

# **APPENDIX**

## QUESTIONNAIRE

**Project Title: Integrated Cost Leadership - Differentiation Strategy: Case Studies of Selected Firms in the Malaysian Food Industry.**

Investigated Firm: Ajinomoto/ Philip Morris/ Fraser and Neave/ Nestle

Respondent Name:

Date of Interview:

Interviewee:

Questionnaire is drafted based on activities in the primary and secondary categories of the Porter's value chain.

<b>Value Chain Category</b>	<b>Methods employed by the firm in each category of the value chain</b>
Inbound Logistics Approach	<ol style="list-style-type: none"><li>1. Is there a link between suppliers' and the firm? If yes, is it a vertical integration of the value chain? If no, what relationship is it then?</li><li>2. Is the firm practicing JIT? Low Inventory level policy? (Timeliness supply to the production process).</li><li>3. Is the firm keeping any buffer stock of raw or packaging materials?</li><li>4. Any quality control inspection for incoming inputs?</li><li>5. Handling of inputs that will minimize damage or degradation. Example special storage facility or any superior method of handling inputs? What about investment of new facilities?</li></ol>
Operations Approach	<ol style="list-style-type: none"><li>6. Is the firm involved in the manufacturing of standardized products?</li><li>7. If yes, identify the capacity?</li><li>8. Is the firm applying the economies of scale principle to reduce the cost?</li><li>9. Did the firm invest into the construction of efficient scale production facilities that will lower the cost of producing a unit of product? Any manufacturing innovations?</li></ol>

	<p>10. What about achieving consistency in manufacturing? If yes, what kind of techniques employed? Example automation, on line quality control, six sigma, statistical process control, etc.</p> <p>11. Is the firm involved in production of unique or tailored customer goods? Example special orders.</p> <p>12. If yes, is there a rapid response to customer's unique manufacturing specifications or requirements? If no, ignore this question.</p> <p>13. Is the firm pursuing aggressively continual improvement projects with the focus of reducing cost?</p> <p>14. Is the firm pursuing aggressively continual improvement projects with the focus of improving quality or consistency?</p>
<p>Outbound Logistics Approach</p>	<p>15. Is there an efficient delivery schedule? Delivery within— 24hours/ 48hours as an example?</p> <p>16. Any expiry dates for products manufactured by the firm?</p> <p>17. Is First In First Out (FIFO) implemented in the firm?</p> <p>18. JIT production?</p> <p>19. Inventory level/ Inventory turnover/ Buffer stock?</p> <p>20. Method of transporting goods for the firm? Any special requirements example refrigerated trucks to deliver goods?</p> <p>21. Accurate and responsive order- processing procedures. Is the firm utilizing any information technology to process orders example ERP?</p> <p>22. If ERP is implemented, to what extent (modules employed)?</p> <p>23. Is the firm particular about rapid and timely product deliveries to customers? Do they measure such activities to show the effectiveness of their service?</p>
<p>Marketing and Sales Approach</p>	<p>24. Number of product mix and product line?</p> <p>25. Percentage of market share for at least two major products?</p> <p>26. What about global market share, if any?</p> <p>27. Distribution channels employed by the firm example fewer,</p>

	<p>more efficient dealers versus small ones.</p> <p>28. The firm pricing strategy? Is it a strategy to price lower than competitors or at a premium price as to differentiate the firm's products?</p> <p>29. Identify the product configuration, performance and features? How the customers perceive the firm's products? Premium or low cost?</p> <p>30. Is the firm able to generate significant sales volume with the selected strategy? Will obtain from the annual report.</p> <p>31. If large volume, how did the firm gain that? What strategy did the firm advocate, as an example increasing scale through acquisitions, increase product mix, product line extensions, market expansion, or marketing activity that can lower cost?</p> <p>32. Will the firm grant any of the credit buying arrangements for their customers?</p> <p>33. Is there a personal relationship between the firm sales force and their customers?</p> <p>34. Is the firm involved heavily in advertisement and promotion activities? What mode of advertisement they employ? Electronic media or print media → TV commercials, print media, cooking demonstration, display at the point of purchase?</p> <p>35. Did the firm deploy any workforce for after sales services?</p> <p>36. If yes, what methods are used – example visiting customers?</p> <p>37. Is the firm involved in any consumer training example how to use their products through TV cooking shows or inviting them for cooking demonstration?</p> <p>38. Is there an existence of a highly developed information systems in order to better understand customers' purchasing preferences? Customer database as an example.</p>
Firm Infrastructure	<p>39. Deployment of management information systems? Example ERP or MRP.</p> <p>40. Any other software used in the firm and for what purpose?</p>

	<p>Related to the first question.</p> <p>41. Any positive impact of the MIS usage in the firm? Ex. cost reduction or increase efficiency?</p> <p>42. Identify the organization structure, horizontal or vertical? How many layers of managerial level?</p> <p>43. Did the firm implement any quality management systems example ISO, In house quality management system or TQM?</p> <p>44. If yes, is there a deployment of vision, mission and objectives? Are all these focused towards producing high quality products/ services or low cost goods?</p>
Procurement	<p>45. Is there a centralized purchasing policy or the firm seeks out opportunities to combine purchases with sister business units?</p> <p>46. Is the firm sourcing inputs from one/two supplier(s) or from a group of suppliers?</p> <p>47. Where are these suppliers located? Global, regional or domestic?</p> <p>48. Are there specifications, if any, identified by the firm when purchasing the raw materials?</p> <p>49. Does the firm frequently conduct evaluation processes to monitor suppliers' performance?</p> <p>50. Are there any supplier buyer relationships pursued by the firm? Example backward integration or joint venture?</p> <p>51. If yes, did the firm made any effort to improve the quality or lower the cost of raw materials?</p>
Human Resource Management Approach	<p>52. Is there any special human resource policies including hiring, training and employee motivation pursue by the firm?</p> <p>53. Number of employees in the firm? Calculate employee: sales ratio?</p> <p>54. What is the skill and experience level of personnel employed in the firm? Good to get a breakdown? Example graduates and non-graduates?</p>

	<p>55. What about the wages paid and amenities provided to employees, relative to prevailing norms? Higher than average, average or below average based on industrial standard?</p> <p>56. Is there a compensation programme intended to encourage worker's creativity and productivity?</p> <p>57. What method of evaluation employed, subjective or objective performance measures? Fixed scale increment or based on merit?</p> <p>58. Did the firm have a policy to employ non-skill foreign workers or contract staffs?</p> <p>59. Is there a concentrated effort by the firm for an intense and effective training program to improve on a worker efficiency and effectiveness? Example external or internal training?</p> <p>60. Is the training programme superior when compared to other organizations within the same industry? Opinion by the respondent.</p>
<p>Technology Development Approach</p>	<p>61. Is the firm's innovation focused towards reducing cost of producing one unit of product? Improved manufacturing technology?</p> <p>62. Did the firm invest in technologies that will allow the firm to produce highly differentiated products?</p> <p>63. What is the spending rate on marketing and technology development activities?</p> <p>64. Is the firm strong in basic research capabilities? Is the research done here or abroad?</p> <p>65. Is the firm making any effort to eliminate or reduce the need for expensive inputs when the unit's costs cannot be reduced through continual improvement/ product innovation/ manufacturing innovation?</p>