

Analysis of Supply Chain Management in Operational Management

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ABSTRACT:

By guaranteeing the efficient movement of products and services from suppliers to consumers, supply chain management plays a crucial role in operational management. The importance of supply chain management in maximising operational effectiveness, cutting costs, and enhancing overall organisational performance is examined in this paper. It looks at a number of facets of supply chain management, such as inventory management, logistics, and supplier and customer cooperation.

KEYWORDS:

Supply Chain Management, Operational Management, Procurement, Logistics, Inventory Management, Supplier Collaboration, Customer Collaboration.

I. INTRODUCTION

The primary focus of supply chain management is on material movement. Raw materials and component parts are transferred from suppliers to manufacturers before being transformed into finished products. The finished goods are then delivered to the final consumer via several intermediary organisations. The wine supply chain as determined by GS1, an international nonprofit organisation. GS1 is committed to the development and implementation of global standards and solutions to enhance the efficacy and visibility of supply and demand chains around the world and across multiple industries. In 2003, it cofounded the Wine Traceability Working Group. The goal was to adapt the GS1 System for use by the wine industry in order to facilitate compliance with the traceability provisions of the General Food Law Council Regulation EC No. 178/2002. The GS1 Global Office is in Brussels, Belgium. The Process Each area was examined with the goal of explaining traceability within that business process and determining which GS1 standards should be used [1], [2].

A service supply chain does not necessarily involve the transport of supplies, but rather the design of interconnected operations. The supply chain, for example, is formed by the connections between travel agents, airlines, hotels, and cruise lines to provide an overall pleasurable experience to clients going on a cruise. A simplified tourism supply chain is depicted in Figure 1. TSC Tourists are the customers, the downstream end of the supply chain partners retailers for tourism products include travel agents, travel agencies, and online websites. Other TSC partners include resorts, hotels, airlines, cruise ships, and so on. Tour operators have a large influence on TSC activities. TSC products are created by tour operators and sold to tourists as complete vacation packages Ujma, 2001. Zhang et al. 2009 go into greater detail about TSC structures. Competition and conflict are unavoidable in any supply chain between partners at different stages of the supply chain and among multiple partners at a given stage. Suppliers, for example, compete for the manufacturer's supply orders, and retailers compete among themselves to increase their market share. Manufacturers have begun competing with their own retailers by opening parallel Internet channels to sell their products since the advent of e-business. C4 issues competition, conflict, collaboration, and coordination affect all stages of a supply chain. Supply chain design thereby also

entails not only minimising the cost of moving material, but also trying to manage the intricate behavioural relationships between supply chain partners.

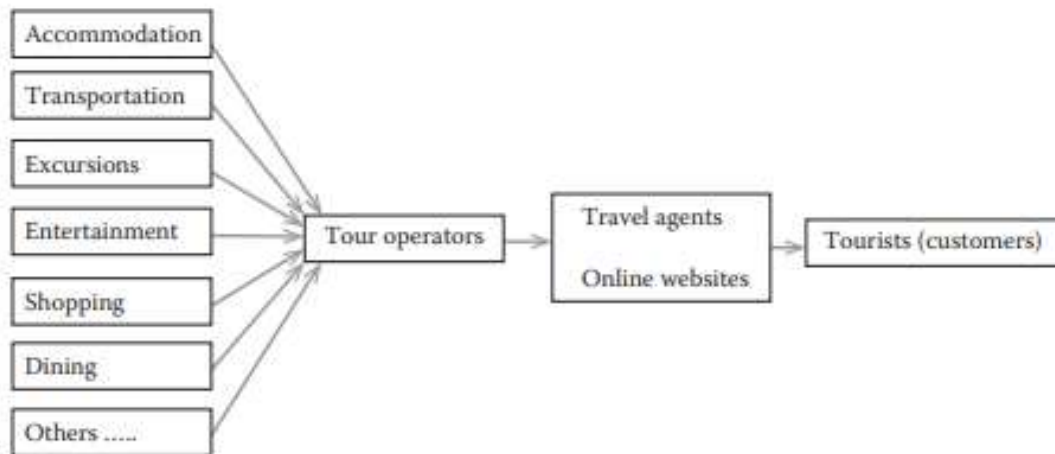


Figure 1: Represent the A simplified tourism supply chain [Mdpi].

Other chapters in this book have focused on the transformation process goods production, and the functions which are already required for good production have already been discussed. As a result, we will concentrate on the final two phases in this chapter: acquisition and distribution chains. There are some functions shared by both phases. Transportation, for example, must be planned in both the acquisition and distribution chains. On the other hand, each phase has its own set of functions. For example, locating suppliers occurs during the acquisition phase, while selecting wholesalers and distributors occurs during the distribution phase. The acquisition chain functions and activities are required by the manufacturing company and end at the manufacturer; the distribution chain functions and activities begin with the manufacturer and end with the end consumer [3]–[5].

Acquisition Chain Management

The phrase acquisition chain refers to all of the partners who work together to offer raw materials, component components, and service offerings to a manufacturing organisation. Historically, this is referred to as buying and materials management. The majority of acquisition chain operations are focused on materials management (MM). Materials management is a tactical planning and control system. While selecting what items to manufacture and what services to provide, strategic planning came into play. Nonetheless, tactics must be reevaluated on a regular basis. If the system is not operating as expected, strategy adjustments may be required. In this respect, two approaches are used to calculate turnover T and $pters$. As a result, we will concentrate on the last two stages in this chapter: acquisition and distribution chains. There are several functions shared by both stages. Transportation, for example, must be planned in both the procurement and distribution chains. On the other hand, each phase has its own set of functions. For example, identifying suppliers occurs during the acquisition phase, whereas selecting wholesalers and distributors occurs during the distribution phase. The acquisition chain functions and activities are needed by the manufacturer and terminate at the manufacturer; the distribution chain functions and activities begin with the manufacturer and conclude with the ultimate consumer.

by looking at acquisition operations and then move on to distribution activities. Days of inventory DOI are very useful for tracking how successfully buying and inventory managers do their duties. They aid in determining how effective the strategic plan is determined. The system's performance in difficult situations. Keeping inventory low during difficult times is crucial for cashflow management. Inadequate cash flow might risk the firm's viability. After the bankruptcy of many large airlines, airline materials management tactics e.g., cost of meals supplied, fuel burned per passenger mile, airport service expenses, etc. were reevaluated. Raw materials, component components, and subassemblies are the

three basic types of materials that must be obtained and handled in the acquisition chain. Yet, even the final product might be obtained as part of a company's broader manufacture or purchase plan.

Food on board, for example, is catered; it simply has to be unloaded and cooked before being served to passengers. We went through materials management in great detail. As a result, the next parts will concentrate on the purchasing operations. The buying role is largely involved with vendor and supplier management. The difference between vendors and suppliers is determined by regional use. Several firms and/or industries in various parts of the United States and across the globe use one or both titles. Offshore, nearshore, bestshore, onshore, and even allshore sourcing are various terms used to characterise outsourcing. Canada has been described as a safe nearshore site for American businesses. The taxonomy of names for different sorts of external supplier connections will continue to reflect economic and political factors such as labour expenses, shipping costs, and the difficulty of obtaining a green card to enter the United States. Acquisition chain management ACM integrates external supply sourcing to internal product delivery schedule to the customer.

Mismanage any component of the interconnected system, and the proverb a chain is only as strong as its weakest link comes into play. Control of production materials, which are process flows, is required by the internal MM system. Moreover, work in progress WIP on the factory floor and completed items in the warehouse are under supervision. As part of MM, some firms have external supervision over final products shipments to distributors and consumers. Some businesses restrict MM to the control and use of incoming supply. To be successful, the materials management system must be synchronised and coordinated. The key to synchronisation is understanding when and where items are required. Collaboration leads to fulfilling deadlines. Figure 9.3 illustrates how many functions must be synchronised. Each is responsible for a distinct area of materials management as part of the company's internal supply chain. The company's entering logistics system is the supplier's departing logistics system. Logistics, or material management and product distribution procedures, should constantly be in sync with the company's strategy [6], [7].

II. DISCUSSION

The Purchasing Function

The phrase acquisition chain refers to all of the partners who work together to provide raw materials, component components, and unique services to a manufacturing organisation. Historically, this area has been referred to as buying and materials management. The majority of acquisition chain operations revolve around materials management MM. Materials management is a tactical method of planning and control. While selecting what items to make and what services to give, strategic planning came into play. Strategies, on the other hand, must be reevaluated on a regular basis. If the system is not working as expected, adjustments in strategy may be required. In this respect, two systems are measured turnover T and pters. As a result, in this chapter, we will concentrate on the last two phases: acquisition and distribution chains. Several functions are shared by both stages. For example, transportation planning must be done in both the purchase and distribution chains. On the other hand, certain functions are exclusive to each phase. For example, identifying suppliers is done during the acquisition phase, while choosing on wholesalers and distributors is done during the distribution phase. The functions and activities included in the acquisition chain are needed by the manufacturer and terminate with the manufacturer; the activities included in the distribution chain begin with the manufacturer and conclude with the ultimate consumer.

Let us start with acquisition operations and then move on to distribution activities. Days of inventory DOI are highly useful for measuring how successfully buying and inventory managers accomplish their jobs. They aid in determining how effectively the strategic plan works. How are your plans coming along? Tactics may be adjusted or drastically altered if they are not performing as expected. T and DOI measurements may be helpful in analysing a system's performance in difficult situations. In difficult times, keeping inventory low is crucial to cashflow management. Inadequate cash flow might endanger the firm's viability. After the bankruptcy of numerous large airlines, airline materials management

tactics e.g., cost of meals supplied, fuel burned per passenger mile, airport service expenses, etc. were reevaluated. Raw materials, component components, and subassemblies are the major types of materials that must be obtained and controlled in the acquisition chain. Yet, even the final product might be acquired as part of a company's broader manufacture or purchase strategy.

For example, food on board is catered; it simply has to be unloaded and cooked before being served to passengers. we went through material management in great detail. As a result, the next parts will concentrate on purchasing operations. The buying function is largely involved with managing vendors and suppliers. The difference between vendors and suppliers is a matter of taste. Several firms and/or industries in various parts of the United States and the globe use one or both designations. Outsourcing vocabulary has been split to cover offshore, nearshore, bestshore, onshore, and even allshore sourcing. Canada has been described as a safe nearshore site for American firms. The taxonomy of names for different sorts of external supplier connections will continue to reflect economic and political factors such as relative labour costs, transportation expenses, and the difficulty of obtaining a green card to enter the United States. Acquisition chain management ACM relates the external sourcing of supplies to the internal scheduling of goods to be supplied to the customer. Mismanage any element of the interconnected system, and the proverb a chain is only as strong as its weakest link applies.

The internal MM system necessitates management of manufacturing materials, which are process flows. There is also control of work in progress WIP on the factory floor and completed items in the warehouse. As part of MM, some businesses have external control over final products shipments to distributors and consumers. Some businesses restrict MM to the regulation and utilisation of incoming supply. In order to be successful, the materials management system must be synchronised and coordinated. The key to synchronisation is understanding when and where items are required. Collaboration results in fulfilling deadlines. many functions must be synchronised. Each deals with a distinct component of materials management as part of the company's internal supply chain. The supplier's outgoing logistics system is the company's entering logistics system. Logistics, or materials management and product distributing procedures, should constantly be in sync with the company's strategy.

The significance of the purchasing function is determined by how much the organisation relies on outside suppliers. The choice on what to create and what to purchase is made by P/OM; nevertheless, buying department information might be critical. It is clear that the choice is often influenced by the parameters of purchase, such as price, quality, delivery, and inventions, among others, which buying learns about and conveys to the P/OM team. When the manufacturing department is unable to produce the product or provide the service, the necessity of the purchasing function grows. Few mailorder firms and/or department shops manufacture any of the materials they sell. Supermarkets and membership warehouses such as Costco employ copackers' capacity to sell items under their own brand name Kirkland Signature is Costco's store brand. Buying such items offers leverage[8].

Purchasing Agents

Buying records document what has been done in the past. It is beneficial to keep track of expenses, significant suppliers, discounts acquired, quality standards attained, and delivery times for certain goods. Without documentation, a company's supplier history would be lost. PAs' skills and expertise are not easily transportable across sectors. Even within the same industry, they might differ. There is differentiation based on material kinds, purchase and delivery periods, and supplier purchasing practices. It is impossible to detail all of the complicated connections that customers and suppliers have formed in order to achieve optimum satisfaction for both sides. A number of critical processes are covered, but new ones are always being created to take advantage of improvements in information, storage, and transportation technology. The buying function is in charge of delivering the specific resources that manufacturing need before or just in time. P/OM and its suppliers communicate via purchasing. P/OM may have certain critical needs as well as some unique information for vendors. It's hardly strange, therefore, that this section of the supply chain works closely with P/OM. Regardless of the structure of the business, buying must be tightly tied to the U n team.

The Ethics of Purchasing

PAs make purchasing choices involving large sums of money. When labour costs fall and material prices rise, the value of the work to acquire materials rises, resulting in increased pay for PAs. In several areas of the globe, suppliers influencing purchase choices with gifts is not considered unlawful or immoral. This difference poses an ethical quandary. Bribing PAs is not ethical nor lawful in the United States. The fact that it is acceptable elsewhere creates insurmountable issues unless all parties sit down at the same table to discuss the problems and their solutions e.g., bidding. Years of interacting with a supplier may lead to a good connection that allows for a totally ethical cooperation. Both the customer and the supplier cherish their relationship's longterm stability and goodwill. Personal ties are not regarded a valid foundation for corporate choices in the US business environment. They do, however, exist in a less obvious form than in other civilizations. Personal friendships, for example, are seen as corporate assets in South America and the Middle East, with monetary worth. Some of this cultural difference might be attributed to the focus put in the United States on formal contracts that does not exist abroad. With the expansion of global commerce, cultural and legal variables may play significant roles in deciding P/effectiveness OM's in managing subsidiaries outside the U.S.

Receiving, Inspection, and Storage

Receiving shipments from suppliers is a crucial element of the materials management job. A receiving loading facility is required to remove the supplies from the shippers' vehicle. After unloading the materials, there is normally a storage room where they may be placed. This facility's design varies based on what is to be unloaded the sort of supplies, where the supplies are to be unloaded trucks, goods cars, hopper trains, ships, aircraft, etc., and what is to be unloaded. Smart warehouses have been designed to make the most use of storage space while taking the least amount of time to retrieve items. Bar codes and RFID are utilised to pinpoint the exact position of each product in storage.

The receiving facility is commonly referred to as the receiving dock, while another site for shipment is referred to as the shipping dock. In many cases, they are the same location. Some businesses have receiving docks in the morning and shipping docks in the afternoon. These are usually fully different establishments. Crossdocking is a method used by WalMart to move items from arriving trucks at the receiving dock to departing vehicles at the shipping dock. This implies that a huge portion of the items never enter the warehouse and instead move from one pier to another. Several firms have attempted to replicate WalMart, but have not been particularly successful since ontime scheduling must be synchronized.

Computers follow transportation across the supply chain, while corresponding computers monitor coordinated product reception. Since the penalty for failure is chaotic chaos, synchronisation must be almost flawless. Crossdocking reminds me of VW's modular consortium facility in Resende, Brazil. Beside the main manufacturing line, eight independent subcontractors run unique miniassembly shops. Receiving and shipping take place on the factory floor, straight to the truck and bus manufacturing lines in this scenario. Great control systems, as with crossdocking, are required to achieve nearperfect synchronisation. Deviations are not permitted. Crossdocking and modular consortium models are credited for saving significant amounts of money and time. These are often mentioned as instances of how P/inventiveness OM's may enhance acquisition and distribution logistics.

Freight cars or hopper trains are often utilised as storage facilities, with supplies unloaded as required. Instead of transporting chemicals and polymers from the hopper car to the warehouse, the manufacturer uses the reserves in the hopper cars immediately. By matching its customers' demands with shipping timetables, the DuPont Company has successfully reduced the amount of hopper cars with nonvalue adding inventory lying about on sidings. To ensure the quality and amount of what was requested, supplies must be scrutinised. Is the cargo accurate, and has it arrived undamaged? Acceptance sampling procedures are used to perform certain quality check Approved products are transferred to storage facilities, which are often the corporate warehouse. Many materials degrade and must be checked for

age. As a result, order size must be adjusted for consumption rates, time since receipt, and storage[9], [10].

III. CONCLUSION

By boosting organisational performance overall, streamlining procedures, and lowering costs, supply chain management is essential to operational management. Organisations may achieve operational excellence, customer happiness, and competitive advantage by managing inventory, logistics, and supplier and customer cooperation successfully. In order to ensure efficient and successful supply chain management practises, continuous improvement, supply chain optimisation, risk management, and the use of information technology are essential. In today's global and dynamic business climate, organisations must adopt supply chain management concepts to remain competitive.

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