**ASSIGNMENTS**

# Diploma in procurement and supply chain management

# ASSIGNMENTS-3

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ASSIGNMENTS

1. **Define logistics. What are the advantages and disadvantages of logistics to an** organization?

According to Tamer Eshwadfy Bassiuny.

**Advantages:** track exact stock location within one storage location with:

-provide put away functionality for palletizing. Etc

-provide picking functionality

-allow for picking location with replenishment when falls below a defined quantity

-allows segregation of stock types within a warehouse.

**Disadvantages: -** increased masterdata maintenance.

-additional process step for receipt and picking

-Requires expert knowledge to configure for maximum benefit

-more complex to resolve problems caused by incorrect processing. Generally WM provide automation of processes. Particularly with RF, but requires more maintain and process discipline. It is recommended that you used WM only if the standard logistics functionality is insufficient for your needs.

1. **Why should an organization use Just in Time? Give its advantages and**

**Dis** **disadvantages.**

<https://www.accountingtools.com/articles/the-advantages-and-disadvantages-of-just-in-time-inventory.html>

The advantages: A just –in-time inventory system keeps inventory level low by only producing for specific customer orders… fewer inventory can be damaged within the company, since it is not held long enough for storage-related accident to arise

The main advantages of JIT are that it can improve production efficiency and competitiveness… saving resources by streamlining your production systems. Reducing the capital you have tied up stock, dispensing with need for inventory operation.

Companies like to use JIT as it is seen as a more cost efficient method of holding stock. Its purpose is to minimize the amount of goods you hold at any one time, and this has numerous advantages: less space needed: with faster turnaround of stock, you don’t need as much warehouse or storage space to store goods.

1. **Can supply chain management be used as a competitive advantage by an organization? Give 5 reasons well explained.**

Historically, supply chain and logistics functions were viewed primarily as cost center to be controlled. it is only in the past 20 years or so that it has become clear that it can be used for a competitive advantage as well.

To accomplish this, an organization should establish competitive priorities that their supply chain must have to satisfy internal and external customers. They should then link the selected competitive priorities to their supply chain and logistics process.

According to Krajewski, Ritzman, and Malhotra (2013) suggest breaking an organization’s competitive priorities into **cost, quality, time and flexibility** capability groups.

* **Cost strategy:** focuses on delivering a product or service to the customer at the lowest possible cost without sacrificing quality. Walmart has been the low-cost leader in retail by operating an efficient supply chain.
* **Time strategy:** this strategy can be in terms of speed of delivery, response time, or even product development time. Dell has been a prime example of a manufacturer that has been excelled at a response time by assembling, testing, and shipping computers in as little as a few days. FedExis known for fast, on-time deliveries of small packages.
* **Quality strategy:** consistent, high-quality goods or services require reliable, safe supply chain to deliver on this promise. If Sony had an inferior supply chain with high damage levels, it wouldn’t matter to the customer that their electronics are of the high quality.
* **Flexibility strategy:** can come in various forms such as volume, variety, and customization. Many of today’s e commerce business, such as Amazon, offer a great deal of flexibility in many of these categories.

1. **What are inventories? How important are they to an organization?**

* Generally, inventories are goods or materials which are grouped into four classifications: raw materials, work-in-process, finish goods, and MRO goods.

Inventory is a valuable business asset….reporting inventory correctly can keep you from having problems with inventory report system(IRS).cost and gross profit from sales of inventory is a major part of your business tax return.

1. **Why is planning essential in logistics and supply chain management?**

<https://www.google.com/search?biw=1366&bih=625&ei=c7kAXdjmIuT2qwGnsLLYBg&q=%09Why+is+planning+essential+in+logistics+and+supply+chain+management%3F&oq=%09Why+is+planning+essential+in+logistics+and+supply+chain+management%3F&gs_l=psy-ab.12..0i71l8.190.564..3212...0.0..0.0.0.......0....1..gws-wiz.BxpdJuw1Nz4>

* Strategic planning is importance to supply chain; first of all, because it improves efficiency….it must the supply chain speedier. Strategic planning must improves economy. The need for speed is just part of supply chain equation.
* Logistics plays an essential part in supply chain management. It is used to plan and coordinate the movement of product timely, safely, and effectively. ... Regardless of the distance, each customer expects their products to be delivered quickly and flawlessly

References

1. According to Tamer Eshwadfy Bassiuny
2. <https://www.accountingtools.com/articles/the-advantages-and-disadvantages-of-just-in-time-inventory.html>
3. Krajewski, Ritzman, and Malhotra (2013)
4. <https://www.google.com/search?biw=1366&bih=625&ei=c7kAXdjmIuT2qwGnsLLYBg&q=%09Why+is+planning+essential+in+logistics+and+supply+chain+management%3F&oq=%09Why+is+planning+essential+in+logistics+and+supply+chain+management%3F&gs_l=psy-ab.12..0i71l8.190.564..3212...0.0..0.0.0.......0....1..gws-wiz.BxpdJuw1Nz4>