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## School of Business

Master of Business Administration MBA Dual Specialization  
Mid Term Examination - Mar 2024

Duration : 90 Minutes  
Max Marks : 50

### Sem IV - MBOP6013 - Sourcing Management

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Explain low-cost country sourcing with an appropriate example K5 (5)
- 2) Make use of Spend Analysis and Risk Analysis concepts to define purchasing portfolio matrix (mention all the four quadrants in the matrix). K3 (6)
- 3) In order to obtain greater leverage from its purchasing expenditure, IBM has since the late 1990s sourced a major proportion of its high-value items on a global basis, achieving considerable cost savings. In order to achieve this, it was necessary to employ integrated computer systems, and common coding systems were developed across all IBM operating locations. Global buyers now negotiate contracts that are used by the total organization. Examine the potential benefits, challenges and risk when IBM sources its major portion of high value items on a global basis? K4 (8)
- 4) According to a published reports of McKinsey, around 1200 Indian companies are preferred a sourcing method known as Captive service operations and it is increasing year by year. You are required to identify the potential benefits, challenges of captive service operation as far as a service company is concerned along with the definition of this term. K3 (9)
- 5) A mobile manufacturing unit XYZ Ltd located in Delhi NCR looking for procuring battery (a specific component crucial for mobile phones) from an external supplier. However, the management is considering the possibility of bringing the production of this component in-house instead of continuing to buy it from external suppliers. You as a decision maker in XYZ company, evaluate the “make or buy” decision by considering the key factors for making it and key factors for buying it (Consider Operational, financial and strategic aspects). Also consider the potential risk and benefits of each of this decision ? K5 (10)

- 6) The question of when to outsource security functions is key in the retail sector, where there is a high volume of transactions and relatively small security teams, according to research published in August 2023 by the Retail Cyber Intelligence Sharing Centre and Deloitte. Companies outsource cybersecurity work to overcome talent and budget constraints and to monitor their systems for possible threats, according to the report. After the release of this report, the international coffee giant Starbucks decided to outsource cybersecurity responsibility to a third-party company in USA, though they have 62 full-time employees in their global cybersecurity team. Discuss this scenario in detail and figure out the major advantages, disadvantages and reasons (especially revenue driven and employee driven reasons) that Starbucks gets when it goes for cybersecurity outsourcing?