**ASSIGNMENTS**

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

**Logistics** is - The process of planning, implementing, and controlling the efficient, cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from point of origin to point of consumption for the purpose of meeting customer requirements.

**Logistics Components**

The management of logistics can involve some or all of the following business functions, including:

* Inbound transportation
* Outbound transportation
* Fleet management
* Warehousing
* Materials handling
* Order fulfillment
* Inventory management
* Demand planning

It is essential to understand the procedures that a company is involved in and understand them for a much more reliable manufacturing outcome. **Logistics management,** on the other hand, is a vital component to accomplish organizational objectives hence we need to fully aware of its**advantages**and**disadvantages.** This is defined as the arranged motion of products, as well as occasionally, people.

The term logistics was originally associated with the armed force. Ultimately, the term has progressively infected cover service tasks as well as procedures. In regards to transportation, for instance, this is a crucial cost-containment trick that must consider.

If a firm is working with providers as well as carriers, the products should be carried in a prompt, secure as well as effective way, therefore managing company costs. There are specific firms and facilities who offer logistics monitoring solutions. If you want your company to run in a prompt and efficient fashion, you have to choose a business that offers logistics administration solutions and make sure that they can meet your organization’ transport needs.

You must collaborate and also loop your company’s logistics system. It is good to consider the **advantages** and **disadvantages** of logistics management and just how important they are to your business.

**Advantages** of **Logistics Management** **to an organization:**

1. Fidelity of the clients. Thanks to the performance in the manufacturing procedures, client service enhances in elements such as shipment time, acquisition problems … This triggers customers to have the brand in mind when they think of these certain items. If the purchasing experience is adequate, they will certainly duplicate.
2. Much better control When the whole process is defined, we can recognize in genuine time and also in all times in which web link of the chain the item is located. This enables higher control with outside stars such as providers, having the ability to quickly and also quickly access a greater number of offers. Furthermore, it permits to track the dates of supply access, manufacturing, distribution dates, and so on.
3. Greater unity in the group. Each actor in the chain knows what their functions are when they should be accomplished and the significance of working as a team. They function like an actual chain in which each item is key to accomplish that the item arrives in the most effective problems to the last consumers.
4. Commitment of consumers: By achieving greater degrees of efficiency in manufacturing refines it is possible to boost customer support in regards to price, delivery time, purchase conditions, and so on, which is mirrored in the behavior of the customer before the firm and also its products and improving the placing in his mind, therefore reaching greater capacity to maintain consumers.
5. Access to new markets: It is only feasible to encounter worldwide competition if you have the capacity to do so if you have affordable costs and processes. This competitors not only happens when companies interfere in export procedures but when brand-new worldwide participants endeavor right into domestic markets.

**Disadvantages of Logistics Management** :

1. Departmental wars. Logistics projects include numerous departments, such as purchasing, planning, production, distribution and also Infotech.
2. Weak leadership When intervening several departments, logistics tasks require a solid senior executive which is capable of acting to remove those factors of interdepartmental disunity due to the fact that there will certainly be countless obstacles to be resolved.
3. The slowness of reach. It is usually observed just how tasks end up being made a complex with time, because of the addition of brand-new functions and also functions. Ultimately you end up with an inflated task that is so comprehensive that it will never ever be completed or that, if completed, you will certainly not get a profit on solid investment.

**2 )Why should an organization use Just in Time? Give its advantages and Dis disadvantages**

Companies use a Just-in-Time manufacturing and inventory management system to improve the efficiency of the company and reduce costs. The system requires manufacturers to purchase only when customer orders create a demand. Companies must develop a relationship with vendors to ensure parts reach the facility in time to manufacture products for the customer request. Businesses only produce inventory when there is a customer order in place. The system does not allow the business to produce or store excess inventory. Just-in-Time systems work in large and small organizations and those that produce products or services. With adjustments, the principles of Just-in-Time inventory management and manufacturing can work in any business.

**Reduce Inventory Costs**

Using a Just-in-Time inventory system reduces the amount of material on hand in the production facility. Companies can reduce the cost to store and maintain excess inventory and eliminate the risk of materials becoming obsolete while in storage. High inventory quantities tie up company funds, which could otherwise benefit other areas of the business such as the research and development of new products. With the reduction in inventory costs, companies can expand and grow their businesses.

**Lead Time Reduction**

Just-in-Time manufacturing also uses a pull system to move materials through the production cycle. For example, in a manufacturing business, materials do not move to the next step on an assembly line until that step or station is ready. This reduces the stockpiling of unfinished product at any stage in the production process. When the company eliminates bottlenecks, production speed or lead-time is faster. Process engineers must determine the maximum quantity any station in the production process can have waiting. While workers may sit idle waiting to move production to the next step, the process is more efficient.

**Efficient Manufacturing Layout**

Companies must create a layout on the production floor to move materials through the process efficiently. Some companies must move workstations closer together to eliminate steps in the work process. This leads to a more efficient manufacturing layout that can significantly reduce lead time. Building products efficiently is a primary focus for a company implementing a lean manufacturing system.

**Improve Customer Satisfaction**

 Many production facilities struggle with being able to properly align their raw material orders from suppliers directly with their production schedules. This leads to inefficiencies within the production operation and ultimately results in lost revenue and increased cost. This is where many manufacturers found themselves coming across Just-In-Time (JIT) manufacturing. Just-In-Time (JIT) manufacturing is an inventory control methodology that is aimed at reducing times within production systems as well as response times from suppliers and to customers.

Manufacturing facilities utilize this strategy to increase efficiency and decrease waste through receiving goods only as they need them for the production process, which reduces inventory costs. This method will require producers to be able to forecast their demand accurately - or it will not be nearly as effective. Before implementing the JIT methodology, it is essential to understand the advantages and disadvantages of the process. Therefore, here are the advantages and disadvantages of Just-In-Time (JIT) manufacturing.

**Advantages of Just-In-Time (JIT)**

* **Reduced Space Needed**- With JIT you have a faster turnaround of stock, in which you do not need much warehouse or storage space to store goods. This will ultimately reduce the amount of storage an organization will need to rent or buy, freeing up funds for other parts of the business.
* **Smaller Investments**- JIT inventory management is an ideal methodology for small production facilities that do not have the funds needed in order to purchase huge amounts of stock at once. Ordering stock when it’s needed enables you to maintain a healthy and smooth cash flow.
* **Waste Elimination/Reduction**- A quicker turnaround of stock prevents goods that have become damaged or obsolete while sitting in storage, reducing waste. This again saves money through preventing investment in any unnecessary stock and reducing the need to replace old stock.

**Disadvantages of Just-In-Time (JIT)**

* **Risk of Running Out of Stock** - With JIT manufacturing, you do not carry as much stock. This is because you base your stock off of demand forecast, and if those are incorrect, then you will not have the correct amount of stock readily available for your consumers. This is one of the most common issues with manufacturing that utilize methodologies such as JIT and lean.
* **Lack of Control Over the Time Frame**- Having to rely on the timelessness of suppliers for each order puts you at risk of delaying your customers’ receipt of goods. If you are unable to meet consumer expectations, then they could take their business elsewhere.
* **More Planning Required**- JIT inventory management requires companies to understand sales trends and variances in close detail. Many companies have seasonal sales periods, meaning that a number of products will need a higher stock level to combat consumer demand. Therefore, you must plan ahead for instances like this and ensure that your suppliers are able to fulfill the requirements.

**3). Can supply chain management be used as a competitive advantage by an organization?**

When a business has an effective supply chain management, it has a competitive advantage in its industry that allows you to decrease the inherent risks when you're buying raw materials and selling products or services. There are many different benefits of supply chain management.

**Advantages of Supply Chain Management**

**1. Higher Efficiency Rate:**

When your business is able to incorporate supply chains, integrated logistics, and product innovation strategies, you'll be in a great position to not only predict demand as well as to act accordingly. And this is, without any doubt, one of the main supply chain management benefits. Why? When your business implements supply chain management systems, it will be able to adjust more dynamically to the fluctuating economies, emergency markets, and shorter product life-cycles.

**2. Decrease Cost Effects:**

One of the advantages of supply chain management is the costs decrease in different areas. The most important ones are:

* Improves your inventory system;
* Adjusts the storage space for finished goods which eliminates damage resources;
* Improves your system's responsiveness to the actual customer's requirements;
* Improves your relationship with both distributors and vendors.

3. Increases Output:

One of the main benefits of supply chain management is the communication improvement. This adds up to the coordination and collaboration with shipping and transport companies, vendors, and suppliers.

**4. Increases Your Business Profit Level:**

When you place your business open to the new technologies and an improved collaboration within the different areas, you can be sure that this will ultimately increase your business profit level.

**5. Boost Cooperation Level:**

When we're talking about the most successful businesses right now, one of the things they all have in common is the communication. In fact, when there is a lack of communication, your vendors and distributors have no idea about what's going on. So, this is definitely one of the main advantages of supply chain management. Plus, when you also open your doors and embrace technology, you can also take advantage of the fact that people don't even need to share the same space in order to be a true communication.

The communication among the different areas of your business will allow you to have faster access to forecasts, reporting, quotation, statuses, among many other plans in real time.

**6. No More Delays In Processes:**

One of the main benefits of supply chain management is the fact that through communication, you can actually lower any delays in processes. Since everyone is aware of what they're doing as well as what others are doing, this will mitigate any late shipments from vendors, logistical errors in distribution channels, and hold-ups on production lines.

**7. Enhanced Supply Chain Network:**

It's not easy to maintain a sustainable supply chain management system. According to some of its advocators, one of the best ways to do it is by using a combination of lean practices (like waste removal, for example) with agile. By combining all the information gathered on the different sectors of your business will allow you to have an enhanced supply chain network.

**Give 5 reasons well explained.**

Supply chain visibility has been a hot topic in the FMCG industry for several years, particularly in the wake of the high-profile horse meat scandal of 2013.

However, according to new research from Achilles, produced in conjunction with IFF, over half (53 per cent) of buyers in this sector do not have any way of finding out who exactly their suppliers are.

It’s not just the FMCG sector that can benefit from having visibility of every tier of a supply chain to find out its identity and location – automotive and construction industries are just two other examples.

So why is supply chain mapping so important? And how else can organisations reap the benefits of mapping their supply chains?

**1. To gain greater supply chain visibility**

Achilles’ new research also led to the discovery that one-fifth (19 per cent) of global FMCG buyers have no idea of their suppliers’ names and addresses and don’t even know where to begin finding this out.

This is despite the aftermath of the horse meat scandal leading to significant reputational and financial damage for a number of businesses, with the scars still present today. It’s only in the last few months that Findus has completed a rebrand in a bid to overhaul its image following the scandal.

By showing buyers exactly who and where their suppliers are based, Achilles Supply Chain Mapping takes away these concerns, improving visibility for the good of the wider industry

**2.To keep risk to a minimum**

Procurement officers can dramatically reduce their organisations’ risk of suffering damage to their finances, reputations and even legal standing by embracing Achilles’ Supply Chain Mapping solution.

The solution works at the heart of an overall supply chain management strategy, as increasing visibility and reducing risk need to go hand-in-hand for the operation to be as effective as possible.

**3. To demonstrate CSR**

Investing in a solution that is designed to improve supply chain visibility demonstrates to other businesses and consumers alike that a company is committed to corporate social responsibility.

Some 12 per cent of the buyers involved in the latest Achilles and IFF survey were not aware if their suppliers complied with regulations relating to ethical issues such as modern slavery and responsible sourcing. As a result, these buyers are automatically placing their organisations in a significant position of risk.

***4.* To spot potential threats**

Achilles Supply Chain Mapping solution also allows buyers to find out where in the world their suppliers are located, meaning they can use this information to make better-informed choices.

For example, suppliers based in regions at a higher-than-average risk of floods, earthquakes or other natural disasters will add extra risk to a supply chain, while those based in areas where modern slavery is known to be an issue, could also cause problems for the buyer in the long term.

If a buyer believes its suppliers may be affected by such issues, or may be employing workers illegally, they can take the decision to source an alternative contractor to complete the job and to lower their risk profile.

#### **5. To stay ahead of the game**

Taking advantage of Achilles Supply Chain Mapping can also help buyers to remain at the forefront of their industry

Buyers know they have supplier-related problems to deal with, and they are aware that they need more visible supply chains, but finding a way to resolve these issues has not always been possible.

Buying organisations need to take charge of their supply chains to gain a competitive advantage over their rivals and reduce their risk level at the same time.

**Why Logistics is Important**

Although many small businesses focus on the design and production of their products and services to best meet customer needs, if those products cannot reach customers, the business will fail. That’s the major role that logistics plays.

But logistics also impacts other aspects of the business, too.

The more efficiently raw materials can be purchased, transported, and stored until used, the more profitable the business can be. Coordinating resources to allow for timely delivery and use of materials can make or break a company.

And on the customer side, if products cannot be produced and shipped in a timely manner, customer satisfaction can decline, also negatively impacting a company’s profitability and long-term viability.

**7 reasons why organizational culture is important**

Why does it matter that your organizational culture is one way rather than another way?

It turns out it matters a lot. [Organizational culture](https://blog.jostle.me/blog/company-culture-examples) is hugely important to the success and overall health of your company, your people, and your customers. So it’s helpful to spend time considering why your company’s culture is the way it is, and why it’s important that it stays that way (or changes).

### 1. It defines your company’s internal and external identity

Here’s a thought exercise: write down on a piece of paper five attributes that best describe your organization’s culture. You might write something like “good work-life balance” or “lots of meetings” or maybe “team-oriented.”

Now, spend a few minutes thinking about why each of those attributes is important to your organization in particular. Why is it significant that your company has a good work-life balance? What makes these culture attributes valuable to your people and customers?

Peter Ashworth [explains](https://www.linkedin.com/pulse/why-company-culture-so-important-business-success-peter-ashworth/) that your organizational culture “defines for you and for all others, how your organization does business, how your organization interacts with one another and how the team interacts with the outside world, specifically your customers, employees, partners, suppliers, media and all other stakeholders.”

In other words, your organizational culture will reverberate across all aspects of your business because it represents the way you do business. It’s simultaneously your identity and your image, which means it determines how your people and customers perceive you.

### 2. Organizational culture is about living your company’s core values

Your culture can be a reflection (or a betrayal) of your company’s core values. The ways in which you conduct business, manage workflow, interact as a team, and treat your customers all add up to an experience that should represent who you are as an organization and how you believe a company should be run. In short, your culture is the sum of your company’s beliefs in action.

But if your espoused values don’t match your culture, that’s a problem. It could mean that your “core values” are a list of meaningless buzzwords, and your people know it.

A strong organizational culture keeps your company’s core values front and center in all aspects of its day-to-day operations and organizational structure. The value of doing so is [incalculable](https://blog.jostle.me/blog/company-culture-examples#topic5).

### 3. Your culture can transform employees into advocates (or critics)

One of the greatest advantages of a strong organizational culture is that it has the power to turn employees into advocates.

Your people want more than a steady paycheck and good benefits; they want to feel like what they do matters. And when your people feel like they matter, they’re more likely to become culture advocates—that is, people who not only contribute to your organization’s culture, but also promote it and live it internally and externally.

How do you achieve this? One way is to recognize good work. A culture that celebrates individual and team successes, that gives credit when credit is due, is a culture that offers a sense of accomplishment. And that’s one way to turn employees into advocates.

Then again, if your company culture doesn’t do this, you may be [inviting criticism](https://www.forbes.com/sites/forbescoachescouncil/2018/07/13/is-your-companys-culture-toxic-eight-warning-signs-to-watch-for/#7af5c06b6579).

### 4. A strong organizational culture helps you keep your best people

It should come as no surprise that employees who feel like they’re part of a community, rather than a cog in a wheel, are more likely to stay at your company. In fact, that’s what most job applicants are [looking for in a company](https://hiring.monster.com/hr/hr-best-practices/recruiting-hiring-advice/strategic-workforce-planning/hire-for-the-organization.aspx).

Ask any top performer what keeps them at their company and you’re bound to hear this answer: the people. It’s because a workplace culture [focused on people has profound appeal](https://blog.jostle.me/blog/sorry-your-company-culture-doesnt-make-you-unique). It helps improve [engagement](https://blog.jostle.me/blog/company-pride-employee-engagement/), deliver a unique employee experience, and makes your people feel more connected.

### 5. A well-functioning culture assists with onboarding

Organizational culture also has the potential to act as an aligning force at your company. This is particularly the case with new hires who, [more often than not](https://www.recruiting.com/blog/why-the-best-candidates-care-about-company-culture/), have put some considerable thought into the type of culture they’re entering into.

The culture at your organization is essentially a guiding force for them, so it’s important that it starts with onboarding.

Writing in [Forbes](https://www.forbes.com/sites/georgebradt/2015/10/28/why-you-must-make-culture-the-centerpiece-of-your-onboarding-program/#113604c31f90), George Bradt explains further: “People fail in new jobs because of poor fit, poor delivery or poor adjustment to changes down the road. Assuming you’ve aligned the organization around the need for your new employees and acquired them in the right way, your onboarding program should accommodate their needs (so they can do real work), assimilate them into the organization (so they fit culturally) and accelerate their progress (so they can deliver and adjust).”

### 6. Your culture transforms your company into a team

A successful organizational culture brings together the people at your company and keeps them aligned. When your culture is clear, different perspectives can gather behind it with common purpose. The culture at your organization sets expectations for how people behave and work together, and how well they function as a team.

In this way, culture can break down the boundaries between siloed teams, guide decision-making, and improve workflow overall. On the flip side, a [toxic organizational culture](https://www.forbes.com/sites/forbescoachescouncil/2018/07/02/five-signs-your-work-culture-is-toxic/#627f0e3f783d) has the capacity to do just the opposite.

### 7. Culture impacts performance and employee wellbeing

[Reports](https://www.forbes.com/sites/williamcraig/2017/08/03/8-ways-company-culture-drives-performance/#2accd49c6ce0) show that organizational culture has a direct impact on performance and, more importantly, your [employees’ wellbeing](https://blog.jostle.me/blog/7-ways-to-create-psychological-safety-in-your-workplace). A healthy culture addresses both of these areas by finding an appropriate balance based on company values.

Does your company stress performance to such a degree that you feel like your physical and mental health are being overlooked? There might be instances when that may not be a problem, but for the vast majority of cases, it’ll have a negative effect on your company.

Paul Barrett [sums it up](https://www.businesshealthy.org/healthy-organisational-culture-key-employee-wellbeing/) nicely, writing that “Employee wellbeing strategies have the potential to bring huge benefits to employees and employers alike but they need to be introduced in the right way for the right reasons, and at the right time. To be properly effective they need to be developed in a holistic way, consistent with a business culture that is conducive to their success. That means supportive management behaviours, flexible working options and an open culture that allows employees a voice and some say in shaping the working environment.”

**5)Why is planning essential in logistics and supply chain management?**

Supply chain management encompasses such a wide range of functions that it can seem daunting, even to the most experienced international businessperson. However, the process can be effectively modelled by breaking it down into several main strategic areas. One common and very effective model is the Supply Chain Operations Reference (SCOR) model, developed by the Supply Chain Council to enable managers to address, improve and communicate supply chain management practices effectively. The SCOR model runs through five supply chain stages: Plan, Source, Make, Deliver, Return Stage

**1: Plan Planning** involves a wide range of activities. Companies must first decide on their operations strategy. Whether to manufacture a product or component or buy it from a supplier is a major decision. Companies must weigh the benefits and disadvantages of different options presented by international supply chains. Options include:

Manufacturing a product component domestically Manufacturing a component in a foreign market by setting up international production facilities Buying a component from a foreign supplier Buying a component from a domestic supplier If companies are manufacturing products, they must decide how they will be produced. Goods can be: Make to stock (produced and stored, awaiting customer orders); Make to order (constructed in response to a customer order); Configure to order (partially manufactured the product and completed it after a firm customer order is received); or Engineer to order

(manufactured a product to unique specifications provided by a customer). Sometimes, goods can be produced by a combination of these methods. Companies must also decide whether they will outsource manufacturing. This operations planning is essential because these decisions influence the supply chain. Planning also involves mapping out the network of manufacturing facilities and warehouses, determining the levels of production and specifying transportation flows between sites. It also involves assessing how to improve the global supply chain and its management processes. When planning, companies should ensure that their supply chain management strategies align to business strategies, that communication plans for the entire supply chain are decided and that methods of measuring performance and gathering data are established before planning begins.

**2:Source** This aspect of supply chain management involves organizing the procurement of raw materials and components. Procurement is the acquisition of goods and services at the best possible price, in the right quantity and at the right time. When sources have been selected and vetted, companies must negotiate contracts and schedule deliveries. Supplier performance must be assessed and payments to the suppliers made when appropriate. In some cases, companies will be working with a network of suppliers. This will involve working with this network, managing inventory and company assets and ensuring that export and import requirements are met.

**3: Make** This stage is concerned with scheduling of production activities, testing of products, packing and release. Companies must also manage rules for performance, data that must be stored, facilities and regulatory compliance.

**4: Deliver** The delivery stage encompasses all the steps from processing customer inquiries to selecting distribution strategies and transportation options.

Companies must also manage warehousing and inventory or pay for a service provider to manage these tasks for them.

The delivery stage includes any trial period or warranty period, customers or retail sites must be invoiced and payments received, and companies must manage import and export requirements for the finished product.

**5: Return** is associated with managing all returns of defective products, including identifying the product condition, authorizing returns, scheduling product shipments, replacing defective products and providing refunds. Returns also include “end-of-life” products (those that are in the end of their product lifetime and a vendor will no longer be marketing, selling, or promoting a particular product and may also be limiting or ending support for the product). Companies must establish rules for the following:

Product returns Monitoring performance.

As freight volume grows and transportation becomes more complicated, the need for robust logistics management increases. Logistics management is a primary factor in the success of any company’s operations and has a direct impact on its bottom line. Additionally, meeting[customer demand](https://www.plslogistics.com/a-simple-guide-to-driving-customer-loyalty-through-freight-management/) and providing superior service is one of the goals of good logistics management.

## How Logistics Management Can Benefit the following.

#### **Increased customer satisfaction**

Consumers demand better service, and this mandate creates a need for shippers to provide fast, accurate and quality service. Good management strategy is aimed to constantly optimize transportation processes and eliminate disruptions. Therefore, it has a direct impact on your customers’ satisfaction. Improved customer service can bring a good reputation to a company’s brand and help generate more business. The smoother the freight moving processes are within and beyond your company means that you will provide more value to your clients. Ultimately, well-handled logistics contributes to the overall positive customer’s experience.

#### **Visibility and insight Cost Savings**

It is important to[create visibility](https://www.plslogistics.com/powerful-reporting-improves-insight/?utm_campaign=LTL&utm_source=hs_email&utm_medium=email&_hsenc=p2ANqtz-9OMgSwM7a_GQZVQPkYVDmvnNbOVOufXHT-xPSP5qVjm9oFzQF1_wRGisRDoFAQ5KZTgMdJMO_L_JlVvve1ezbi8ogNsg&_hsmi=22777414) into a company’s supply chain. Advanced [transportation management systems](https://www.plslogistics.com/4-benefits-of-saas-tms-software) (TMS) analyze historical data and track the real-time movement of goods in and out of a business. Logistics managers can use this information for process optimization and avoiding potential disruptions. TMS data analysis keeps a company’s supply chain moving more efficiently, all while gaining operational insight.

#### Cost Savings

Managing logistics on a proper level will give a company control over[inbound freight](https://www.plslogistics.com/tips-to-avoid-failure-in-inbound-vendor-management), keep inventory at optimal levels, organize the reverse flow of goods, and utilize freight moves on the proper transportation modes – all of which can cut costs significantly.

**Key Logistics Management Goals**

Essentially, before turning to external help and investing in management technology, you want to make sure it will bring beneficial results. That’s why it is important to know how to measure the effectiveness of any new practices.

1. Increase revenue
2. Improve operating cost structure
3. Reduce overall transportation costs
4. Improve customer service

Many companies[look to third-party logistics providers](https://www.plslogistics.com/5-benefits-a-3pl-can-offer-smaller-businesses/) (3PL’s) for help as this simple concept can often become very complex and not so easy to execute. 3PL’s have the expertise and advanced technology to cut costs and improve processes much more efficiently than companies can in-house.

**Functions of Supply Chain Management**

When you need to buy something, you just head to the nearest store or supermarket. You pick up the product, pay for it and return home. Have you ever wondered how products reach the store shelves? There is an entire process called supply chain management behind it!

Supply chain management maintains the balance between the demand and supply and involves activities right from procurement of materials and converting them into finished goods to ensuring delivery at the right time to reach the end-consumer.  Hence, supply chain management is the lifeline of an organization. It needs to be really efficient to keep the operations running like a well-oiled machine. A streamlined supply chain management chain can enhance customer relationship, lower down operational costs.

The Role of global supply chain management primarily comprises five functions mentioned below:

**1.Purchasing**

This is the first function of supply chain management. It pertains to procuring raw materials and other resources that are required to manufacture the goods. It requires coordination with suppliers to deliver the materials without any delays.

**2.Operations**

The operation team engages in demand planning and forecasting. Before giving raw material purchase order, the organization has to anticipate the possible market demand and number of units it needs to produce. Accordingly, it further sets the ball rolling for inventory management, production and shipping. If the demand is over anticipated, then it could result in excess inventory cost. If the demand is under anticipated, the organization wouldn’t be able to meet customer demand, thereby leading to revenue loss. So, operations function plays a critical role in supply chain management.

**3.Logistics**

This function of supply chain management requires immense coordination. The manufacturing of products has commenced. It needs space for storage until it is shipped for delivery. This calls for making local warehouse arrangements. Let’s say; the products are to be delivered outside the city, state or country limits. This brings transportation in the loop. There will also be a need for outstation warehouses. Logistics ensures that products reach the end-point delivery without any glitches.

**4.Resource Management**

Any production consumes raw materials, technology, time and labour. However, all the processes need to be efficient and effective. This phase is taken care by the resource management function team. It decides the allocation of resources in the right activity at the right time to optimize the production at reduced costs.

**5.Information Workflow**

Information sharing and distribution is what really keeps all other functions of supply chain management on track. If the information workflow and communication are poor, it could break apart the entire chain and lead to mismanagement.

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