

IS1105 Lecture 2

1. Core Business Processes

Order-To-Cash: process of selling products or services

Eg. Amazon.com

Sub-processes include creating customer record, checking creditworthiness, creating an order, checking and allocating stock, picking, packing, shipping, invoicing and collecting payment

Procure-To-Pay: acquiring goods from vendors to sell

manage suppliers, place orders, receive products, allocate warehouse space, receive and pay invoices and handle potential disputes

eg. amazon buying books from suppliers

Make-To-Stock/Make-To-Order: processes associated with producing goods

purchase materials(based on forecast for make-to-stock), produce and then store them

2. Supply Chain: collection of companies and processes involved in moving a product from the suppliers of raw materials all the way to consumers

3. Managing Complex Supply Networks

Eg. Apple

Benefits of effective management: prevents inaccuracies + enables just-in-time production and vendor-managed inventories

Just-In-Time Production: helps with having large inventories - Moore's Law, needs tight cooperation with suppliers

Vendor-Managed Inventory: Suppliers manage inventory levels based on pre-established service levels, inventory data shared with suppliers, minimizes costs and stockout situations both!

The bullwhip effect: every supplier including a safety buffer to prevent stockout which snowballs into much higher dd for raw materials in the end

Product Recalls

Corporate Social Responsibility

Sustainable Biz practices