**Customer Order Fulfillment**: This stage is about getting the order into your hands!

In a store, you handle this part by putting the items in your cart and checking out. For online or phone orders, the company picks the items you requested from their stock, packages them up, and sends them to you. They also update their inventory records, which might trigger an order for more of that product.

Usually, stores fulfill orders from their existing stock. However, in some cases, a product might be made especially for you – like a custom-designed phone case. Then, the order would be fulfilled directly from the factory that makes it.

The bottom line here is to get you the right items, on time, and without breaking the bank!

Customer Order Receiving: This is the final step: you get your order!

In a store, this happens at the checkout counter. When you get your order delivered to your home, that's the receiving point for online or mail order purchases. The company will also update their records to show that you got the order and that you've paid for it.

**Replenishment Cycle**:

The replenishment process is the system by which retailers restock their products from distributors or suppliers. It begins when a retailer identifies a need to replenish their inventory levels to meet anticipated customer demand. This could happen at a supermarket facing detergent shortages or an online retailer with low shirt stock.

Essentially, the replenishment cycle mirrors the order-fulfillment process from a customer's perspective, except the 'customer' is now the retailer. The goal of this cycle is to efficiently restock products at the lowest possible cost while ensuring that products are readily available for consumers.

* Retail order trigger
* Retail order entry
* Retail order fulfillment
* Retail order receiving

**Retail Order Trigger:** As customer purchases deplete a retailer's inventory, the retailer must determine when and how much to reorder from its suppliers. To do this, the retailer establishes specific criteria or rules known as replenishment or ordering policies. The aim of these policies is to balance profitability, product availability, and inventory costs. By carefully setting these order triggers, retailers can optimize their ordering quantities, taking advantage of cost savings from larger orders while ensuring products are available for customers when needed. The end result of this process is a formal order placed to the distributor or manufacturer.

Retail Order Entry: The process of a retailer placing an order to a distributor is essentially the same as when a customer places an order with the retailer, but with the retailer now acting as the customer. This order can be transmitted electronically or through other methods. Once the order is received, the distributor allocates the necessary inventory or initiates production to fulfill the retailer's request. The goal of this process is to ensure that the order is recorded correctly and communicated promptly to all relevant parties involved in the supply chain.

Retail Order Fulfillment: The process of fulfilling a retailer's order is comparable to fulfilling a customer's order, but it occurs at the distributor level. A significant distinction is the order size, as retailer orders are generally larger than individual customer orders. The primary goal of this process is to deliver the replenishment order to the retailer as scheduled while keeping costs as low as possible.

Retail Order Receiving: When a retailer receives a replenishment order, they must physically accept the products and update their inventory records accordingly. This process involves the movement of goods from the distributor to the retailer, along with information updates within the retailer's system and the transfer of payment to the distributor. The goal is to efficiently and accurately reflect the new inventory levels and product displays while minimizing costs.

**Manufacturing Cycle**

The manufacturing cycle is about making more products. This happens when a store (like REI) or a distributor needs more t-shirts from Nike. Sometimes, Nike waits for orders to come in before starting production (this is called a pull process). Other times, Nike predicts how many t-shirts will be needed and makes them in advance (this is called a push process).

The goal is to make the right amount of t-shirts at the right time to meet customer demand without wasting resources. The processes within manufacturing cycle are as follows

* Order Placement
* Production Scheduling
* Manufacturing and Shipping
* Receiving

**Order Placement**: When a warehouse or distributor needs more products, they decide how much to order based on expected future sales and the current stock levels. This request is then sent to the manufacturer. In some cases, customers or retailers can order directly from the manufacturer. However, often the manufacturer makes products and stores them in a warehouse. In this situation, the decision to produce more is based on how much product is already in the warehouse and how much is expected to sell in the future. This process is similar to how stores decide when to reorder products from their suppliers.

Production Scheduling: This process is similar to the order entry process in the replenishment cycle, like how a retailer decides which products to order to replenish their stock. Manufacturers must also plan what and how much to produce based on predicted sales and current orders. They then determine the exact order in which products will be made, especially if they have multiple production lines. The goal is to produce the right amount of products on time and at the lowest cost.

Manufacturing and Shipping: This phase is similar to fulfilling an order, as outlined in the replenishment cycle. The manufacturer produces products according to the production plan. Once complete, these products are shipped to customers, retailers, distributors, or warehouses. The goal is to deliver the products on time, ensuring they meet quality standards, while keeping costs under control.

Receiving: This is the process of accepting and recording incoming products. Whether it's a warehouse, store, or the final customer, the goods are checked in and added to the inventory. Other tasks like storing the items and handling payments also happen during this step.

**Procurement Cycle**

The procurement process involves obtaining the materials needed for manufacturing to happen on schedule. This includes ordering components from suppliers to replenish their stock. While similar to the process between a distributor and retailer, there's a key difference: manufacturers have a more predictable demand for components based on their production plans. Unlike retailers who deal with uncertain customer demand, manufacturers can determine exactly what and when to order once their production schedule is set. This close link between production and procurement is essential. However, if it takes a long time for suppliers to deliver, manufacturers may need to estimate their needs based on forecasts since production plans can change.