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Dell’s supply chain strategy is legendary. If you want to build a successful SCM system, your best bet is to model your SCM system after Dell’s. In a team, research Dell’s supply chain management strategy on the web and create a report discussing any new SCM updates and strategies the company is currently using that were not discussed in the text. Be sure to include a graphical presentation of Dell’s supply chain model.

When researching Dell’s supply chain management strategies on the web, I discovered new SCM updates and other strategies the company is using to improve business.

Dell is leading second in hardware design, manufacturing and distribution; It is lead by HP. The reason for their success is, it has a Direct relationship with customers, it has a low cost and but best value, It’s built to order, it has customized systems and the highest quality and technology. The idea of supply chain management system is one of the most important systems for a PC in business because, the material s for Dell accounts on average for about 20 billion a year. Improving SCM by .1% has a bigger impact than improving the manufacturing process by 10%, and the Technological breakthroughs cause very short Product life cycles. Competitors have falling short to Dell because unlike competitors, 90% of dells supplies are ordered online using integrated websites of suppliers and Dell’s business to business strategy. Dell’s factories have only 7 hours worth of inventory for most items and others usually around 10 days. Dell also has around 15 suppliers that provide almost 85% of all supplies.

Radio Frequency Identification Devices is another update that comes with Dell. This technology consists of a reader, a receiver with decoder, and a Transponder.

Strategy :

An important part of analyzing any case is to elaborate on the alternatives the company has, delving the implications of each and exploring ways how best it can be implemented.

Therefore we have enlisted the alternatives with a brief description of the pros and cons. Then we also go ahead and recommend the best alternative according to us and discuss the reasons behind it. Alternatives with their pros and cons: -

1) Keep its existing supply chain

a) Advantages: No major changes and additional costs involved.

b) Disadvantages: Ford’s IT will eventually become obsolete.

2) Form a mix of online and offline operations and lay procedures to enable customization and ordering by customers over the internet but maintain physical dealerships as well.

a) Advantages: Customization to clients, start of vertical integration,

b) Disadvantages: Costly, time consuming, requires internal and external changes which are not easy to handle and integrate with other operations.

Team 4 Critique 4

3) Create a virtually integrated supply chain based on Dell's model. Ford and all its suppliers would share information between their systems and the Internet to coordinate the flow of materials and production. All customer orders would be taken either via Ford's web site or by phone and then built. A pull system would be implemented completely.

a) Advantages: Customization to clients, start of vertical integration in the supply chain.

b) Disadvantages: Ford's traditional processes and production methods would have to be changed to take advantage of this new form of supply-chain management. Since it is a very costly and time consuming activity, the difference in the two industries makes it a risky option.

After more careful examination and review of the alternatives we came to the realization that the long term implication of the first and third option is the company going.