



Mini Mock – Questions

Strategic Case Study – May 2023 / August 2023

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The examination is structured as follows:

Section number	Time for section (minutes)	Number of tasks	Number of sub task/s	% Time to spend on each sub task
1	45	1	3	(a) 25% (b) 25% (c) 50%
2	45	1	2	(a) 60% (b) 40%

Each section (task) has a number of sub tasks. An indication of how much of the time available for the section that you should allocate to planning and writing your answer is shown against each sub task in the text of the question (and summarized in the table above).

This information will be available for you to access during the examination by clicking on the Pre-seen button.

Section 1 (60 mins)

You receive the following email from Rasim Hamid, the CFO.

To: Senior Finance Manager

From: The CFO

Subject: Autonomous Vehicles, Governance and Sustainability

The board commissioned a special report to evaluate the potential costs and benefits of incorporating autonomous delivery vehicles into Daistruk's fleet. The report revealed that this move would offer substantial cost advantages and disrupt existing market dynamics.

Furthermore, the use of cleaner fuels by these vehicles would make them more energy efficient and environmentally friendly than the current fleet. Financial analysts have also indicated that the company's revenues and beta will likely increase in the future due to the cost efficiencies gained and the rising demand for environmentally conscious logistics operations.

- Explain the Financial Analyst's comment, with regards to Daistruk adopting autonomous vehicles within its logistics operations. ***[Sub task (a) – 25%]***

Further, Elham Androodi (Operations Director) has highlighted the fact that the workload of board members has increased significantly due to the planned diversification. He has thus suggested that it is prudent to increase salaries of all Executive Directors.

- Evaluate the Operations Director's suggestion with regards to salary increments. ***[Sub task (b) – 25%]***

On an unrelated matter, I am sharing an article which was published on “Environmental Watch” one of the most popular weekly magazines in Roundland. Please refer to the attachment.

- Hope you can provide recommendations with reasons, describing the strategy which Daistruk needs to adopt to minimize the impact of Carbon laws. ***[Sub task (c) – 50%]***

Regards,

Rasim

-----REFERENCE MATERIAL IS AVAILABLE ON THE NEXT PAGE-----

Reference Material

The Logistics Industry: A Silent Polluter?

The logistics industry can have a significant impact on the environment and contribute to pollution in various ways. Here are some examples.

Transportation emissions: The transportation of goods is a major contributor to greenhouse gas emissions, which contribute to climate change. Trucks, ships, and planes used in the logistics industry emit carbon dioxide (CO₂), nitrogen oxides (NO_x), and particulate matter (PM) that can harm the environment and public health.

Packaging waste: The logistics industry generates significant amounts of packaging waste, such as cardboard boxes, plastic wrap, and pallets. This waste can end up in landfills or the ocean, where it can harm wildlife and ecosystems.

Energy consumption: The logistics industry is a significant consumer of energy, which contributes to greenhouse gas emissions and air pollution. Warehouses, distribution centers, and transportation vehicles require energy to operate, which can come from non-renewable sources such as coal and natural gas.

Chemical pollution: The logistics industry involves the transport of hazardous materials such as chemicals and fuels, which can pose a risk to the environment and public health if not handled properly.

Noise pollution: Transportation vehicles such as trucks, trains, and planes can generate noise pollution, which can impact the quality of life for people who live near transportation routes.

These issues have been highlighted by many leading environmentalists and is gaining a lot of traction. Environmentalists stated that the leaders within the logistics industry such as Daistruk and Carree are to be blamed.

The Roundlandian government is also planning to impose strict emission laws on the industry, given the pressure created by these environmentalists, at the same time sticking to its "Net Zero" goals.

Section 2 (60 mins)

Rasim Hamid, the CFO hands you an excerpt of a document sent by the Head of IT.

Daistruk's Warehouse Management System (WMS) was breached last night. I must rush to an emergency board meeting right now. Please email your response as soon as possible.

- Describe the type of actions we can take in response to the data breach and explain the strategic implications of these actions. ***[Sub task (a) – 60%]***
- Recommend the objectives that the board should set for the Head of IT of Daistruk, within the first 48 hours of the breach. ***[Sub task - (b) – 40%]***

-----REFERNECE MATERIAL IS AVAILABLE ON THE NEXT PAGE-----

Reference Material

Excerpt from Urgent Meeting: WMS Security Breach

“Regrettably, a data breach occurred at approximately 10 pm yesterday. Following the incident, the company's maintenance engineers conducted an initial investigation and discovered that clients attempting to access their accounts were redirected to an unrelated page, citing a data security requirement.

Subsequently, users were prompted to re-enter their login credentials. Hackers accessed the personal information of clients who provided their user IDs and passwords.

The compromised information includes the client's name, employer's name, job title, date of birth, address, phone number, email address, and credit card numbers. Although the credit card details were accessed, the customer verification numbers (the three-digit validation code) remained secure, as the company does not store this information.

Investigations are still ongoing, and we are yet to get to the root of the problem”.