

Supply chain or operational challenges



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Supply chain issues The collapse of the world economy has had a tremendous impact. Currently, the chain of supply is growing in complexity because of various factors seen in the emerging markets. The customers are in demand of products that are innovative at the right time and at prices that are reasonable. Because of this, challenges are being created for several companies since the process of creating both cost-effective and responsive chain of supply is (Radjou and Prabhu, pg. 1).

The greatest challenges being faced by companies in the emerging markets is how to reduce the cost of the chain of supply. Companies have opted to relocate their manufacturing to low-cost countries across the world in order to respond to the customer's satisfactions and demands on price expectations. The relocation is done to reduce the indirect and direct costs at the same time minimizing taxes. Global suppliers contribute to the problems that come with delivery time that is extended. In the emerging markets, customers not only want products of lower prices but also timely delivery of their products.

Global chain of supply is complex. Adding this to the ever-changing feature makes the challenge greater. The customers immediately put pressure on the company to come up with something big next time after the release of the product. Innovation is, therefore, an important element in today's market. To enhance their products, companies are forced to redesign their products so that they can meet the market demand. The demand of the customers in the modern market is more demanding than ever.

Companies are trying hard to expand their distribution towards the emerging market to increase the growth in their revenues and market shares. Several companies are working hard to expand both foreign and home markets. The <https://assignbuster.com/supply-chain-or-operational-challenges/>

introduction of new markets possesses difficulties from government policies, fees and trading policies. Companies have responded positively with global networks, expansion of markets and innovation of products. Several companies, today, rely on supply chain managers to optimize on the value chains so that they can remain competitive in the market (Shankar et al., pg. 1).

Works cited

Radjou, Navi, and Jaideep Prabhu. “ Mobilizing for Growth in Emerging Markets.” MIT Sloan Management Review 53 (2012): 1-8. Print.

Shankar, Satish et al. “ How to Win in Emerging Markets.” MIT Sloan Management Review 49 (2008): 19-23. Print.