include:

Overbooking: To counteract no-shows and cancellations, the airline books more passengers than available seats based on historical data. This strategy aims to maximize seat utilization while minimizing revenue loss.

Dynamic Pricing: The airline adjusts ticket prices in real-time based on demand, seasonality, and booking patterns. Prices may vary according to factors such as flight popularity, remaining seat availability, and competitor pricing.

The catering service onboard Airborne Airways is essential for passenger satisfaction. Effective inventory management is crucial to ensure that the right amount and variety of food and beverages are available without leading to excessive waste.

To improve operational efficiency, Airborne Airways is exploring which services may be beneficial to outsource. This can include catering, baggage handling, and customer service operations.

Airborne Airways plans to utilize Process Flow Diagrams (PFD) to visualize and streamline operations across various departments, including yield management, inventory management, and outsourced services.

(a) What are the potential risks and rewards associated with overbooking for the airline and its customers? **07**

(b) Which specific services should Airborne Airways consider outsourcing? What are the potential benefits and drawbacks of outsourcing catering services for the airline? **07**

OR

Q.5

(a) In what ways can PFDs enhance communication and collaboration among different departments, such as sales and catering? **07**

(b) What challenges does Airborne Airways face in managing its inventory of perishable goods for in-flight catering services? **07**
