○ B. strategy ***** C. mission

O. articles of incorporation

Chapter 2 Homework
✓ Concept Question 1.2
The stated purposed of NAFTA is to
 ○ A. increase product innovation in the wireless communication sector. ② B. phase out all trade and tariff barriers among Canada, Mexico, and the U.S. ○ C. reduce the outsourcing of jobs to foreign countries. ○ D. gain membership in the WTO. ✓ Concept Question 1.3
Which of the following is NOT a reason why domestic business operations decide to change to some form of international operation A. attract and retain local talent B. improve operations C. improve products D. improve the supply chain Concept Question 2.1
A strategy is A. a functional area of the firm. B. the purpose for which an organization is established. C. established prior to establishing a mission. D. an action plan to achieve a mission.
Which of the following is the purpose or rationale for an organization's existence?
○ A. charter

	Problem	2.4
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The text provides three primary strategic approaches (differentiation, cost, and response) for achieving competitive advantage. Provide an example of each. Choose the correct example of differentiation and its explanation below. A. Starbucks, as it provides the best cheap coffees, including canned, ground, fair trade and organic coffees. B. Starbucks, as it provides the special atmosphere and aroma of fresh coffee. C. Johnson Electric, as it competes on speed-speed in design, production, and delivery. D. Johnson Electric, as it specializes in industrial and commercial electrical construction projects. Choose the correct example of cost leadership and its explanation below. A. Wal-Mart, as it provides the fast product delivery to the customers. C. Disney Magic Kingdom, as here people are surrounded by a dynamic visual and sound experience. D. Disney Magic Kingdom, as it provides the best free and low-cost attractions and places to visit. Choose the correct example of response and its explanation below. A. Disney Magic Kingdom, as it provides the best free and low-cost attractions and places to visit. B. Johnson Electric, as it competes on speed-speed in design, production, and delivery. C. Disney Magic Kingdom, as here people are surrounded by a dynamic visual and sound experience. D. Johnson Electric, as it specializes in industrial and commercial electrical construction projects. Concept Question 3.1 Competing on differentiation is A. concerned with reliability of scheduling. B. based upon flexibility. C. based upon low-cost leadership. D. concerned with uniqueness. Concept Question 3.3 Which of the following does not represent competing on response? A. based on quickness B. concerned with reliability of scheduling

- C. based on providing uniqueness
- D. based on flexibility

Concept Question 4.1

Which of the following is NOT one of the 10 strategic OM decisions listed in the text?

A. finance/accounting

- B. location
- C. quality
- O. D. layout

✓ Concept Question 4.3

Which of the following is NOT an OM strategy/issue during the growth stage of the product life cycle?

- B. forecasting critical
- C. enhance distribution
- D. shift towards product focus



SWOT analysis refers to

- A. strengths, opponents, weaknesses, and threats.
- B. strengths, opportunities, weaknesses, and threats.
- C. support, opponents, weaknesses, and threats.
- D. support, opportunities, weaknesses, and threats.





Ranga Ramasesh is the operations manager for a firm that is trying to decide which one of four countries it should research for possible outsourcing providers. The first step is to select a country based on cultural risk factors, which are critical to eventual business success with the provider. Ranga has reviewed outsourcing provider directories and found that the four countries in the table below have an ample number of providers from which they can choose. To aid in the country selection step, he has enlisted the aid of a cultural expert, John Wang, who has provided ratings of the various criteria in the table below.

The resulting ratings are on a 1 to 10 scale, where 1 is a low risk and 10 is a high risk. Further, John Wang has determined six criteria weightings. Trust, with a weight of 0.40; Quality, with 0.20; Religious, with0.10; Individualism, with 0.10; Time, with 0.10; and Uncertainty, with 0.10. Using the weighted factor-rating method, which country should Ranga select?

In the following table, compute the total weighted score for each candidate (enter each response as a decimal rounded to one place)

Selection Criterion	Weight	Mexico	Panama	Costa Rica	Peru
Trust	0.40	1	2	2	1
Society value of quality work	0.20	7	10	9	10
Religious attitudes	0.10	3	3	3	5
Individualism attitudes	0.10	4	6	2	3
Time orientation attitudes	0.10	4	6	7	3
Uncertainity avoidance attitude	0.10	3	2	4	2
Total Weighted Score	9:	3.2	4.5	4.2	3.7

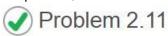
Mexico

has the lowest total weighted risk score and should be the choice for outsourcing.

Mexico =
$$(.40 \times 1) + (.20 \times 7) + (.10 \times 3) + (.10 \times 4) + (.10 \times 4) + (.10 \times 3) =$$
3.2 Panama = $(.40 \times 2) + (.20 \times 10) + (.10 \times 3) + (.10 \times 6) + (.10 \times 6) + (.10 \times 2) =$ **4.5** Costa Rica = $(.40 \times 2) + (.20 \times 9) + (.10 \times 3) + (.10 \times 2) + (.10 \times 7) + (.10 \times 4) =$ **4.2** Peru = $(.40 \times 1) + (.20 \times 10) + (.10 \times 5) + (.10 \times 3) + (.10 \times 3) + (.10 \times 2) =$ **3.7**

Oncept Question 6.2	
Which of these is NOT an advantage of ou	itsourcing?
 A. gaining outside expertise B. accessing outside technology C. potential creation of future competi D. cost savings 	tion
✓ Concept Question 7.1	
An international business is a firm that	
A. is not from the United States.	
 B. produces a wide range of products C. engages in international trade or in 	
O D. hires non-U.S. citizens.	
Concept Question 7.4	
Which of the following international operation	ons strategie
○ A. global	
B. international	

○ C. transnational***** D. multidomestic



Question Help

Walker Accounting Software is marketed to small accounting firms throughout the U.S. and Canada. Owner George Walker has decided to outsource the company's help desk and is considering three providers: Manila Call Center (Philippines), Delhi Services (India), and Moscow Bell (Russia). The following table summarizes the data Walker has assembled. Which outsourcing firm has the best rating? (Higher weights imply higher importance and higher ratings imply more desirable providers.)

In the following table, compute the weighted average score for each of the three providers (enter your responses rounded to one decimal place).

Criterion	Weight (W)	Manila (A)	Delhi (B)	Moscow (C)
Flexibility	0.50	4	5	6
Trustworthiness	0.10	5	4	2
Price	0.20	4	4	9
Delivery	0.20	5	9	4
Total weighted sc	ore:	4.3	5.5	5.8



The creation of a unique advantage over competitors is referred as

- A. differentiation.
- B. competitive advantage.
- C. experience differentiation.
- O. response.

Instructor-created question

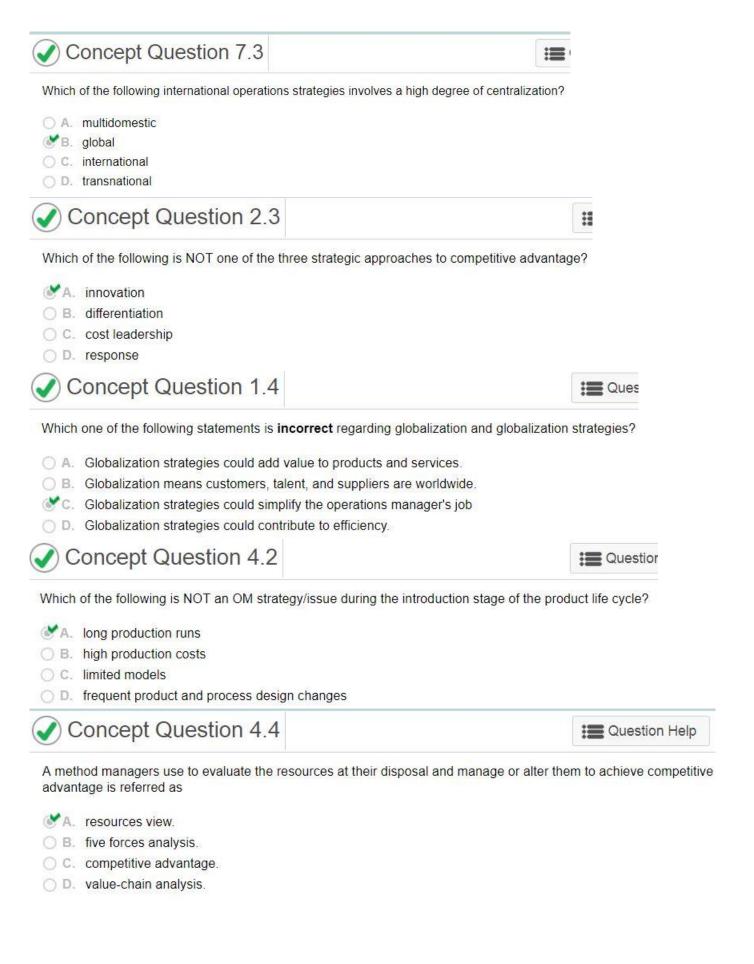
Productivity increases when:

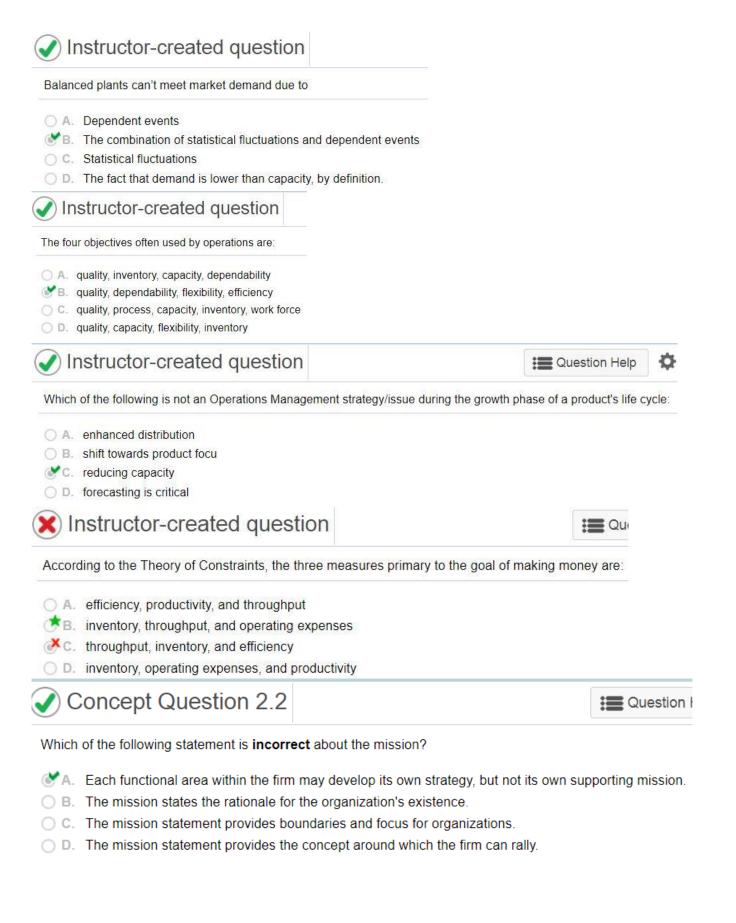
- A. inputs and outputs increase proportionately
- B. outputs decrease while inputs remain the same
- C. inputs decrease while outputs remain the same
- D. inputs increase while outputs remain the same

Concept Question 6.4

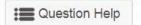
Which of these is NOT a disadvantage of outsourcing?

- A. decreased logistics and inventory costs
- B. loss of control
- C. risks may not manifest themselves for years
- D. negative impact on employees











According to the Theory of Constraints (TOC), (I) The goal is to make money now as well as in the future, (II) The goal is to provide market satisfaction now and in the future, (III) The goal is to provide secure and satisfying environment now and in the future.

- A. (I), (II), and (III) are all necessary conditions to the goal of serving society
 B. (I), (II), and (III) are all goals
 C. (II) is the goal, and (I) and (III) are necessary conditions
 D. (I) is the goal and (II) and (III) are necessary conditions
- Instructor-created question

The most important aspect of an operations strategy is that it

- A. be focused on minimizing costs
- B. address time-based competition, the most important factor in today's environment.
- De consistent with the other functional area strategies and the SBU strategy
- D. demonstrate clearly how the company plans to achieve high quality



Competing on cost is

- A. concerned with uniqueness.
- B. achieving maximum value as perceived by the customer.
- C. concerned with reliability of scheduling.
- D. based upon flexibility.