ASSIGNMENT COVER

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MM MADIRE | 2020/10/05

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INTRODUCTION

This assignment focused specifically on the most important factors that can affect the business. It outlines the important factors to consider before selecting business location. Location plays a huge role in business success and it cannot be understated. Choosing the right location helps the business to attract customers. In this study the focus is specifically on the Anglo American Company's location. This assignment also outlines the use of weighted-factor model in order recommend the best province to locate new facility. The comparison was between three provinces, namely Northwest; Western Cape; and Free State province. In this assignment we also look at whether the Northwest University is pure service sector or not. During this assignment we discussed the important primary elements to consider before designing the queuing system. The focus was specifically on the queuing system for financial institutions. In this assignment we also look at five dimensions of service quality and how Mc Donald can use it to their competitive advantage.

QUESTION 1

Background of Anglo American

Anglo American plc is a South African multinational mining company based in Johannesburg, South Africa and London, United Kingdom. It is the world's largest producer of platinum, with around 40% of world output, as well as being a major producer of diamonds, copper, nickel, iron ore and metallurgical and thermal coal. The company has operations in Africa, Asia, Australia, Europe, North America and South America.

Location Factors for Anglo American Business

According to Wisner, Tan & Leong (2019:414) locating the business facilities is an important decision that affect the efficiency and effectiveness of supply chain. This means that Anglo American plc has located its business locally and internationally in order to be effective with supply chain. The location of facilities has long term impact in the supply chain, and it forms integral part of the business strategy. The business location decisions provide the business with competitive advantage and can influence the supply chain.

The important factors that will influence the decision of location according to Table 11.1 from the textbook with regards to Anglo American Company are:

- **Economical factor** – are factors that affect businesses which include consumer confidence, employment, interest rates and inflation. The nature of international markets and South Africa's markets need to be considered including the effect of increased supplies on prices
- **Environmental factor** – environmental factors can be insignificant in location decisions. However, environmental regulations may have an impact in the operations of Anglo American plc.
- **Taxes Factor** – taxation in mining follows normal rules of taxation which include the following features:
  - Income
  - Deduction of expenditure
  - Tax rate and formula tax
  - Royalties
- **Legislation Factor** – Anglo American comply with Legislation to promote and enhance good practice across the supply chain.
- **Land availability factor** – the availability and ownership of land will impact on the decision to start business operations in the area. If the land is only available on lease, the operations may be impacted if the owners decide to stop or sell the land to different stakeholders
- **Labour Cost** - The decision to open a mine is based on a feasibility study which includes the capital required and budget.
- **Stability of the local government** – Unstable political unrest and interventions that the local government influence on the business operations, determine the decisions on locations.

QUESTION 2

LOCATION FACTOR	FACTOR WEIGHT	North-West	Western Cape	Free State	PROVINCE FINAL VALUE		
					North-West	**Western Cape**	**Free State**
Labour Cost	0.10	100	60	85	10	6	8
Quality of Life	0.20	100	100	90	20	20	18
Stability of the local government	0.15	80	85	80	12	12.75	12
Proximity to market	0.25	70	20	30	17.5	5	7.5
Supply chain compatibility	0.30	80	85	75	24	25.5	22.5
TOTAL WEIGHTED SCORE					**83.5**	**69.25**	**68**

CALCULATIONS

NORTH-WEST

=0.10(100) + 0.20(100) +0.15(80) +0.25(70) +0.30(80)

= 10 +20 +12 +17.5 +24

=83.5

WESTERN CAPE

=0.10(60) + 0.20(100) +0.15(85) +0.25(20) +0.30(85)

= 6 +20 +12.75 + 5 +25.5

=69.25

FREE STATE

=0.10(85) + 0.20(90) +0.15(80) +0.25(30) +0.30(75)

= 8 +18 +12 +7.5 +22.5

=68

Recommendation

Based on the total weighted score North-west (83.5) would be the recommended province to locate a new facility.

QUESTION 3

3.1 Do you think the Northwest University is a pure service?

A pure service is a service that has no tangible aspect in it. Most aspects of pure service can neither be resold, nor can the customer take the product with. Example of pure services is house cleaning, plumbing repair and teaching. The core business of North West University is to provide education. Education involves teaching and learning of which is intangible and of a pure service. This is supported by the purpose of NWU which is “To excel in innovative learning and teaching”. Therefore, North West University is a pure service sector.

3.2 Discuss the primary elements to consider when designing a queuing system for a Financial Institution.

Queue represents a certain number of clients waiting for a service. It happens when resources are limited. Queueing system helps to design a balanced system that serves customers quickly and efficiently. Queuing management system is used to manage interactions with customers. It is used to control queues from the arrival to the exit of customers. Queueing system cover wide range of application, such as how to provide faster customer service, and improve traffic flows. There are four types of queuing server systems namely single server queue; multiple servers queue; multiple queue with multiple server; and multiple queue with single server. The choice of queuing system is determined by volume of clientele the financial institution is serving, willingness of customers to wait and sequence of service to be performed. Financial institutions mostly use multiple server queue system. Financial institutions often encounter high volumes of customers. The following elements should be considered when designing a queueing system for the financial institution:

- **Arrival /Input Process**

  Queueing system involves the analysis of arrivals at a facility such as financial institution and the service requirement of that institution. Arrivals are called customers. Arrivals may also come in batches of multiple customers, which is called batch or bulk arrival. Arrivals can be measured as the arrival rate or inter-arrival time. Statistical records of customer footprint to must kept and updated continuously for proper planning.

- **Queue Discipline**

  To describe a queueing system completely, we must also describe the queue discipline. The queue discipline describes the method used to determine the order in which customers are served. The factor that has important effect on the behavior of queueing system is the method that customers use to determine which line to join. For example, in some of the banks, customers must join a single line for multiple tellers, while in other banks use multiple line and customers choose which line to join. If there are multiple lines at the facility, it is important to know whether customers are allowed or not to switch or jockey between the lines. The common queue discipline used by financial institutions includes first in First out or first come first serve, shorter service time first and random selection.

- **Output Process**

  The output process of the queueing system is described by specifying the service time distribution which governs the customer's service time. This service is characterized by the distribution of time to service arrival, the number of services, and sequence in which customers will be serviced. Allocation and personnel arrangement should be configured based on time required for a particular service. Service like loans requires lot of time therefore more personnel should be allocated to customers.

  Customer in financial services are serve from single channel multiple point and the system is mostly automated and customer queue status is displayed on LCD screen, this is based on the type of service the customer requires.

3.3 Take the five dimensions of service quality and advise Mc Donald's how they can use that to their competitive advantage.

Quality of service can be explained as a comprehensive customer evaluation of a certain service and the extent to which it meets the customer expectations and satisfaction is derived (Al- Jazzazi, A, 2017). Service quality may be characterized by the following five dimensions service quality:

- **Reliability:** Macdonald should always strife for best service and offer it correctly for the first time. As first impression lasts in the customer's moment of experience. And to offer the same service consistently and dependably.

- **Responsiveness:** Macdonald to train and encourage to willingly give customers undivided attention with courtesy and responding to customer's needs. And to always promote services offered. Employees should offer service promptly in a timely manner.

- **Assurance:** Macdonald to have employees with knowledge capabilities and courtesy with the capacity to instill confidence in customers. Employees must be able to accommodate and communicate with customers in the preferred language and listening to them regardless of their background. To keep employee whose attitude and behaviour will yield friendly, courteous and competent service.

- **Empathy:** Macdonald to create an environment in which customers feel at home, being given attention and priority. By creating a feeling that customers are important, unique, and special.

- **Tangibles:** MacDonald to provide physical services that will enhance customer excitement and making life easier. To provide services that are compatible to fourth industrial revolution technologies, which offers simpler and better transaction processing speed, online sales, mobile application transactions and vendor machines.

SUMMARY

In conclusion, Supply Chain is very important department into the business, its assists the business to sell and advertise their products. Looking at above questions, In Question 1, we looked at the important factors that can affect the business location, in question 2, we used three province to calculate the stability of business location and in question 3, we explained the dimensions that will be used to determine the system for financial institution. These three questions are linked together to survive in the supply chain management.

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