

PRODUCTION AND FULFILLMENT

P R E P A R E D B Y : L U I S M E I N G

OBJECTIVES:

01

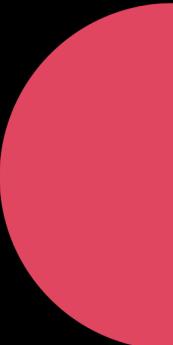
Definition

02

SCM Processes

03

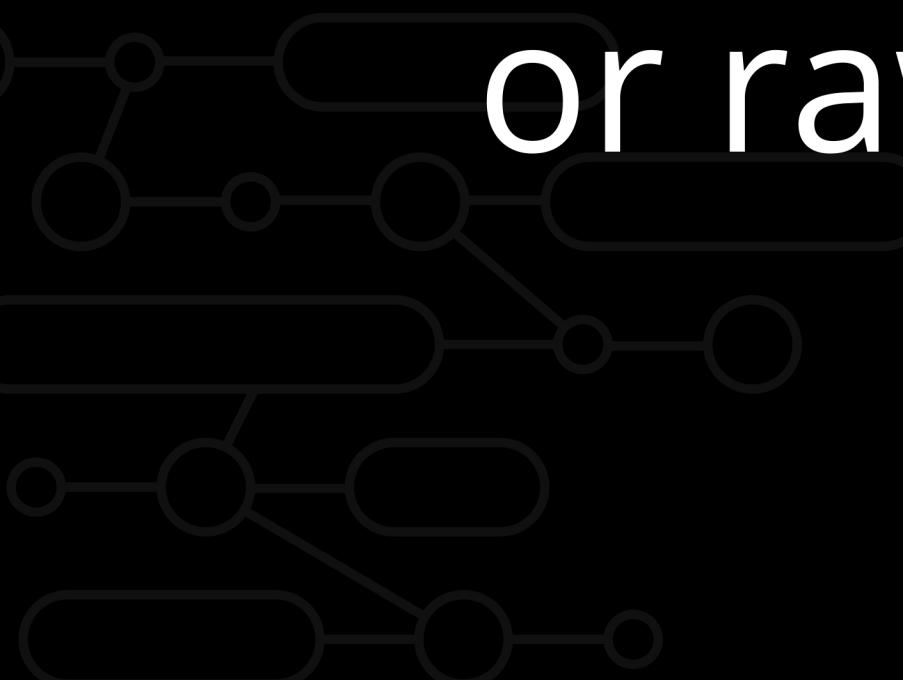
SCM Drivers



Production



- the action of making or manufacturing from components or raw materials



Production



- the process of creating new products



Fulfillment



- the achievement of something desired, promised, or predicted

Procurement



- the business-to-business purchase and sale of supplies and services



Outsourcing and Partnerships

- is an arrangement in which one company provides services for another company

Manufacturing Flow Management

- process is to produce and supply products to the distribution channels based on past forecasts or point of sales (POS) data

Manufacturing Flow Management

- must be flexible to respond to market changes, and they must accommodate mass customization

Manufacturing Flow Management

- MRP: material requirements planning

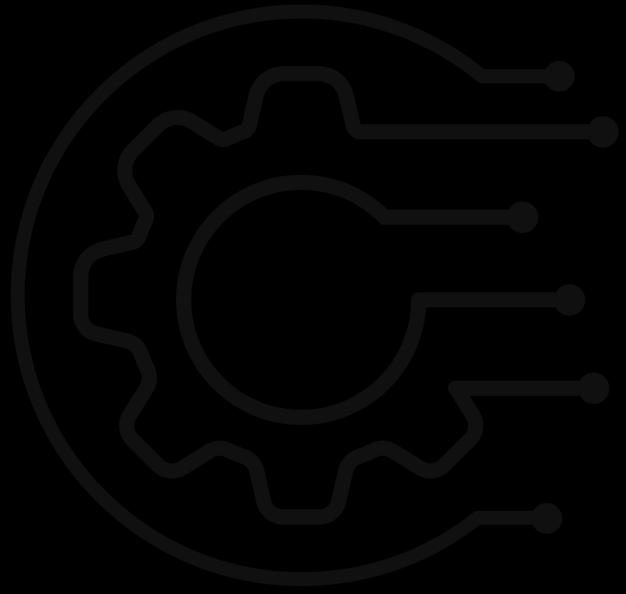


Manufacturing Flow

Management

- MRP: a computerized program both to calculate the quantity of materials needed for production and to determine when they should be ordered or made

Manufacturing Flow Management



- MRP II: manufacturing resource planning



Manufacturing Flow Management

- **MRP II:** goes beyond material planning to help monitor resources in all areas of the company



Order Fulfillment

- responds to customer demand by merging several important functions: order management, storage, and delivery of finished goods



Customer Service Management Process

- provides the source of customer information



Customer Service Management Process

- provides the customer with real-time information on promising dates and product availability

Forecasting



- seeks to predict levels of weekly or monthly product activity over time

Facilities

- are the places in the supply chain network where product is manufactured, stored, or transshipped

Facilities

- The two major types of facilities are production sites (plants) and storage sites (warehouses)

Inventory



- is the raw materials, work in process, and finished goods that belong to the company

3.1 SCM Components

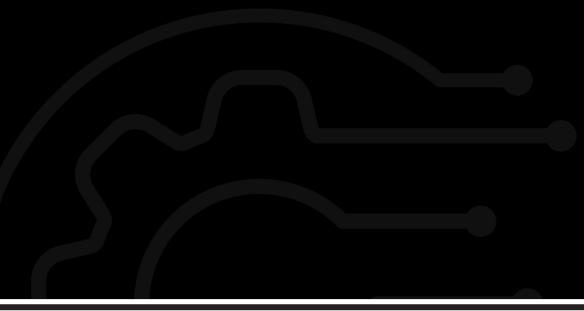
Transportation

- moves the product between different stages in a supply chain

Information

- consists of data and analysis concerning facilities, inventory, transportation, and customers throughout the supply chain

3.1 SCM Components



Financial Flows

