UKS31590

by Fwd: Uks31590

Submission date: 25-Apr-2023 07:08AM (UTC-0400)
Submission ID: 2074993316
File name: UKS31590.docx (23.14K)
Word count: 2474
Character count: 14480

3

CRITICALLY EVALUATING THE ROLE AND APPLICATION OF SUPPLY CHAIN PERFORMANCE MEASUREMENT SYSTEMS.

Introduction

Supply Chain can be defined as the network built among the people and companies involved during the production and delivery of any products or services. The chain begins with the suppliers of the raw material and ends with the consumer once the product or the service has been delivered. The performance of SCM (Supply Chain Management) should be measured from time to time as it helps the companies to understand the performance of its business and also helps in understanding the issues that the company needs to focus on. This essay mainly focuses on the importance of Supply Chain Performance Measurement Systems and some of the issues faced during the measurement of Supply Chain Performance issues.

Discussion

Understanding & Substantiation

Supply Chain Performance Measurement Systems (SCMPS) mainly focus on the evaluation of the efficiency and effectiveness of the company based on the performance of the entire supply chain. As per Kamble & Gunasekaran (2020), a supply chain mainly comprises of Planning, Sourcing, Making, Delivering, and Returning, so SCMPS targets on checking if the work being performed in each of the sectors are being carried out effectively. It also checks on the performance rate of these sectors, as for example, in the department of delivery, SCMPS checks if the orders to the customers or the services to the consumers are being delivered on time, in the case of any delay in delivery, it looks for the reason behind it and takes all the necessary action to avoid any inconvenience caused to the customer. It continuously evaluates on how quickly and effectively the requirements of the end users (customers or consumers) are met and how are the resources efficiently used to attain an appropriate level of customer satisfaction.

The information which is provided by SCMPS after the evaluation of these sectors helps the company to achieve its strategic goals. As per Dubey et al. (2019), Resource-Based View Theory (RBV) states that any company should focus more on the potential of its internal resources instead of focusing on its external competitive market. It aims to have a sustainable growth for the company by emphasizing more on its internal resources. SCMPS helps the companies or businesses to apply this theory effectively by focusing on the planning department and the sourcing department of the supply chain. It emphasizes to build up a strategy where the main focus should remain on the improvement or the betterment of the company's existing

product which in turn helps the end users to receive improvised services and good quality products.

Supply Chain Management has some challenges engaged in it, some of which are stated here. Providing quality customer service is the main motive of SCM, but due to high demand and limited time duration, this becomes a challenge in most cases. Moreover, due to limited time, there are cases where there was a delay in the delivery of the services or products due to a lack of human resources. Another challenge that stands during SCM is the higher cost of labour and raw materials which becomes an obstacle to provide good quality products to the end-users at an affordable price. As per Akhtar et al. (2021) higher costs of products tend to create inconvenience for the end users to buy the products or services. The third challenge in SCM is the continuous change in the market due to various sources like changing political agendas, changing consumer demands, global sourcing, launches of new products, which tends to create inconvenience in the smooth running of the operations. The fourth challenge is the relationship with the supplier. Bad raw materials from the supplier will result in a bad outcome of the product which in turn will diminish the external image of the company. It is very important to maintain a harmonious relationship with the supplier and also follow standards to which both the supplier and the company agreed upon.

The fifth issue is not finding or hiring good talent to fit into these roles, which makes the SCM effective. Scarcity in finding good talents for supply chain roles is constantly increasing their market value, which does not work effectively with cost cutting. As per Sombultawee et al. (2022), most of these challenges came into existence after Covid 19, many of the smooth running of Supply Chains of well-established companies have been disrupted. There has been a sharp hike in consumer ordering products online post covid, which is disrupting the SCM by disturbing the department of making because to provide more goods to the consumers, the company needs to first manufacture more goods. It also disturbed the Delivery department of SCM because delivering a higher number of packages within an unlimited time and limited human resources do not always go hand-in-hand. The planning department is also affected because before Covid 19 came into existence, the planning of the companies were in accordance with a lower audience, which changed after Covid-19, hence the planning department of SCM had to hedge a new plan to meet the ongoing demands.

Strategic planning of SCMPS plays a vital role in sustaining the SC activities of organizations where SC managers use this component for scheduling their SC plan or strategies. As per Melkonyan (2019), strategic planning of SCM is helpful in resolving the challenges of SCM which emerged post Covid 19. In regards, strategic planning can be helpful in mitigating the issue of higher demands-less supply. Planning being the first stage of SCM, strategic planning helps because through this the company can be prepared from scratch. It can accordingly study or research the external markets, the rising demand of the consumers and in accordance with that it can start to manufacture its products. Strategic Planning also helps in budget control. The planning can be made in accordance with the supplier by agreeing to maintain a standard quality at a good price so that after the product is manufactured at an affordable cost, it can also be sold to the consumer at an affordable rate, to avoid the inconvenience of the consumer. In this way, the budget can be controlled by the company and also quality products or services can be assured to the customers.

Another aspect of SCMPS is resource management. This emphasis on manufacturing the products by complying with the demands of the market with the company's existing resources. As observed in RBV theory the resources of an organization should fit the market environment of a business hence SCMPS in such organizations can be effective in managing the manufacturing cost by optimizing the resources as per the market demand. SCMPS also focuses on executing SC activities as per the requirement of the market. For example, when there is a high intensity in the returned products of the company, the SCMPS will focus more on the return department of the supply chain to process easy returns from the customer. It will also take a look at the issue of why there is a hike in the returned products and check if there is any issue with the performance. SCMPS also helps in reducing operational costs through strategic planning like maintaining a good inventory and hiring efficient employees who can help the company track any changes in inventory or any damage in inventory, so that company can create more efficient strategies to stop such damages. As per Nataraj et al. (2019), another way it helps in reducing operational costs is by sending orders in larger quantities to designated zones instead of frequently sending smaller quantities to those zones. This will help in cost cutting of shipment fees when sent frequently.

SCOR (Supply Chain Operations Reference) model is a model that helps in evaluating the supply chain of businesses for more efficiency and effectiveness of S&OP (Sales and

Operational Planning). As per Alshawabkehet al.(2022), SCOR helps businesses to evaluate their performance by providing frameworks and strategies which again improves the potential of the supply chain. The SCOR Model involves the following five processes, namely, Plan, Source, Make, Deliver, and Return. As per Alshawabkeh et al. (2022), SCOR Model has proved to be beneficial for businesses to analyze their Supply Chain by going into core process details of different sectors of that business and also helps the businesses to analyze how advanced their supply chains are. As per Chehbi-Gamoura et al. (2020), SCOR models in a supply chain also help to identify and select the best supplier according to the requirement on the criteria of low-cost and better-quality products. SCOR helps businesses to compare their supply chains with the market standards and industry benchmarks and hence helps to identify the opportunities for improvement.

Insight

Many companies in today's market use SCMP to track their supply chains and do very good business in the market. That can be briefly described by taking the examples of two companies, namely Unilever and Tesco. As per Tien (2019), Unilever which is a leading company in global consumer goods and has been into business for nearly 100 years, focuses on building and maintaining a good relationship with the suppliers. This strategy has helped the company to reduce the costs yet supply good quality outcomes. Unilever also focuses extensively on developing existing products and creating new improvised products which meet the consumer's requirements. This strategy has helped the company to become one of the top companies in its sector. Unilever has followed SCMPS to track its company's supply chain in various regions. SCMPS focused mainly on the strategy of Supply Chain Optimization Unilever (2022). This initiative included the Streamlining process which means excluding unnecessary repetitive activities or steps in a particular process, which not only helped in increasing effectiveness but also helped in cutting the company's unnecessary expenses. SCMPS has also helped Unilever as it has increased the company's responsiveness to customer demands which resulted in better customer satisfaction and improvised customer service, as now the customers receive the orders quickly and on time.

SCMPS also helped the company in another aspect which is ensuring that they do not face stock-outs by regularly checking and tracking the inventories. This has helped the company to ensure that its products are always available to its customers. Another company named Tesco,

which is a retail company also uses SCMPS to track its supply chain. Previously Tesco has faced a lot of supply chain problems while dealing with its suppliers. To mitigate this, SCMPS of Tesco has created new strategies which involved frequent testing of the raw materials that arrived from the supplier's end. By doing this, Tesco could identify and blacklist many of its inefficient suppliers.

The company Unilever follows the SCOR model as it creates strategic planning in the first step on how it will tackle the challenges from the competitive market and how it will keep track of the other elements of the Supply Chain. Then it focuses on sourcing, which involves getting services and goods according to planned market requirements (Unilever, 2023). The company involves itself in the agricultural sector, where it can get the raw materials at the very core step. The next step in this is making or manufacturing (Unilever, 2023). Here Unilever focuses on manufacturing and finishing the products to make them ready to meet the actual market demand. The next step that follows is delivery (Unilever, 2022). Unilever has built an effective strategy which helps it ensure on-time delivery to its consumer and in this way, it also gains customers trust on its brand over other brands. The final step that Unilever focuses on is the return policy (Unilever, 2023). Here the company overviews that when a product is being returned by the customer if there is a quality issue with that product and reviewing that it involves strategies on creating more improvised products. Although the SCOR model has helped extensively in Unilever's business growth, there are still some challenges in its supply chain which need to be rectified. One such issue in its supply chain is not providing appropriate money to its suppliers and labourers in return for the raw material received and raw material received. Unilever can solve such issues in the future by developing the strategies of SCMPS in its supply chain.

Conclusion

It can be concluded that the main focus of SCMPS is to evaluate the existing supply chain of a company and improve its performance by improving or solving the problems of the supply chain if required. SCMPS helps companies to follow different business theories by focusing and emphasizing on the planning as well as the sourcing department of the supply chains. Technically skilled labourers should be hired to manage SCMPS. SCOR model in SCMPS helps in the supply chain by strategically handling the market demands and supplying goods in

accordance to that of its customers. Companies like Unilever and T used SCMPS to maintain the performance of their supply chain over the years.

References

Akhtar, P., Azima, N., Ghafar, A., & Din, S. U. (2021). Barricades in the adoption of block-chain technology in supply chain management: Challenges and benefits. *Transnational Marketing Journal*, *9*(1), 3-16. https://transnationalmarket.com/menu-script/index.php/transnational/article/download/84/241

Alshawabkeh, R., AL-Awamleh, H., Alkhawaldeh, M., Kanaan, R., Al-Hawary, S., Mohammad, A., & Alkhawalda, R. (2022). The mediating role of supply chain management on the relationship between big data and supply chain performance using SCOR model. Uncertain Supply Chain Management, 10(3), 729-736. http://growingscience.com/uscm/Vol10/uscm_2022_45.pdf

Chehbi-Gamoura, S., Derrouiche, R., Damand, D., & Barth, M. (2020). Insights from big Data Analytics in supply chain management: an all-inclusive literature review using the SCOR model. *Production Planning & Control*, *31*(5), 355-382. https://www.researchgate.net/profile/Samia-Gamoura/publication/334520281_Insights_from_big_Data_Analytics_in_supply_chain_management_an_all-inclusive_literature_review_using_the_SCOR_model/links/5ff72c7a299bf140887d5af6/Insights-from-big-Data-Analytics-in-supply-chain-management-an-all-inclusive-literature-review-using-the-SCOR-model.pdf

Dubey, R., Gunasekaran, A., Childe, S. J., Blome, C., & Papadopoulos, T. (2019). Big data and predictive analytics and manufacturing performance: integrating institutional theory, resource-based view and big data culture. *British Journal of Management*, *30*(2), 341-361 https://kar.kent.ac.uk/72639/1/Final_BJM_Revised%20Version_Authors%20Affiliations%20%281%29.pdf

Kamble, S. S., & Gunasekaran, A. (2020). Big data-driven supply chain performance measurement system: a review and framework for implementation. *International Journal of Production Research*, *58*(1), 65-86. https://www.tandfonline.com/doi/pdf/10.1080/00207543.2019.1630770

Melkonyan, A., Krumme, K., Gruchmann, T., Spinler, S., Schumacher, T., & Bleischwitz, R. (2019). Scenario and strategy planning for transformative supply chains within a sustainable economy. *Journal of cleaner production*, *231*, 144-160. https://discovery.ucl.ac.uk/id/eprint/10076535/3/Bleischwitz%20JCP_Manuscript_clean%20version.pdf

Nataraj, S., Ferone, D., Quintero-Araujo, C., Juan, A., & Festa, P. (2019). Consolidation centers in city logistics: A cooperative approach based on the location routing problem. *International Journal of Industrial Engineering Computations*, *10*(3), 393-404. http://growingscience.com/ijiec/Vol10/IJIEC_2019_1.pdf

Sombultawee, K., Lenuwat, P., Aleenajitpong, N., & Boon-itt, S. (2022). COVID-19 and supply chain management: A review with bibliometric. *Sustainability*, *14*(6), 3538. https://www.mdpi.com/2071-1050/14/6/3538/pdf

Tien, N. H. (2019). Comparative Analysis of Multidomestic Strategy of P&G and Unilever Corporation. *International journal of foreign trade and international business*, *1*(1), 5-8. https://www.academia.edu/download/63457092/1-2-2-49920200528-90060-1r51f7w.pdf

Unilever (2022). *Can smart tech make our workplaces safer?* https://www.unilever.com/news/news-search/2022/can-smart-tech-make-our-workplaces-safer/

Unilever (2023). *Product safety and quality* https://www.unilever.com/planet-and-society/responsible-business/product-safety-and-quality/

Unilever (2023). *Strategy* https://www.unilever.com/our-company/strategy/

Unilever, (2022). *Unilever's supply chain.* https://www.unilever.com/files/8c652127-8ea5-4db0-bedb-f03a37637285/supply-chain-overview-spend-analysis---may-2022--1-.pdf

Unilever, (2023). Sustainable and regenerative sourcing https://www.unilever.com/planet-and-society/protect-and-regenerate-nature/sustainable-and-regenerative-sourcing/

UKS31590

ORIGINALITY REPORT

4%	1%	2%	1%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	www.coursehero.com Internet Source	1%
2	Alessandra Neri, Enrico Cagno, Marco Lepri, Andrea Trianni. "A triple bottom line balanced set of key performance indicators to measure the sustainability performance of industrial supply chains", Sustainable Production and Consumption, 2021 Publication	1%
3	Submitted to Napier University Student Paper	1%
4	V. Kasi. "Systemic Assessment of SCOR for Modeling Supply Chains", Proceedings of the 38th Annual Hawaii International Conference on System Sciences, 2005 Publication	1%
5	Baraka Israel, Leticia Mahuwi, Beny Mwenda. "A review on financial and non-financial measures of supply chain performance", International Journal of Production Management and Engineering, 2023	<1%

Publication

6	Rajesh Kumar Singh, Ruchi Mishra, Shivam Gupta, Archana A. Mukherjee. "Blockchain applications for secured and resilient supply chains: A systematic literature review and future research agenda", Computers & Industrial Engineering, 2023 Publication	<1 %

Exclude quotes	Off	Exclude matches	Off
Exclude bibliography	On		