

# Increased competition and price pressures in supply chain

[Life](#)



CD5590 Professional Ethics in Science and Engineering Presentation: Ethics in Supply Chain Management (SCM) Abedullah Zaman Professional Ethics in Supply Chain Management Supply Chain Management Definition: The network of retailers, distributors, transporters, storage facilities and suppliers that participate in the sale, delivery and production of a particular product. In the simplest terms, Supply Chain Management (SCM) lets an organization get the right goods and services to the place they're needed at the right time, in the proper quantity and at an acceptable cost.

Efficiently managing this process involves overseeing relationships with suppliers and customers, controlling inventory, forecasting demand and getting constant feedback on what's happening at every link in the chain. Professional Ethics in Supply Chain Management Roots of Ethics Professional ethics is about managing relations which is a crucial part in SCM. Successful companies use supply chains not only to reduce cost and complement the product but also to nurture long-term valued relationships.

Professional Ethics in Supply Chain Management Why society is concerned about ethics within SCM? Environmental Effects Treatment plants for water, treatment of solid waste, gases Health and Safety In Food Industry- uses of pesticides, hormone-treatment of animals Consumer Rights Legislations about right to safety, right to choose, right to be heard. Professional Ethics in Supply Chain Management Ethical Model/Process Economic responsibilities: Supply Products and Services. Legal Responsibilities: Ethical Responsibilities: Obey Laws.

Conduct business in a way that is morally consistent with the beliefs of society Professional Ethics in Supply Chain Management Reasons for <https://assignbuster.com/increased-competition-and-pricepressures-in-supply-chain/>

**Increasing Concern about Ethics in Supply Chains** The pressure is coming from various sources. A wide range of stakeholders are interested in the social, ethical and environmental performance of the retail industry's supply chain. **General Public** Growing people's awareness of these issues and increasing expectations of companies' responsibilities.

**Investors and rating agencies** It is also coming from investors as socially responsible investment becomes more mainstream. Managing supply chain issues is seen as one indicator of how well a company is run. **Professional Ethics in Supply Chain Management** **Media** The media are also becoming more interested in stories about malpractice, as are campaigning groups as they target new sectors and become more skilled at harnessing public opinion. **Consumers** More educated and discerning consumers.

**Government and NGOs** Public exposure of poor labour standards in some factories and other establishments, often located in developing countries, can inadvertently undermine progress on establishing ethical trade and good labour practices. **Professional Ethics in Supply Chain Management Examples** **Marks & Spencer** Ethical concerns about child labour, prison labour, discrimination and terms and condition of work environment. **M&S Ethical Global Sourcing Strategy: Global Sourcing Principles** **Partnership with Suppliers** **Social Audit and Verification** **Continual Improvements and Sanctions**

**Professional Ethics in Supply Chain Management** **Nike** Labour involved in production of footballs. **Code of Conduct-** Improve working conditions in factories. **Forced labor, Child Labor, Compensation, Benefits, Hours of work, Safety and health, Documentations and inspection.** **Reebok Sourcing** <https://assignbuster.com/increased-competition-and-pricepressures-in-supply-chain/>

Procedure- Supplier list based on “ Fair Factories Clearing House” evaluation.

Zero Tolerance Strategy GAP Apparel Outsourcing-  
Social Responsibility Professional Ethics in Supply Chain Management  
Addressing Ethical Issues in Supply Chain

Role of Certifications Example: World Responsible Apparel Production (WRAP)

WRAP is an independent, non-profit organization dedicated to the certification of lawful, humane and ethical manufacturing throughout the world. Other Regulations International Labour Organisation (ILO) Conventions United Nations (UN) Universal Declaration of Human Rights. Recent issues with SCM Research Trust in Supply Chains Ethical Supply Chain Ethical supply chain should communicate ethical behaviours and fair treatment to all its stakeholders. Supply chains must satisfy societal expectations

Professional Ethics in Supply Chain Management Discussions Child work can be seen as important in developing responsibility and independence as well as contributing to household economy. Should the societies be let isolated by not giving orders to already poor communities? Engagement or Disengagement strategy? Professional Ethics in Supply Chain Management Five Myths about Business Ethics 1. 2. 3. 4. 5. Ethics is personal Business and ethics don't mix Business ethics is relative Good business means good ethics Information is neutral and amoral