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Overview of Supply Chain Management

Assessment 1

1 Benefits of supply chain are
-Easy Information sharing
-made the production and movement of products quicker

ii} Areas in which companies in supply chain make decisions individually or collectively are
Production Inventory Location Transportation Information

Iii} Modern supply chain and past difference

- Old supply chain concentrated mainly in Mass Marketing whilst new Supply is determined by what the clients wants/require.
- Old supply chain companies will try to do everything on themselves but with globalisation and technology revolution now companies are concentrating mainly on things/activities they are best at doing/producing

iv} Inventory Management is primarily about specifying the shape and placements of stocked good. It is required at different locations within a facility or within many locations of a supply network to precede the regular and planned course of production and stock of materials

v} Information role in the supply chain is to inform producers of raw materials to the final end user .Information is vital with correct information people can make informed decision in each stage of the supply chain.

vi} Types of Inventory are
-Cycle Inventory
- Safety Inventory
-Seasonal Inventory

2 .Location (geographical) plays a bigger role in the supply chain it determines lot things in terms of availability and the final price of the product.
Labour cost in the area or country you are producing the products determines the final price .In areas where labour cost is high it means the final product will be highly priced for it to be profitable which is opposite to areas where labour cost are low
Skills available in the area helps also helps if you are operating in an area where they are not skilled people you might have to hire out skilled labour from other areas which sometimes make it costly
Location also plays a part in the transportation of products .Areas which are easily accessible to all forms of transport will reduce the final price and offer relatively fast movements of goods.
Taxes and Tariffs' of the country you operating in determines the cost

3. **Producers** are people or organisations producing raw materials that are used to produce a product. These include farmers growing the potatoes in their farms which later is used to produce various things like chips, crisps

Distributers act as wholesalers who sale to retailers in large quanties they don't sale individuals. They act as warehouse for retailers. They take goods in mass from the producers.

Retailers these are shops which sale goods less in quanties, retailers always keep track on products that the consumers are requiring hence they only stock things they know they can sell.

CASE STUDY

Milk Supply Chain

Cow at the Farm Milked-------Refrigerated tanker collects milk from the diary -----Milk is pasteurised and homogenised at the factory and is stored in in refrigerated silos ----Refrigerated tanker transport milk by road from processing factory to the manufacture---Milk is packed and loaded on the refrigerated truck ----transported to the supermarkets' and retail outlets

PE Dairies seems to be main producer of the raw materials required for milk production that is he owns the cows that produce milk. But it looks he sends the milk somewhere to get pasteurised and produce products from his milk. The finished products are sent to him for him to sale to his customer's

PE Dairies deliveries the milk to his clients

Main problems facing PE diaries in logistics is maintaining a service during holidays and when they have difficulties with their deliveries from the factory.

Demand for home delivery has gone down as people are buying more in supermarkets.