

ASANSOL ENGINEERING COLLEGE



**SUBJECT-
E-Commerce & ERP**

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TOPIC :-

WRITE A REPORT ON SUPPLY CHAIN MANAGEMENT(SCM)

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INTRODUCTION

Supply chain management (SCM) is the discipline that manages the flow of supplies through all of the stages of a production cycle. SCM applies to any organization that executes projects, produces goods or provides services, as those activities require a supply chain to maintain a steady flow of resources. That's where supply chain management comes in.

The main goal of supply chain management is to make the most of the resources involved in a supply chain and be as productive as possible. People are managed and supplies require management as well. Whether those supplies are goods or services, they must be accounted for and carried through from start to finish with deliberate control. To better understand SCM, let's define what a supply chain is.

BODY OF THE REPORT

What Is a Supply Chain?

A supply chain is a network that connects a company to suppliers of raw materials. It is also used to deliver a product to customers. The better the supply chain management, the more of a competitive advantage the company has.

Supply chains are steps that are required to get raw materials, products or services from the original state to the customer and improve customer relations. Large companies and projects usually have more than one supply chain, which is known as a supply network. Having supply chain managers and supply chain management is key to delivering customer value and maximizing the efficiency of your supply network.

Supply Chain Management Process:-

The supply chain process is fundamental to good supply chain management. It is used by companies to make their supply chain as efficient and cost-effective as possible and deliver customer value and give them a competitive advantage. There are five steps to the supply chain process.

They are as follows:-

1. Planning:-

In order to control inventory and the manufacturing process, companies must plan to match demand with supply. This prevents overspending on warehouse space or not having raw materials needed for your manufacturing and slowing down delivery of product.

2. Sourcing:-

This step involves finding those vendors who can get the goods and services you need when you need them. Sourcing is how you get supplies when you need them and meet the demand of your customers.

3. Making:-

Here is where those raw materials you procured are made into the products that meet your customers' demand. This is where assembling, testing and packing occurs. Getting customer feedback is key to delivering customer value.

4. Delivering:-

Getting your finished product to the customer is the next crucial step in the SCM process. If you're not able to get what you make to your customers all the previous steps are for naught. This makes delivering key to supply chain performance.

5. Returning:-

Returning or reverse logistics is part of what's called post-delivery customer support process. It is important to have a clear channel for returns or risk tarnishing your brand. The company can then take these low quality, defective or expired materials and return them to their suppliers.

Advantages of Supply Chain Management:-

- 1. Greater Efficiency:-** Supply chain incorporates product innovation strategies, integrated logistics, production tactics and forecasting demand. This will put you in a great position to predict demand and also make moves accordingly.
- 2. Decreased Costs:-** One of the main benefits of supply chain management is its ability to decrease costs by improving inventories, adapt according to customer requirements, stabilizing relationships with distributors and vendors.
- 3. Collaboration:-** Another underlying benefit of the supply chain is that it adds up to wonderful coordination of all the business entities in delivering the final product to your end customers.
- 4. Increased Output:-** When your business is able to collaborate better, streamline the whole production and distribution process, this directly translates to the company's bottom line and improves the overall output.

Disadvantages of Supply Chain Management:-

- 1. Expensive To Implement:-** Major limitation of process of supply chain management is that it is quite expensive to implement. It requires large investment in terms of time, money and other resources that become unaffordable for small businesses.
- 2. Complicated:-** Process of supply chain management involves numerous complexities as it involves several departments within the organization.
- 3. Lack Of Co-Ordination Among Departments:-** The concept of supply chain management functions properly only if there is better coordination among departments of departments.
- 4. Requires Trained And Personalized Staff:-** Supply chain management requires qualified and trained human resources for its effective executive within the company
- 5. Lack Of Reliability:-** Supply chain management lacks of reliability as it is completely dependent upon the mode of information exchange among several departments.

CONCLUSION

Supply chain network complexity is growing as further technological advancements are underway such as 3D printing, “urbanization,” IoT, and Mobility. But with effective supply chain management in place - which consists of strategies and best practices for integrating and coordinating all the functions, activities, transactions, and people in the entire value chain - companies will be able to address and adapt to ever-increasing complexities.

To totally maximize the benefits of SCM, companies should embrace a data-driven approach to SCM using the OpenText ALLOY Platform, because data is the basic element in production, information, and financial flow in the supply chain network.
