Unit 1

Introduction to Supply Chain And Logistics Management

ASSESSMENT 1

1i. The main benefits of supply chain are when products to the final consumers by delivering supplies to the local area for example. town market or local shop etc. for the consumers to get, and also making delivers to the local towns nearby as well to their nearest market or centre can also be profitable. If a storage place can be place it also can be benefited if any product when there is any shortage while the supply is being abundant, and detached.

ii. The areas that the supply chain can make their decisions individually and collectively are:

- Production
- Inventory
- Location
- Transportation
- Information

iii. There are many different things from the past as the speedily moving markets are more flexible and receptive supply chains.as the raw material, transportation and manufacturing are well dependant companies. The distribution and retail showroom have now become very independent distributors and retailers. Where the supply chain was very slow moving in the past, the supply chain today is fast-moving and fragmented.

iv. Inventory management is holding large sim of inventory allows business or a whole supply chain to be extremely responsive variations in custom demand. Company's tend to buy large scale of stock to benefit economies scale but the outlay of inventory should be as low as possible due to Cycle, safety and seasonal inventory.

v. information: this is how much data of the company to be shared and which information to be gathered. With time, accurate and fine information it can help people making better and profitable decisions, and also better location best for the consumer and profitable for the company chains. information also does involve coordinating daily activities, forecasting and planning which are some of the most important parts of a supply chain management.

<u>vi.</u> the names of various types if inventories are:

- Cycle inventory
- Safety inventory
- Seasonal inventory

<u>2.</u> Location decision is one of the strongest impact as that is where the product will reach to the consumers or even be a location which holds stock to pass onto the consumers. The location isn't only about the product reaching the customer there are many other decisions which need to be thought of i.e. if the location has facilities which had been used or new ones established? How much of expense will the location be at a long term, how much storage is required?

All these decisions of location are one of the most important parts getting good/stock/products delivered to the customer in the best way for the customers and for the companies.

<u>3a.</u> Producers= producers produce product from raw material and corporations that are makers of finished goods. Its where the product actually begins. Some producers which make the products that are not tangible i.e. music, software, design etc. also some other producers which use raw material that drill for oil and gas, mine for minerals etc. Many companies whom perform different function to produce the product.

<u>3b.</u> Distributors=distributors are the businesses that take the product from the producer and supply on the good stock to the production line to the consumers, which is also termed as the wholesale. The distributors supply the product to the consumer when and where they would want the product. A distributor is normally a business that takes possession of important inventories of product that they purchase from producers and sell to customers.

<u>3c.</u> Retailers=A retailers business is very closely tracks the demands and preferences of the consumers that sell.it is a stock inventory and also sells in lesser quantities to the common public (customers), retailers also do advertise to the consumed and often tend to blend in price, service, sale on the products selections, as to attract the consumer to the product section.

Case study

The supply chain of milk:

- Milk moves through a farm, tanker collection, dairy, distributor, and supermarket before it can be purchased.

- The PE Dairies is a home delivery service for milks, dairy products and a range of related goods. Simon hull's (owner) product is combination of goods and service.
- The specific activities which for the logistics in PE Dairies are advertising for the dairy business by canvassing, delivering leaflets, special offers, and a variety of other products which will keep making the new consumer interring to keep coming to see what new product there is.

- There are many problems that the PE Dairies has with logistics, for example: the milk product has a very short life and cannot have/carry extra stock, anything which isn't delivered has to be thrown away which is not profitable at all.
  Some problem maintaining a service during holidays or when PE has difficulties with their deliveries.
  There is always a concern on long-term doorstep deliveries whereas in his area has declined from ten in 1990 to three in 2007 where customers go to the supermarket to buy some milk.

Chad R Sohal

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