

Role of Supply Chain Management(SCM) in Organization: An Outlook

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ABSTRACT

Supply chain management is an integral part of the business organizations and important for the success of the company. Due to the rapid advancement in technology, most of the business organizations are available online. The market is becoming competitive and thus increasing the role of supply chain management.

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 etc.

1. Introduction

In view point of commerce, 'supply-chain management (SCM)', the management of the flow of goods and services, involves the movement and storage of raw materials, of work-in-process inventory, and of finished goods from point of origin to point of consumption. Interconnected, interrelated or interlinked networks, channels and node businesses combine in the provision of products and services required by end customers in a supply chain. Supply-chain management has been defined as the "design, planning, execution, control, and monitoring of supply-chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally."

SCM practice draws heavily from the areas of industrial engineering, systems engineering, operations management, logistics, procurement, information technology, and marketing and strives for an integrated approach. Marketing channels play an important role in supply-chain management. Current research in supply-chain management is concerned with topics related to sustainability and risk management, among others. Some suggest that the "people dimension" of SCM, ethical issues, internal integration, transparency/visibility, and human capital/talent management are topics that have, so far, been underrepresented on the research agenda.

2. Research Methodology

The present study is based on only secondary data. This secondary data has been collected from the different related websites, reputed journals, periodicals, magazines, newspapers also.

3. Objectives of the Study

The main objectives of the study is

- (1) to know about supply chain;
- (2) to highlights on supply chain management.
- (3) to analysis about the role of SCM in organization.

4. What is Supply Chain(SC)

In business and finance, 'supply-chain' is a system of organizations, people, activities, information, and resources involved in moving a product or service from supplier to customer. Supply chain activities involve the transformation of natural resources, raw materials, and components into a finished product that is delivered to the end customer.

In sophisticated supply chain systems, used products may re-enter the supply chain at any point where residual value is recyclable. Supply chains link value chains

5. What is Supply Chain Management(SCM)?

Supply chain management is the handling of the entire production flow of a good or service — starting from the raw components all the way to delivering the final product to the consumer. To accomplish this task, a company will create a network of suppliers (the "links" in the chain) that move the product along from the suppliers of raw materials to the organizations who deal directly with users.



*Figure:1-Image of Supply Chain Management(SCM)

Supply Chain Management (SCM) includes all the activities that must take place to get the right product into the right consumer's hands in the right quantity and at the right time – from raw materials extraction to consumer purchase. SCM focuses on planning and forecasting, purchasing, product assembly, moving, storage, distribution, sales and customer service. SCM professionals are involved in every facet of the

business process as they strive to achieve a sustainable competitive advantage by building and delivering products better, faster and cheaper.

6. What is the Role of Supply Chain Management?

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.



*Figure:2-Image of Supply Chain Management(SCM)

Maintenance of a business is not the task of a single person whether it is a huge enterprise or a home-based small business. A well-managed team can make the business successful. The most important role is played by the manager who maintains the supply chain of the company. The major role of the supply chain management is to assure that the demand of customers is met with the supply of the products. It has to be assured that the companies never produce extra or insufficient products. Here we have everything you should know about the supply chain roles and responsibilities.



*Figure:3-Image of Supply Chain Management(SCM)

Supply chain management is an integral part of the business organizations and important for the success of the company. Due to the rapid advancement in technology, most of the business organizations are available online. The market is becoming competitive and thus increasing the role of supply chain management. Due to this reason, demand for supply chain management qualification is growing worldwide.

(SCM) is an important part of every organization, whether small or large. SCM is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage, according to Robert Handfield, Ph.D. SCM also deals with the movement and storing of materials needed to create a product, as well as inventory management, and keeping track of finished goods from where they were created to who they go to. Bottom line: there is no overstating the importance of Supply Chain Management.

In lieu of it, there are some important roles of 'SCM' as;

- To increase or enhance employee's or worker's efficiency.
- To improve quality of products for best results in view points, customer's satisfaction.
- To increase customer's service.
- It improves financial position of a company or industry.
- It reduces cost of production.

7. Sustainability & Social Responsibility in Supply Chains

It is well known that supply chain management is an integral part of most businesses and is essential to company success and customer satisfaction. Supply-chain sustainability is a business issue affecting an organization's supply chain or logistics network, and is frequently quantified by comparison with SECH ratings, which uses a triple bottom line incorporating economic, social, and environmental aspects. SECH ratings are defined as social, ethical, cultural, and health' footprints. Consumers have become more aware of the environmental impact of their purchases and companies' SECH ratings and, along with non-governmental organizations (NGOs), are setting the agenda for transitions to organically grown foods, anti-sweatshop labor codes, and locally produced goods that support independent and small businesses. Because supply chains may account for over 75% of a company's carbon footprint, many organizations are exploring ways to reduce this and thus improve their SECH rating.

8. Conclusion

Thus, Supply chain management is the handling of the entire production flow of a good or service — starting from the raw components all the way to delivering the final product to the consumer in organization.. To accomplish this task, a company will create a network of suppliers (the "links" in the chain) that move the product along from the suppliers of raw materials to the organizations who deal directly with users.

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