Angelor PIERRE-JEAN

COURSE: DIPLOMA IN PROCUREMENT AND SUPPLY CHAIN MANAGEMENT. Assignment #: 2

Student Name: Angelor PIERRE-JEAN

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**ASSIGNMENTS # 2.**

1. What are the objectives of Materials management? What are its advantages?

The objectives of Material Management are:

* Proper, cost effective material procurement.
* Proper storage of materials so as to minimize wastages and material hold ups.
* Making available the material timely.

And the advantages of Material Management are:

* Better accountability on part of materials as well as other departments as no one can shift blame to others.
* As materials management is handled by single authority, it can result in better coordination as it becomes the central point for any material related problems.
* Materials management department makes sure that better quality material is supplied timely to the requesting departments. This can result in better performance of the organization.
* A material management system is typically controlled through an information system, thus can help in taking decision related to material in the organization.
* One indirect advantage of material management is that good quality material develops the ethical and moral standard in an organization.

1. What are the activities of materials and information flow in an organization?

The activities of materials and information flow in an organization are:

* Purchasing and procurement activities sometimes it determines the details of past performance of vendors, quality, ect details which may help in proper selection of vendors. If so needed the orders can even be distributed over time.
* Receiving and inspection data is very important quality control activity during this process, where information about the quality is registered.
* Production planning information/sales information does not impact the process of material management. Thus Material Management is a social technology, which demands professional expertise of its own and have a direct on the cost effectiveness of an organization. It can also be defined in terms of the functions that are needed for the decision of planning, sourcing, moving, storing and controlling materials in an optimum manner so as to provide a pre-decided service to the customers at a minimum cost.

1. What is the scope of materials management?

The scope of materials management is as follows:

* Finalizing the terms and references of purchases that are to be made.
* Placing purchase orders this activity may be staggered as per the inventory control function.
* Managing the purchase orders till delivery of materials.
* Giving clearance to payment of received goods.
* And analyzing the performance of the suppliers by establishing the characteristics vendors need to have, demonstrate, or maintain to continue doing business with a company / organization. It is very important to create specific performance criteria for tracking and evaluating the suppliers and vendors on a regular basis. Performance evaluation can be done on a monthly, quarterly or annually basis.

1. Define the various roles of materials management in the context of internal and external interfaces to materials management system.

The various roles of materials management in the context of internal and external interfaces to materials management system are:

* Market forecasting, as the key role of materials management is to forecast future demands.
* Production: one of the key roles of materials management system would be to see that the process of production goes unhindered.
* Finance: the material management is strategically very much linked to cost reduction.
* Inventory Control: one of the key strategic roles of material management would be to minimize the inventory of an organization.
* Inspection or Quality Control: this is a very interesting interface as the quality of material for different types of an organization is impacted during materials management cycles, though materials management is not directly responsible for quality, yet it can cause indirect effects on the quality of products.

1. Describe the role of material management in performing various functions in an organization?

Role of material management in performing various functions in an organization is:

* Decision on making the material or buying it.
* Materials forecasting.
* An overview.
* Materials Planning and Budgeting.
* Selection of potential information sources.
* Purchasing with a difference.
* Forecasting of Price.
* Storing Management and inventory control include the activities related to holding material and the processes of counting and transacting the material as it moved through the warehouse.

The layout of a warehouse that supports an adjoining manufacturing facility will have different requirements than a facility supporting product distribution to stores or a facility that supports end-user fulfillment. Some operations place emphasis on replenishment of product to the point of use, others on product picking or order fulfillment.

1. Discuss the scope of a product. Elucidate the term taking two products of your choice and comment on the satisfaction you derived by adoption.

When determining your product scope, you need to consider what the market will bear, what your

competitors are offering, consumer demands and profitability. You'll develop your marketing

strategies, change and growth projections and hiring practices based on your product scope. The kind

of product scope you develop determines how you allocate resources, when and if you bring on new

products and who your primary vendors will be. Developing your company's organizational structure

also is determined by the scope of your product line.

1. Product number one is: Perfume Channel Edition Blanche, I have been using this perfume for the past

eight years everything remains the same in terms of quality and product itself. They have been very

consistence with the quality of product offered.

1. Product number two is: the Toyota brand which I fall in love with, reason behind is that the product

presented to the market by this brand is trusted, outstanding quality and affordable. Among all Toyota

assorted cars, my favorite is RAV4, it is easy to maintain in case of mechanical breakdown spare

parts are all over the places and very competitive in terms of pricing.

1. Product mix and line decisions are viewed as strategic tools to increase market share and keep competition at bay. Discuss.

It is normal for products to be changed several times during their lives. If a change can provide superior satisfaction and win more initial buyers and switchers from other brands, then a change is probably warranted. Yet there are definite risks involved: a dramatic increase in product quality might price the existing target consumer out of the market. Similarly, the removal of a particular product feature might be the one characteristic of the product considered most important by a market segment.

A key question the marketer must answer before modifying the product is: “What particular attributes of the product and competing products are perceived as most important by the consumer? ” Factors such as quality, function, price, service, design, packaging, and warranty may all be determinants. This evaluative process requires marketing research studies to learn of improvements buyers might want, evaluate the market reception given to the competitors ‘s improvements, and evaluate improvements that have been developed within the company.

Also required is a relationship with the product research and development (R&D) department. Ideally, R&D should be able to respond quickly to the marketing department’s requests for product upgrades and should maintain ongoing programs of product improvement and cost reduction.

**Product Positioning and Repositioning**

Product positioning is a strategic management decision that determines the place a product should occupy in a given market – its market niche. Given this context, the word “positioning” includes several common meanings of position:

* place (what place does the product occupy in its market? )
* rank (how does the product fare against its competitors in various evaluative dimensions? )
* mental attitude (what are consumer attitudes? )
* strategic process (what activities must be attempted in order to create the optimal product position? )

Thus, positioning is both a concept and a process. The positioning process produces a position for the product, just as the segmentation process produces alternative market segments. Positioning can be applied to any type of product at any stage of the lifecycle. Approaches to positioning range from gathering sophisticated market research information on consumers’ preferences and perceptions, to the intuition of the product manager or a member of his or her staff.

Product repositioning involves changing the market’s perceptions of a product or brand so that it can compete more effectively in its present market or in other market segments. Changing market perceptions may require changes in the tangible product or in its selling price. Often, however, the new differentiation is accomplished through a change in the promotional message. To evaluate the position and to generate information about the future positioning strategies, it is necessary to monitor the position over time. A product position may change readily; keeping track and making necessary adjustments is very important.

**Product Line Extensions**

A product line extension is the use of an established product’s brand name for a new item in the same product category. Line extensions occur when a company introduces additional items in the same product category under the same brand name, such as new flavors, forms, colors, added ingredients, or package sizes. The company can extend its product line down-market, up-market, or in both directions.

Down-Market Stretch: a company positioned in the middle market may want to introduce a lower-priced line for any of three reasons: (a) the company may notice strong growth opportunities as mass retailers. (b) the company may wish to tie up lower-end competitors who might otherwise try to move up-market; or (c) the company may find that the middle market is stagnating or declining.

Up-Market Stretch: companies may wish to enter the high end of the market for more growth, higher margins, or simply to position themselves as full-line manufacturers. Many markets have spawned surprising upscale segments. By Lumen Learning.

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