

The most important concepts in the business-supply chain relationship

[Business](#)



Module The Most Important Concepts in the Business-Supply Chain

Relationship Businesses have a special relationship with their suppliers, and this exclusivity is borne out of the unique operations they have to conduct either collaboratively or independently of each other. The processes involved in the supply chain require the application of certain concepts that facilitate efficient execution of activities and the attainment of relevant deliverables.

Infrastructure

Suppliers and producers must have the necessary infrastructure to support the delivery and manufacture of goods so that the supply chain operates optimally at all times. The supply chain comprises numerous different processes that require different approaches to execute. For example, the supply chain of an automaker is different from that of a consumer electronics goods manufacturer, meaning their infrastructure also contrast (Oliveira and Gimeno 29). Suppliers in the automotive industry must have adequate capital and facilities to provide materials at competitive prices, and these materials are unique to that industry. On the other hand, automakers should have the capacity to store and process these materials to develop the product and then sell it through the distribution networks.

Legal Requirements

Suppliers and producers must observe relevant legal requirements in their specific industries to avoid attracting punitive measures that would handicap their capacity and freedom to operate (Oliveira and Gimeno 54). Industry-specific legal and regulatory requirements must be observed by both parties, or their relationship would be compromised by interruptions and constraints.

Social and Working Conditions

For businesses, social and working conditions are part of company policy regarding employee welfare and the employer-employee relationship. They are also closely related to the labor policies of whichever countries they operate in. In recent times, there have been reports of employee maltreatment involving poor working conditions, extremely low wages, and lack of employee rights, especially among suppliers (Stadtler, Kilger, and Meyr 42). Large companies like Nike have been accused of working with rogue suppliers who do not respect labor rights, and this has damaged their reputations. As such, businesses and supply chains must demonstrate adherence to ethical practices and respect for labor laws.

Implementation

This involves communication and operational efficiency. To keep the supply chain running optimally, suppliers must communicate with their partners at various levels and ensure that all processes run seamlessly. There has to be good communication between businesses and suppliers, to reduce mistakes and avoid incurring additional costs in the long term (Stadtler, Kilger, and Meyr 36). For example, if there is a delay in the arrival of any shipment, all responsible parties should be aware. The only focus of the suppliers and the businesses should be goal attainment in the least time possible and the best way possible. Decision-making should be quick whether done by the business, the suppliers or both factions.

Sustainability

A supply chain can only be sustainable if the business is sustainable. A business that operates with short-term goals cannot have suppliers whose goals are long term. When building supply chains, businesses need to ask

themselves what their priorities are, and how long they can continue operating as they wish (Stadtler, Kilger, and Meyr 21). A business with a high-growth model must, together with its suppliers, build a supply chain that will further its objectives in the long term. A supply chain constructed for the short term will fail an enterprise founded for the long haul.

Works Cited

Oliveira, Alexandre, & Anne Gimeno. Supply Chain Management Strategy: Using SCM to Create Greater Corporate Efficiency and Profits. Upper Saddle River, N. J.: FT, 2014. Print.

Stadtler, Hartmut, C. Kilger, & H. Meyr, eds. Supply Chain Management and Advanced Planning Concepts, Models, Software and Case Studies. 5th ed. Berlin: Springer, 2014. Print.