Date: 16-Feb-2017

Assessment #01

① i) Main benefits of a supply chain.

The main benefits of a supply chain are the following

a) Less cost of ownership
b) Expedited deliveries
c) High ~~cost~~ customer satisfaction
d) Less inventory
e) Higher copetency

ii) Companies in any supply chain can make their decisions individually and collectively in five areas, they are the following.

a) Production
b) Inventory
c) Location
d) Transportation
e) Information

iii) Modern Supply chain Vs old Supply chain

Old supply chain was for slow moving mass market where all the activity is done by a single company, where as the modern supply chain is where the company focus on their core competent area only and subcontract or delegate the associated work. This would help them to ~~improve~~ Concentrate on their key job and improve themself to give better service to the ~~cu~~ customer.

iv) Inventory Management

Inventory management is the process of

managing the inventory or stock level of rawmaterial, semifinished products and finished products. The inventory shall ~~be~~ spread throughout the entire supply chain. Storage has a cost impact hence the company cannot store more in their inventory and a company cannot has less investory as it may effect their supply. Hence there should be a balance. ~~Managing inventory for the better~~

v.) Purpose of Information in asupply chain

Information is the foundation upon which decisions concerning the other four supply chain drivers are made.

Information is used for coordinating the daily activity and forcasting & Planning to gain better ~~bet~~ benifits.

vi) Types of Inventory

1. Cycle Inventory
2. Safety Inventory
3. Seasonal Inventory.

2. Location decisions and its impact on the cost and performance of supply chain

Location is the geographical setting of supply chain facilities. The decision of location is a decision between efficiency and responsiveness. Thatis if a company is set in a location where rawmaterial is easily & cheapily available, where skilled labour is available, where tax benefit is available, where setup cost is less, etc the company and the product will be more effective interms of cost benefit to the customer.

If the company is spread accross many locations or situated at a location near to the customer the company can provide better customer support quickly and increase their performance. This may effect the company adversely on cost as the area near the customer may be more urban and more expensive. Hence the location selection is very important and it should be decided as per the growth strategy of the organization

3. Producers

These are the organizations ~~a~~ that make a product. Their businesses vary from the raw material production to the ~~g~~ making of the finished goods. Raw material producers are the primary producers, they produce the ~~prim~~ materials for creating a finished product. ~~It~~. The finished product producer may not produce all the items needed to produce the finished product. They get it from ~~a~~ various subventors or raw material manufactures and assumble it to the finished product

Distributers

Distributors are people who take inventory in mass from producers and supply a bundle of associated product line to the retailers. They take the burden of storing and supplying from the producers. They are also know as wholesalers. The distributors take the responsibility of advertising and sales, along with customer support, post-sales service, product transportation, etc.

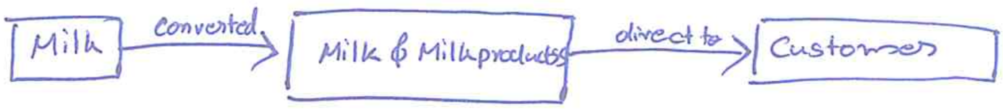
Retailers

Retailers are people who stock inventory and sell in lesser quantities to the common public. Their main tool for increasing sale is pricing. They attract customers by offering better pricing and service.

4. Case Study

a) Supply chain for milk.

In the given case study the supply chain of milk can be graphically represented as below



in ideal case the supply chain for milk is as below

b) PE Dairies in the currenty ~~senario~~ senario is doing all the ~~an~~ activity from milk production, processing and delivering to the customers. This is the old supply chain model were the company does all the activity from production to the delivery of goods to the customers. This model of supply chain does not give flexibility to the PE dairies.

c) The main problems faced by PE Dairies are the following

* Variation in daily demand
* wastage of products, as the products are of short expiry (lifespan)
* servicing the customers during holidays.
* logistics lacks flexibility.