

MIS - SUPPLY CHAIN MANAGEMENT

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Supply chain management is the systemic, strategic coordination of the traditional business functions and tactics across these business functions - both within a particular company and across businesses within the supply chain- all coordinated to improve the long-term performance of the individual companies and the supply chain as a whole.

In a traditional manufacturing environment, supply chain management meant managing movement and storage of raw materials, work-in-progress inventory, and finished goods from point of origin to point of consumption.

It involves managing the network of interconnected smaller business units, networks of channels that take part in producing a merchandise or a service package required by the end users or customers.

With businesses crossing the barriers of local markets and reaching out to a global scenario, SCM is now defined as:

Design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally.

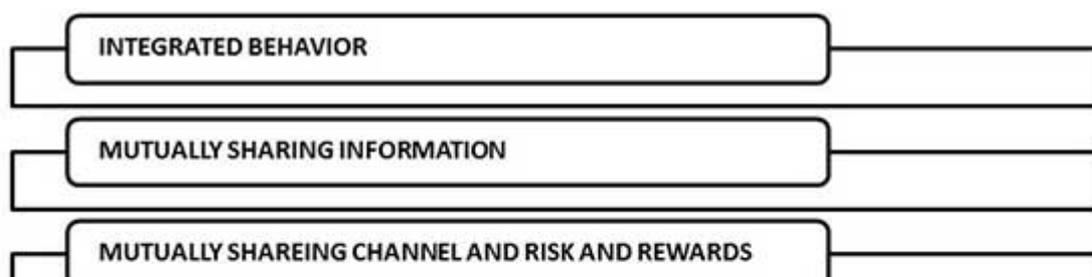
SCM consists of:

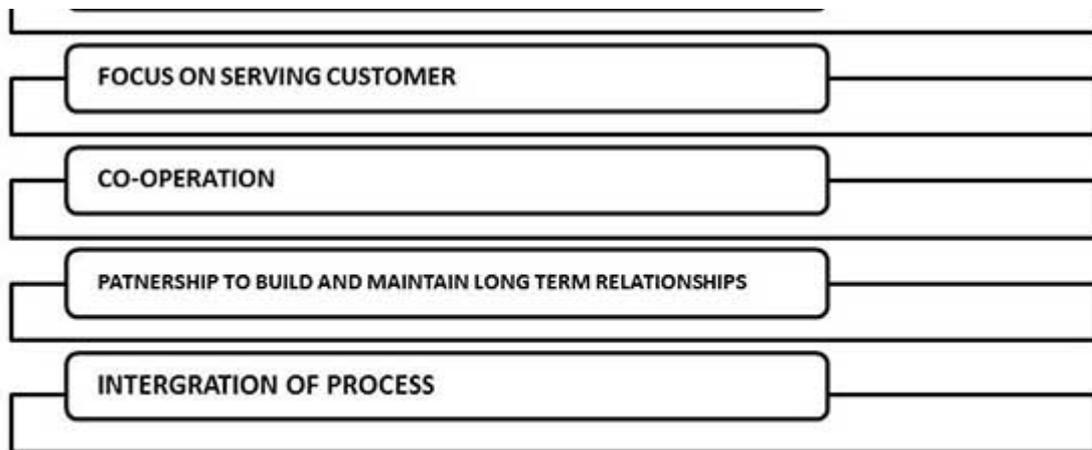
- operations management
- logistics
- procurement
- information technology
- integrated business operations

Objectives of SCM

- To decrease inventory cost by more accurately predicting demand and scheduling production to match it.
- To reduce overall production cost by streamlining production and by improving information flow.
- To improve customer satisfaction.

Features of SCM





Scope of SCM



SCM Processes

- Customer Relationship Management
- Customer Service Management
- Demand Management
- Customer Order Fulfillment
- Manufacturing Flow Management
- Procurement Management
- Product Development and Commercialization
- Returns Management

Advantages of SCM

SCM have multi-dimensional advantages:

- To the suppliers:
 - Help in giving clear-cut instruction
 - Online data transfer reduce paper work
- Inventory Economy:
 - Low cost of handling inventory
 - Low cost of stock outage by deciding optimum size of replenishment orders
 - Achieve excellent logistical performance such as just in time
- Distribution Point:
 - Satisfied distributor and whole seller ensure that the right products reach the right place at right time
 - Clear business processes subject to fewer errors
 - Easy accounting of stock and cost of stock
- Channel Management:
 - Reduce total number of transactions required to provide product assortment
 - Organization is logically capable of performing customization requirements
- Financial management:
 - Low cost
 - Realistic analysis
- Operational performance:
 - It involves delivery speed and consistency.
- External customer:
 - Conformance of product and services to their requirements
 - Competitive prices
 - Quality and reliability
 - Delivery
 - After sales services
- To employees and internal customers:
 - Teamwork and cooperation
 - Efficient structure and system
 - Quality work
 - Delivery