



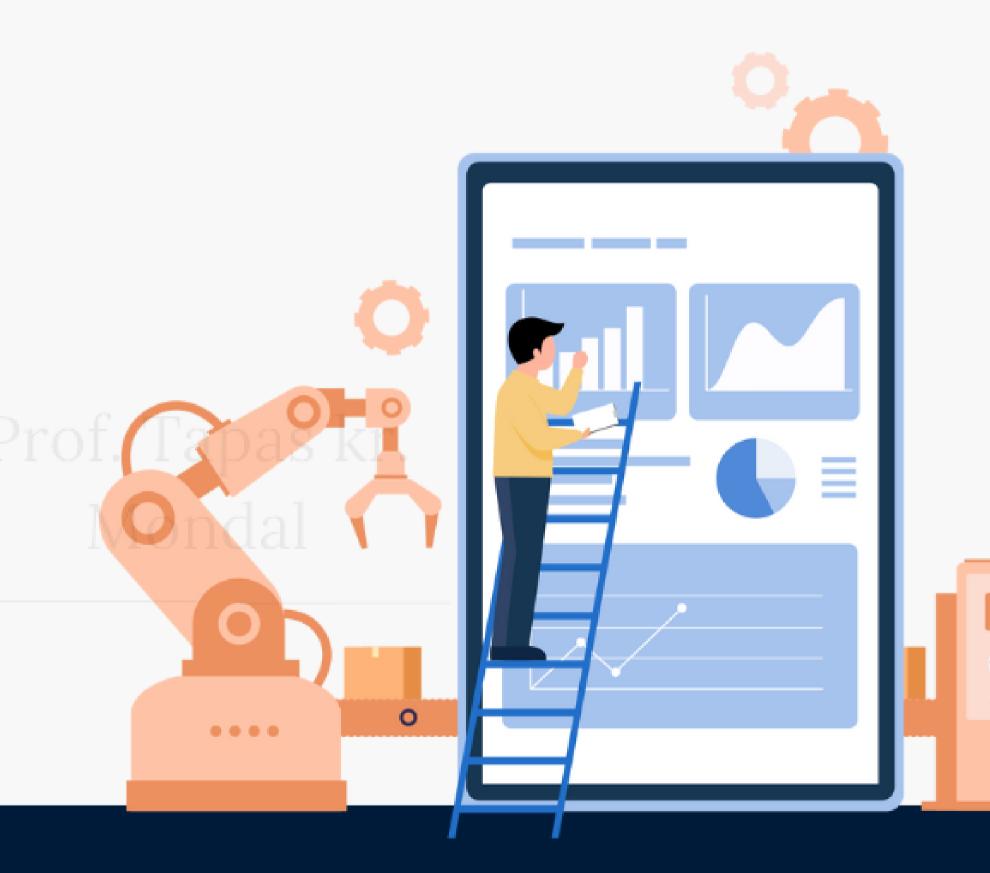
# Introduction to Supply Chain

Presented by: Prof. Tapas Kr. Mondal

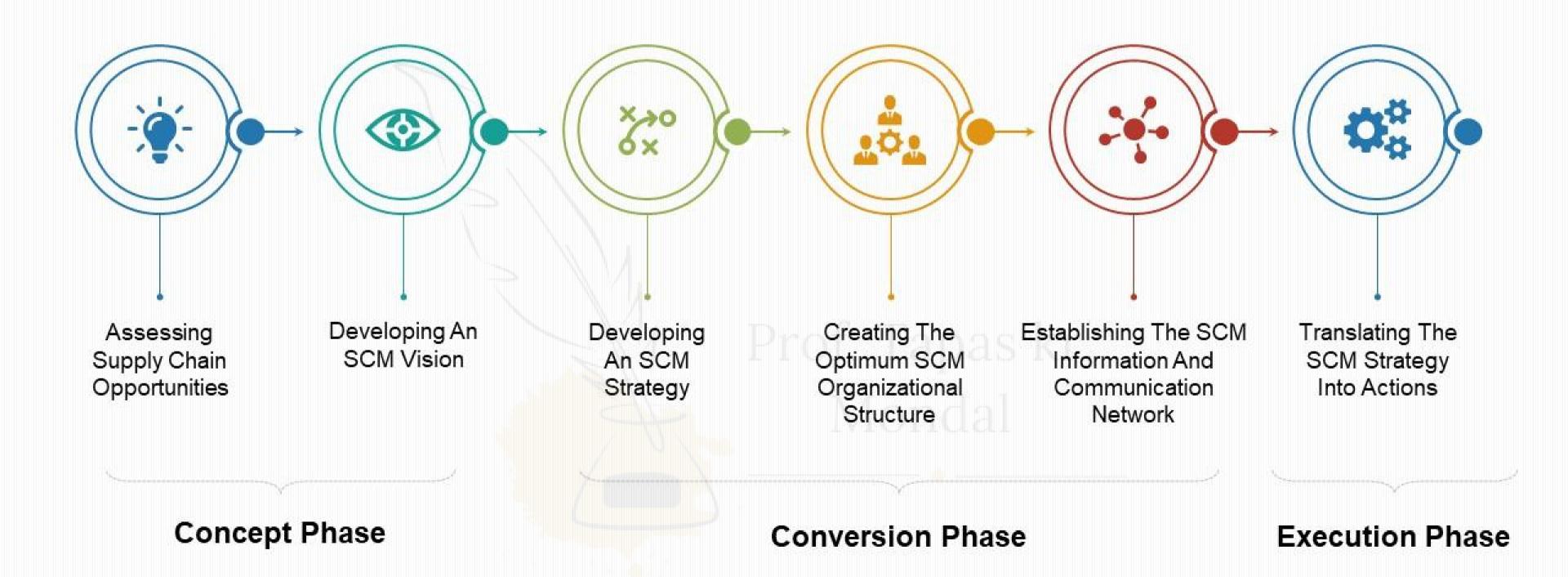




Introduction to Supply
Chain Management: The
Essentials to Know



#### Supply Chain Management



#### **Project Management And Communication**

#### Company Timeline



# Vendor Transport Data Transport Data Consumer

#### **Material Flow**

Sourcing

- Material flow through various warehouses among distributors, dealers and retailers
- Main challenge is in ensuring that the material flows as inventory quickly without any stoppage through different points in the chain

#### Information Flow

Operation

Information Flow

Money Flow

It comprises the request for quotation, purchase order, monthly schedules, engineering change requests, quality complaints and reports on supplier performance from customer side to the supplier

#### Money Flow

Consumer Distribution

On the basis of the invoice raised by the producer, the clients examine the order for correctness. If the claims are correct, money flows from the clients to the respective producer

### Objectives of Supply Chain Management: An Introduction

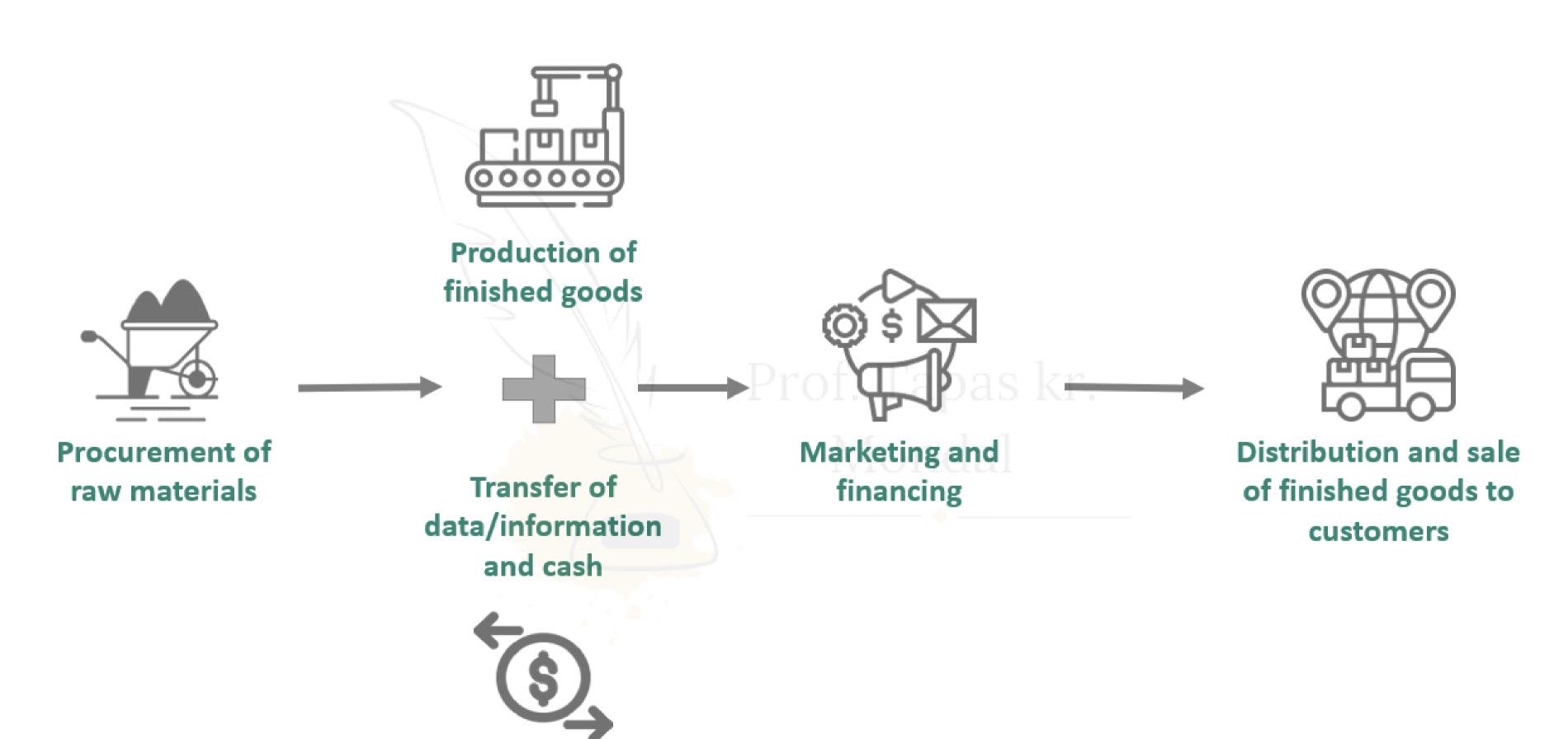
Increase Value Improving Quality Reduce Costs for the Customer Improve Logistics Increase Enhance Coordination Distribution Improve Integrated Technology

Increase Demand

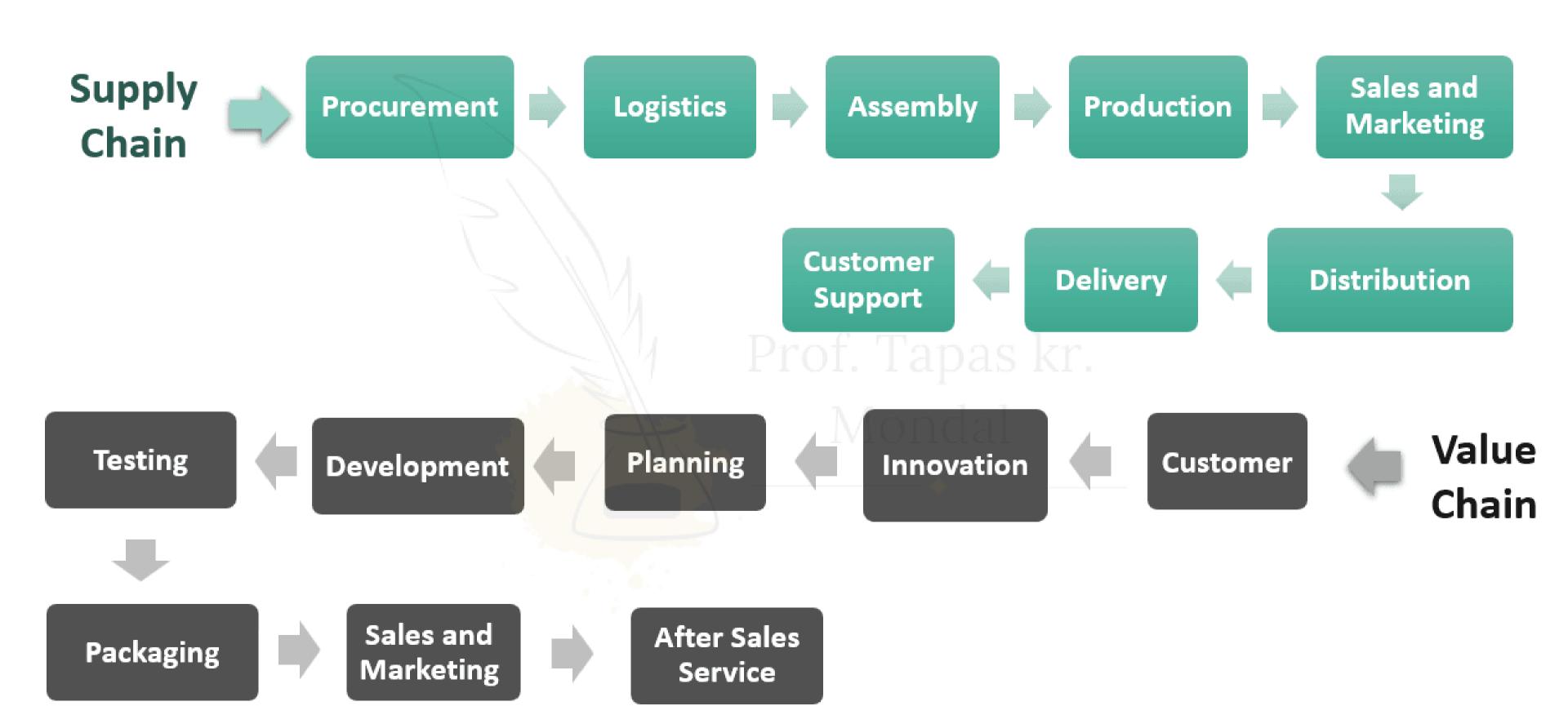
**Fulfilment** 

Optimise Delivery

#### **Supply Chain Concept**



#### **Supply Chain vs Value Chain**



#### Introduction to Supply Chain Management Organization Services

This slide introduction to services provided by supply chain management organization that can help to ensure timely product delivery and maintain optimum stock levels. Its key components are inventory management, procurement management, warehouse management, logistics management and returns management



Inventory Management Procurement Management Warehouse Management Logistics Management

Returns Management



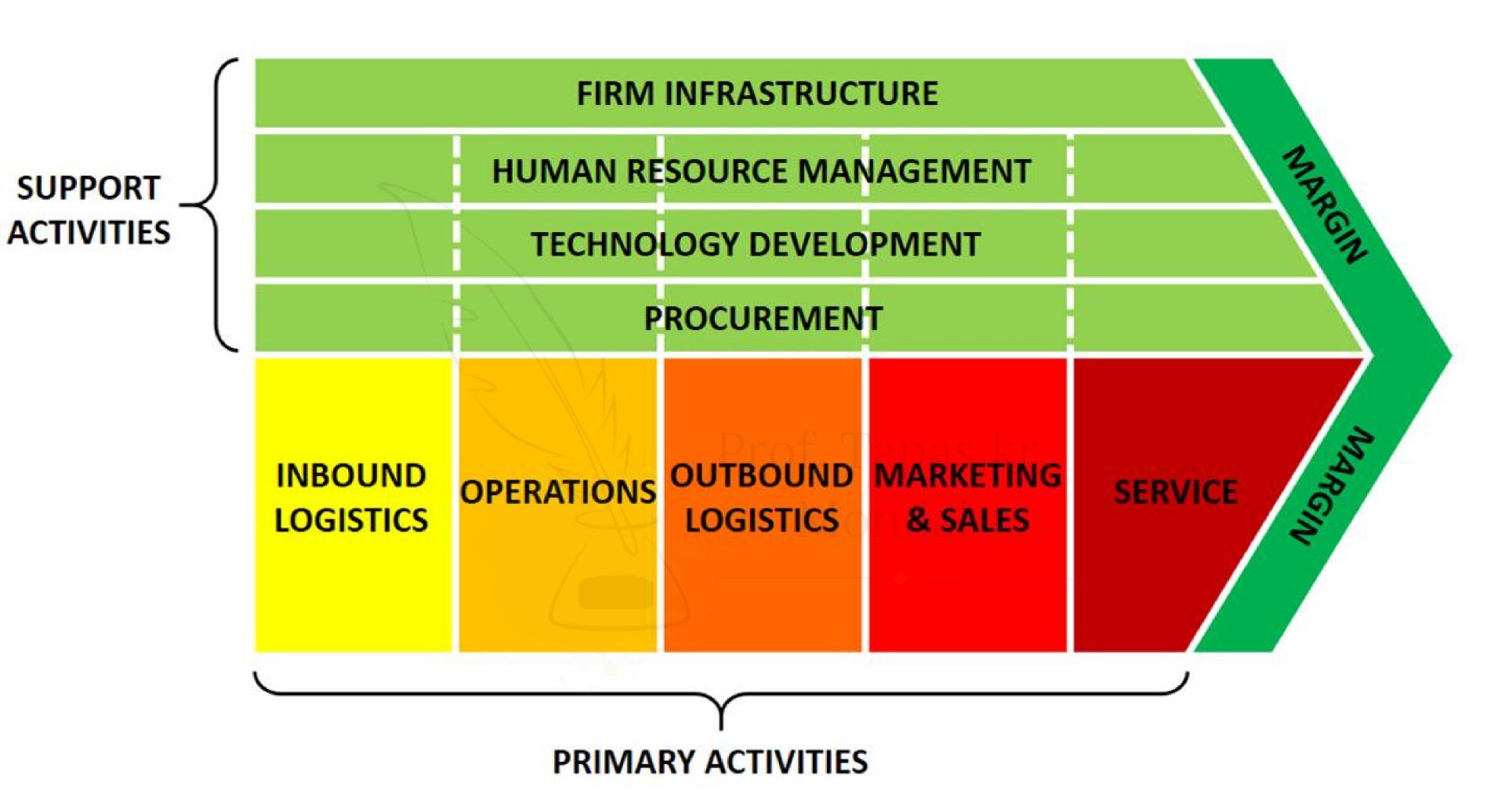
- Identify the low-turn stock
- Conduct audit of stock
- Categorize products into ABCs
- Product demand forecasting
- > Add text here

- Evaluation of suppliers
- Negotiating with suppliers
- > Placing purchase order
- Invoice Clearing and Payment
- > Add text here

- Inspecting material quantity
- Arranging the inventory
- Maintaining inventory
- Ensure safety of stocks
- Add text here

- Packing the material
- Shipping sales orders
- > Handling of materials
- Customer orders fulfillment
- > Add text here

- > Picking up the order
- Customer issues resolution
- Restocking of product
- Inspection of product
- > Add text here



#### Michael E. Porter's Value Chain Model

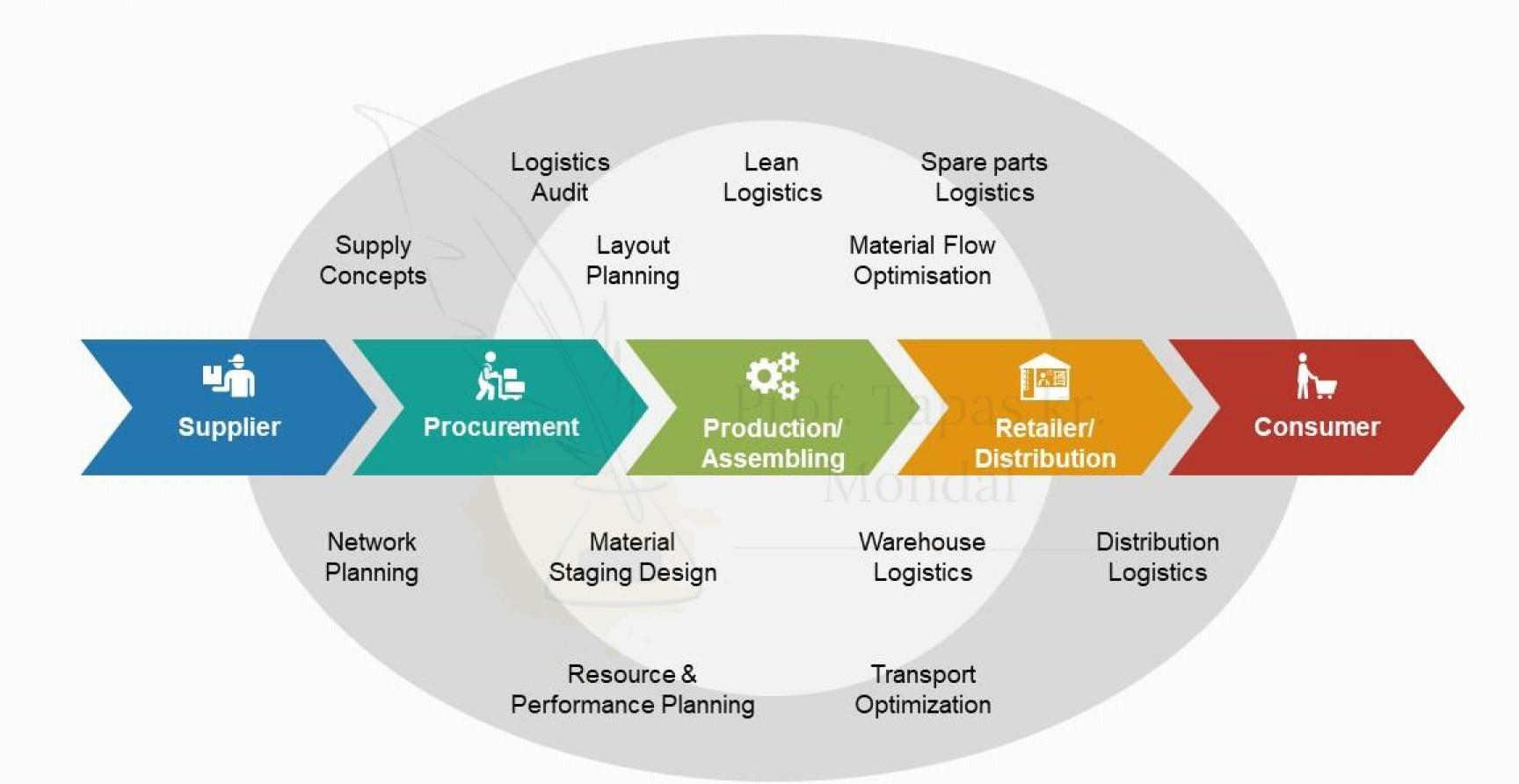
FIRM INFRASTRUCTURE **HUMAN RESOURCE MANAGEMENT** TECHNOLOGY DEVELOPMENT **PROCUREMENT** MARKETING SERVICE INBOUND **OPERATIONS** OUTBOUND **LOGISTICS** & SALES LOGISTICS

Introduced by Michael E. Porter in 1985 in the book "Competitive Advantage".

apas kr.

Value-adding activities from the raw material supplier to the end customer.

#### Supply Chain Management & Logistics



#### Value Chains vs. Supply Chains

#### **Supply Chains**

A supply chain sources raw materials, builds products and distributes them to customers.







Suppliers



Manufacturing



Distributor/Retailer



Customer

#### Value Chains

A value chain starts with customer values and seeks to imbue products and services with those values.



Customer



Innovation



Design

D<sub>Q</sub>

Development



Manufacturing



Marketing



Sales



Customer Service

Primary Activites

#### FIRM INFRASTRUCTURE

- » Company's support system and the functions that allow it to maintain operations.
- » Includes all legal, administrative and accounting.

#### **HUMAN RESOURCES MANAGEMENT**

- » Hiring and retaining employees who will fulfill business strategy, as well as help design, market, and sell the product.
- » Involve in the process of delivering the finished product.
- » A source of competitive advantage when customer purchasing a service.

#### TECHNOLOGY DEVELOPMENT

- » Research and development helps designing the product and improving and automating the process.
- » For example, a business working towards to reduce the inventory and labor waste by implementing RFID technology in warehouse to improve overall stock accuracy and minimize labor tasks.

#### PROCUREMENT

- » Process of acquisition of inputs, raw materials or resources, for the firm.
- » This relates heavily to inbound logistics where company is looking to resale the goods they procure. For example in case of an e-commerce business.

#### INBOUND LOGISTICS

This include the receiving, warehousing and inventory control of a company's raw materials. It also covers the relationship required with the supplier.

#### **OPERATIONS**

Procedures required for converting raw materials or resources into a finished product or service.

#### OUTBOUND LOGISTICS

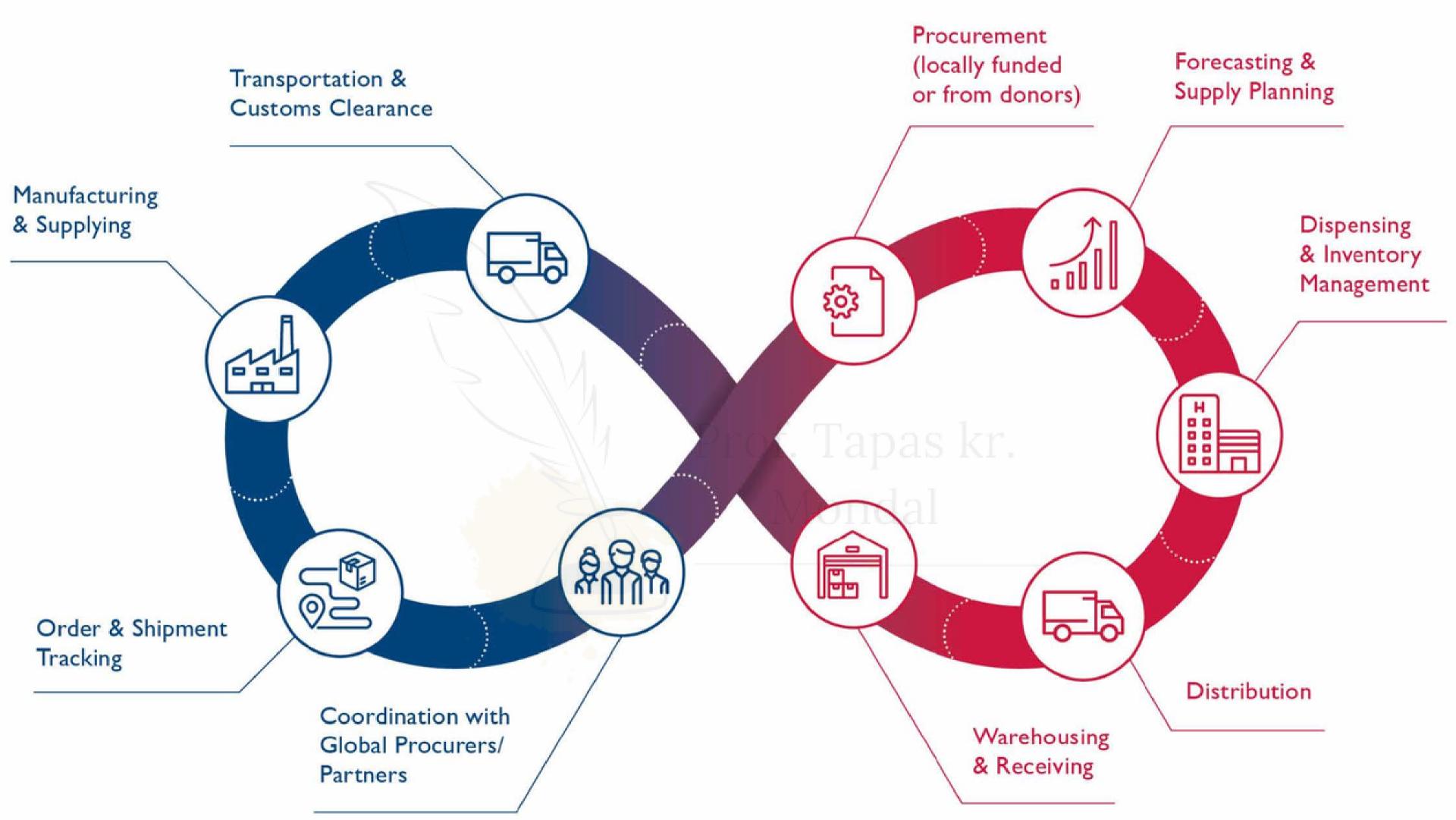
Activities and system required to distribute a final product to a consumer

#### MARKETING SALES

Strategies to enhance visibility and target appropriate customers—such as advertising, promotion, and procing.

#### **SERVICE**

Activities required to maintain products and enhance consumer experience after sale of product or service.



## Thank You

