

# Economics Topic 7

SUPPLY CHAIN MANAGEMENT



# learning goals

Students will be successful if they can accurately explain the supply chain management process used in the Tea for One example.

Students will learn about the supply chain management process of businesses.

# success criteria

# lesson outline

01

Explanation of the supply chain

02

Tea for One Role Play Activity

03

Research Nokia Supply Chain

In the globalised economy, the manufacture of many goods that we purchase is not restricted to one country. All goods are manufactured using a combination of raw materials (known to economists as land), human skill and effort (labour), and factory buildings and equipment (capital).

Manufacturing today can have different combinations of these three resources located in many different parts of the world, with the final product sold in a variety of different countries. The combination of different

# Supply Chain



#1

# Role Play: Tea for One

#2

Activity:

**Characters:**

Café owner  
Customer  
Grower  
Importer  
Packager  
Shipper  
Wholesaler

**Props:**

Small table and a couple of chairs  
Newspaper  
Cup and saucer  
A tea bag  
\$2 (made up of 2 x 50 cents; 3 x 20 cents; 3 x 10 cents; 2 x 5 cents)  
Large name tags (Importer, Grower etc.) to pin to actors

Credit: Activity is from The State of Queensland (The Office of the Queensland School Curriculum Council) 2002

The popularity of Nokia phones has prompted the company to globalise its operations. A major concern of any transnational corporation is the management of the supply chain. Raw materials have to be sourced from various parts of the world, and these raw materials may then be processed in a number of different countries. The manufacturing steps may occur in several locations before the finished product is available for sale. Supply chain management can be illustrated by examining the production of the mobile phone. One of the most successful mobile phone suppliers of the last 20 years has been the Nokia company. Nokia is a Finnish company that has not always produced phones. It has been in operation for over 140 years and produced a variety of goods including cables, toilet paper and rubber boots.

# Nokia Supply Chain



#3

In the early 1990s, Nokia reinvented itself and started focusing on technology in the mobile phone industry. With this change in focus, the company began operations as a transnational business, operating factories and selling its product worldwide.

This transformation did not come without its problems. The popularity of mobile phones and the Nokia brand meant that in 1996 the company did not have the factories capable of producing the number of phones demanded. In response to this, it began the globalisation of the Nokia operation, with a particular emphasis on updating its supply chain management.

## Nokia Supply Chain



#4

# The Nokia Supply Chain

01

Work through the PowerPoint  
Presentation

02

Answer the 'thinking questions'  
at the end of the presentation.

# thank-you

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