SUPPLY CHAIN MANAGEMENT : AN EXPLORING AREAS OF MANAGEMENT RESEARCH

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ABSTRACT

With the globalization, importance of dynamic distribution and Supply Chain Management has enhanced. In this era of crumbling economic barriers, the customer reign extreme. The successful venture in this fiercely competitive economy are those which are able to ensure high level customer satisfaction and at considerably low cost. At the strategic level, performance of distributed networks should be evaluated after considering the customer needs that are met and cost of meeting these customer needs by data and information. Ventures are trying to minimise cost and maximise customer satisfaction and profit by more effectively planning and managing their Supply Chain Management. The strategic role of logistic and Supply Chain Management in this regard becomes vital, because the focus today is not on meeting the customer expectations, but on exceeding them. The paper would provide a conceptual framework of Supply Chain Management, Structure, and Managerial skills, and risk to Dynamic distribution of Supply Chain Management.

Keywords: Concept and definition of Supply Chain Management, Structure and distribution of Supply Chain Management, Managerial skills, problems, and risk to dynamic distribution of Supply Chain Management.

INTRODUCTION:

Every venture has their own supply chain management according to their size of company. The flow of materials is not always along an arbores cent network, various modes of transportation may be considered, and the bill of materials for the end items may be both deep and large. Supply chain management ensures the movement of right product with a smarter, faster and efficient way to the right customer and the right time, place and price. To trying to keep less cost of the product supply chain manager takes very dynamic and risky decision. In that Decision Company might be possible comes in risk zone, that's why supply chain manager collect the all data, information regarding supply chain management analyze it by problematically and risk driven approach for dynamic distribution of successful supply chain management.

ORIGINAL CONCEPT AND DEFINITION OF SCM:

Businesses depend on their supply chains to provide them with what they need to survive and thrive. Every business fits into one or more supply chains and has a role to play in each of them. On the era of supply chain management, this has been defined by different author in different manner is as:
According to T. Davis in 1993:

The supply chain is the network of organization that is involved through upstream and downstream linkage in the different processes and activities that produce value in the form of product and services.
Steven in 1989 stated that:

The objective of managing the supply chain is to synchronize the requirements of the customer with the flow of material from supplier in order to affect a balance between what are often seen as conflicting goals of high customer service, low inventory management, and low unit cost.

Houlihan in 1988 defined four differences between supply chain management and classical material and manufacturing control, including:

The supply chain process is viewed as a single chain process. Responsibilities for the various segments in the chain is not fragmented and relegated to the functional areas such as manufacturing, purchasing, distribution, and sales.

- Supply chain management calls for and in the end depend on strategic decision making "supply" is shared objective of practically every function in the chain and is of particular strategies significance because of its impact on overall cost and market share.
- Supply chain management calls for a different perspective on inventories which are use as balancing mechanism of last, not first, resort.
- A new approach to system is required-integration rather than interfacing.

On the basis of various definitions, Supply Chain Management can be defined as:

Supply Chain management is the art of management which determines the requirements, acquiring them, distributing them through the different channels and activities that create quality products and services for the entire life.

Supply Chain Management is the design, planning, execution, control and monitoring of supply chain activities from the raw material to final product to the end consumer. It ensures the movement of right product with a smarter, faster and efficient way to the right customer and the right time, place and price.
Example-: Distribution of news paper.

DISTRIBUTION AND STRUCTURE OF SCM-:

Distribution:

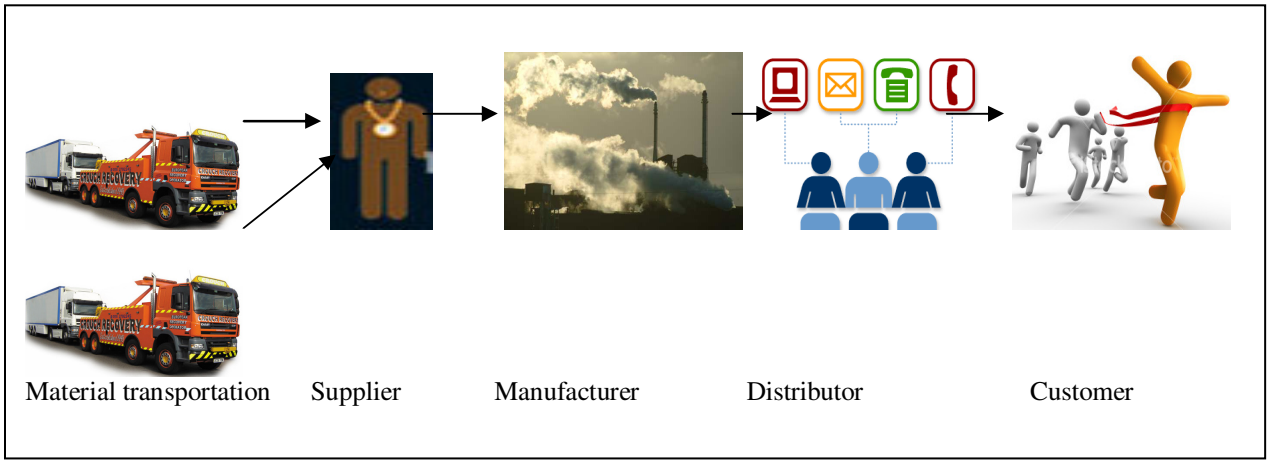
The process of distribution is that, "Movement of goods and services from the source (manufacturing) to destination (customer)". It has been related to questions in the field of logistics and supply chain management is that:

- Whether to sell the product directly, or through a retailer;
- Whether the product should be distributed on a wholesale basis;
- Whether the product should be sold via multi level marketing channels;
- Whether members of the channel should share advertising costs;

Above mentioned are intermediaries between customer and manufacturer such as retailer, wholesalers, agents, and advertising. Each intermediary receives the item at one pricing point and moves it to the next higher pricing point until it reaches the final buyer. It is also called as distribution channels. Other some distribution channels are:

- Internet,
- Mail order, or
- The telephone.

Typical distribution and structure of SCM is as:



Distribution of supply chain management flows from downstream (from raw material sources through a manufacturing level transforming the raw materials to intermediate products) to upstream (customer).

MATERIAL TRANSPORTATION:

Material transportation is the movement of people and goods from one location to another location through the air, rail, road, water, and vehicle etc. Also improve plan optimization and consolidation by optimizing transportation plans across multi-period transportation and daily plans and schedules.

Transportation solution helps mobilize your global inventory so you can get the right goods to the right customer and place at the right time in the right condition for the right price, even as you comply with trade regulations. As a result, you're more likely to get the sale and deliver on your commitment, while reducing costs, boosting service, and avoiding customs delays and fines.

SUPPLIER:

It is the term of supply chain management term means anyone who provides goods or services to a company. It is also called as vender. Supplier refers as:

- Manufacturer
- Distributor (business)
- Wholesaler
- Merchant

MANUFACTURER:

It produces goods for use or sale through the machine by using man power or automated machine. The process of manufacture is as:

Transportation---- Utilization reuses----Recycling -----Raw material extract----Manufacture.

The manufacturing sector is closely connected with engineering and industrial design.

Example-: Any industry.

DISTRIBUTOR:

Distributor is the entity that buys non-competing products or product-lines, warehouses them, and resells them to retailers or direct to the end users or customers. Most distributors provide strong manpower and cash support to the supplier or manufacturer's promotional efforts. They usually also provide a range of services (such as product information, estimates, technical support, after-sales services, credit) to their customers.

CUSTOMER:

Customer is the entity that receives or consumes products (goods or services) and has the ability to choose between different products and suppliers. It is may be called as the end user of the every products.

MANAGERIAL SKILL FOR SCM:

Managers in operations require a grasp of the "nuts and bolts" activities required to source, manufacture, and store and deliver the products/services to the customer. A supply chain orientation is, quite simply, the vision of the manager to see the system-wide, strategic implications of coordinating

across several companies the various activities and processes required to create and nurture a managed supply chain. Such an orientation requires the manager skills of:

A concerted, teamwork-oriented management style:

Motivate people to pool their knowledge; the results may exceed your expectations.

Well-organized excellence:

Have a great enthusiasm and want to be a part of creative development team.

IT expertise:

He is really good doing about information system and security.

An ability to assess ecological trends:

He should know environmental changes affect the distribution

Mentoring:

To help that other person to do a job more effectively and /or to progress in their career.

A metrics orientation:

Means the difference between success and failure.

A cross-functional attitude:

Involves a willingness to communicate and cooperate, rather than a structure or a form.

Ability to handle and manage the data:

He should know how to handle and manage the data about SCM.

Good information and data about market and product:

He should able to take information and data about the current market and product.

- Integration of process.
- Mutually sharing channel risk and rewards.
- Partners to built and maintain long term relationship.

If Supply Chain Manager is not able to manage all processes and to take the effective decision then cost of the product is automatically increase. It may be happens due to following reasons:

Supply chain cost is difficult to reduce because of following reasons:

- This lack of supply chain visibility.
- The products are designed poorly, problems and unnecessary costs are bound to arise.
- Lack of communication among entities involved in a supply chain business relationship (ongoing communication between your company and your supply chain partners).
- The uncertain nature of supply chain (predictions and forecasts about a supply chain).

PROBLEMS IN SCM:

Supply chain execution means managing and coordinating the movement of materials, information and funds across the supply chain. The flow is bi-directional. Supply chain management must address the following problems:

1. Circulation Strategy:

Number of locations and network missions of suppliers, production facilities, distribution centers, warehouses, cross-docks and customers are scattered. Questions of operating control (centralized, decentralized or shared); delivery scheme, DSD (direct store delivery), mode of transportation, , including truckload, intermodal transport, including trailer on flatcar and container on flatcar; and transportation control .

2. Trade-Offs in SCM performance:

The circulation strategy activities must be well coordinated in order to achieve the lowest total logistics cost. Trade-offs may increase the total cost if only one of the activities is optimized. This trade-offs are key to developing the most efficient and effective Logistics and SCM strategy.

3. Information:

Amalgamation of processes through the supply chain to share valuable information, including demand signals, forecasts, inventory, transportation, potential collaboration, etc

4. Inventory Management:

Quantity and location of inventory, including raw materials, work-in-progress (WIP) and finished goods.

5. Cash-Flow:

Arranging the payment terms and methodologies for exchanging funds across entities within the supply chain

To solve the accruing problem, here given the problem solving features are as:

- State problem
- Analysis of the problem (Tracking the data and temporary fix it)
- Understand the problem from the stakeholder's point of view
- Root cause analysis
- Define solutions
- Recommend solution
- Plan for implementation

The Supply Chain Problem Solving system enables you to:

Cost reduction:

Drive Root Cause analysis into your supplier plants, understands reoccurring problems, eliminate them, and reuse the data.

Improve efficiency:

Drive quality while not actually being on-site. As the suppliers get better at problem solving, they will need less of Supplier-Quality professional's time.

Scalability & reuse of information:

Collect problem solving knowledge and reuse it. As demand changes with economic cycles, knowledge and experience can be accessed and reapplied when demand increases.

Flexibility within a standard approach:

It is designed to be flexible enough to meet the needs of different constituencies and problem types. The system is configurable on an ongoing basis to meet these different levels of complexity.

Multiple languages and incorporating local knowledge:

It is available in English, Spanish and French. Local knowledge and specialized information can be added by work group. Gets over barriers between departments by fact based reasoning.

Data: All in one place:

The data section can be tailored to meet differing work procedures. This saves a great deal of time and reduces confusion in recreating information.

Retaining information in a way that can be reused:

The software doesn't just capture the data and descriptions of the issue and countermeasures; it captures the reasoning users went through. When a problem reoccurs, it is much faster and easier to understand "why they did what they did", so other options can be applied. This database of experience becomes a very valuable resource.

CONCLUSION:

There are several steps that should be followed when the objective is to be redesign for maximum effectiveness of supply chain form In first steps, project objective is to be identified as par facilities and needs. It encompasses the initial stages of planning, and involves setting a clear objective and collecting information from the rest of supply chain, such as distributors, warehouse staff, manufacturing facilities and others in order to determine the size, complexity and level of involvement that the project requires. In next step, prepare plan for dynamics distribution of supply chain management. Next step, supply chain manager find out the solution if problem accrue after discussing with team on problem, route cause analysis, solution, and plan for implementation.

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