

Global competitiveness: role of supply chain management

[Business](#), [Management](#)



After reading the Introduction, Overview, and Instructor Notes as well as the assigned chapters in the Monczka, et. al. textbook, what are your thoughts about the structure of Purchasing and Supply Chain Management in the 21st Century, along with its constituent activities, as well as the relevant organizational and operational policies corresponding to this structure?

Globalization and the rise of technology have altered the Purchasing and Supply Chain Management structure in the 21st Century and have forced companies to alter their approaches to both. The ability to instantly communicate across the globe has greatly improved the efficiency of supply lines. The entire process has been sped up as customers can request quicker, companies can process quicker, and sources can ship quicker. Technology has allowed for the greatest real time updates and in-transit visibility the world has ever seen.

However, this quicker demand from the consumer has required businesses to alter or update their methods to meet rising demands. A significant increase in technological advances over the last several decades has limited the product advantage that some companies may have once had. In addition, resources or equipment that companies have relied on for many decades may no longer be sufficient to fulfill this rising demand. Without an attitude of constant improvement, companies will quickly fall behind the global market.

This improvement comes in many forms, but some of the most critical include updating or replacing existing systems, equipment, or procedures, reducing costs, and enhancing the customer experience. In a market or razor

thin differences between competing companies, this last area of customer service will become more important than ever before. An edge that a company holds over its competition regarding customer service may very well provide them the boost they need to pull them ahead of a competitor.

Based on your experience or readings, discuss how Supply Management and in particular Supply Chain Management benefits buying organizations in the public and private sectors. Please give specific examples.

Supply Chain Management in the public sector benefits buyers because organizations can know what to expect from the buying process. For example, for a government procurement process, the bidding organization knows all of the rules and procedures it must follow. In the public sector, there is also much more recognition or potential to be in the public eye.

This could equally be a bad thing as much as a good, but it creates the opportunity to catapult a company to a higher public standing. This is especially true when positively affecting healthcare, military, or first responder organizations that are generally well-respected by the public. However, the same benefit that clearly outlines procedures for public buyers just may be a hindrance to private buyers. In the private sector, the procurement process is faster, simply due to less "red tape" often associated with government or other bureaucratic organizations.

There is less need to follow strict, long, and arduous policies and procedures. Deals can be made by a handshake, something not very possible in a public scenario. Along these lines, private organizations have the advantage of not

being under public scrutiny for the decisions they make. Their goals are that of their own business, unlike the public sector whose goals directly serve the public good. A business in the private sector may choose to change its strategy or goals and be less affected by its current procurement process.

What are the salient factors that contribute to the successful implementation of a supply chain management initiative in either or both sectors?

Some of the most important factors that contribute to successful implementation of a supply chain management initiative are having the correct people in all positions of the supply chain, having a common goal across the supply chain, and the ability to adapt to changing situations. First, having the right fit of people in every spot in the chain will significantly increase the likelihood of success. This takes a significant effort of talent management but is a step that should not be overlooked.

Perhaps the most important factor to consider when placing people or assigning work is the commitment that management positions will take in a project. In addition, placing or hiring people into positions that are familiar with a specific job or line of work, are competent, and have a vested interest in their role will benefit an organization greatly. A problem that could occur by not correctly placing people is losing continuity in the middle of a project or process. A second factor for the successful implementation of an initiative is creating a clear common goal across the entire supply chain.

This goes hand in hand with having buy in from people in management positions and relies on their ability to create a shared understanding through

effective communication. This communication should be continuous to regularly address shortcomings or to reinforce successes. No matter the position in the chain - whether the supplier or customer - every area can produce constructive feedback. Having a culture of openness built on a clear common goal will allow for success and growth. Other factors for success are flexibility and the ability to adapt.

As mentioned above, companies that fail to adapt to changing environments or utilize technology that is becoming commonplace will not survive. Having an ability to shift a strategy built into a company's culture will allow for greater handling when issues arise, such as a resource shortage, delayed shipment, the sudden unavailability of a routinely used port or storage location, a labor strike, or numerous other supply chain disruptions.

Why is Supply Chain Management considered a composition of interrelated activities both internal and external, why they are interrelated with specific examples, to a buying organization?

Supply Chain Management is considered this composition because there are many factors that influence the supply chain that both are and are not affectable. Internally, a company has the ability to influence the way it approaches demand and supply as well as control the facilities that it uses. Key to the demand aspect is correctly anticipating customer requirements and being able to adjust when the customer's demand inevitably changes. This anticipation directly impacts inventory stocks and customer service.

When managing supply, it is most important for companies to choose reliable business partners. Reliability of companies can be measured in many ways, but includes choosing companies that are financially sound, resourcefully sufficient, and maintain high quality products. Companies also internally manage their chain's infrastructure, equipment, and personnel. Externally, however, companies must deal with regulations, policies, and laws that they have no control of, yet still impact their supply chain.

Varying regulations across different countries require companies to pay close attention to frequently changing requirements as to not disrupt operations, or worse, violate laws. Finally, there is always the potential for unforeseeable world events and natural disasters that can significantly impact supply, production, or shipping aspects of a chain.

While a buying organization may not be able to control all of the activities related to its supply chain, it must consider and plan for all of them. For example, if request for a certain product regularly spikes during a particular period of the year and that product's shipping route is subject to hurricanes during that time, a company must either alter their procedures or find another solution in order to minimize risk to business.

Briefly explain one topic or issue from this week's material that may benefit you personally or professionally With specific examples.

A topic that was covered this week that will benefit me professionally is the Better Buying Power and the public procurement of military equipment. For example, I was previously in a unit that utilized the Stryker vehicle platform.

Seeing the strategies that the government uses to procure these vehicles in an effort for cost savings helps to explain the turnover of old equipment or the implementation of new equipment.

Changes to existing equipment or fieldings of new equipment would be frequent, but the reasons behind the changes were often unknown. Being at the end-user level of equipment that is used in the Army, it is sometimes difficult to understand the thought process that goes into higher level procurement. This week's material gave me another perspective of the Department of Defense's procurement strategies that I can use at my level. In addition, I can use this perspective not only for myself, but to help explain processes to people I work, with no matter if they are peers, superiors, or subordinates.