

Present issues in supply chain management

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



The paper "Present Issues in Supply Chain Management" is a wonderful example of a term paper on management. A supply chain is usually a system of people, organizations, activities resources or information that is required in moving a given product or a service to a customer from a potential supplier (Underwood 15). As presented in the case study, a supply chain is viewed as the comprehensive process of extracting different raw materials and delivering finished products to customers. Before any customer either in a wholesale position, retail position or a general buyer receives a given commodity; there is a need for a chain/procedure in which the respective specialties are moved. Therefore, various technologies have been developed to ease the issue of how goods reach the final consumers. The Blockchain technology, which is a technological innovation that is behind the cryptocurrency Bitcoin, is one of these technologies concerned with the supply chain. Thus, this case report presents the current challenges in supply chain management, the general conceptual picture of how Blockchain technology works, how Blockchain handles the current issues and the problems that the technology faces when dealing with the current issues. As presented in the case study, many business organizations and the business industry at large had faced many challenges before the year 2014 when companies and business entrepreneurs began incorporating the Blockchain technology in their supply chains. These challenges include growth in the number of participants, complex international regulations governing international business, and also enlargement of the general global supply chain arena. Even after the introduction of Bitcoin, still, the supply chain faces the following current issues.

Globalization involves a process of integrating people, companies and the governments worldwide into a global arena to engage in successful business interactions. Perhaps globalization presents various critical supply chain control issues to organizations and enterprises. As given in the case study, it is quite challenging to manage a supply chain with a continually changing global trend in socialization and technology. For instance, the complex global/international regulations that govern every single step in the supply chain proves to be extremely costly. These international regulations cost many organizations millions of money which are associated with tied-up inventory and overhead costs which

Consumer behavior is affected by social, personal, psychological and cultural factors which rapidly change as far as globalization and technology issues are concerned. The current advancements in technology through social media are creating a lot of pressure on consumers to conform while also increasing pressure on the organizations to adopt the current technological changes in their supply chains. With these rapidly changing markets, it is hard to have products with a longer life cycle in the market due to a rapid change in customer demand, tastes, and preferences. Therefore, the organizations are under high pressure to ensure they remain relevant in their supply and that they guarantee that they keep the current trends in supply. According to the case study, reputational and operational integrity is necessary for preserving brand equity by high-end luxury companies. Many high-end companies physically integrate their supply chain, i. e., from the raw materials up to the storefront to ensure that the integrity of their goods is not destroyed during the actual production or delivery process. Many high-

esteemed customers purchase given products based on the status in which the products are presented in the market. Therefore, conflict arises when another organization tries to establish a supply chain that is similar to the high-end company, thus bringing confusion into the market. According to Crosby et al. (6), Blockchain technology is viewed as a complex diary that nobody can forge. The technique thus allows businesses to work together with reliability and authenticity. The technology developed in 2009, is a distributed public ledger, which is maintained in a continuously growing list of all business information (blocks). Each block is associated with the previous block with a unique hash function (value) which is mathematically calculated using a trapdoor function (Crosby et al. 6). Blockchain also has nodes that ensure that a hash value of particular transaction Globalization issues, issues of market dynamics and also supply chain integrity problems can be corrected by use of Blockchain technology. Globalization issues, the technology ought to establish consistent and reliable data management and integration system to take care of large global transactions. For the matters concerning market dynamics, the Blockchain technology ought to be flexible, i. e., more accessible to change and alter nodes and the hash functions for a smooth shift in the supply of a given commodity in the market. For integrity issues, Blockchain technology ought to establish copyright and patent regulations for any supply channel node or hash function created, to ensure that no enterprise will unethically copy another organization's supply chain strategy.

Blockchain technology proves to be a remedy to the current issues affecting the supply chain. However, many organizations face the following difficulties

while adapting to this technology.

- It is difficult for Blockchain to change the competitive advantage of a vertically integrated organization.
- It is difficult for Blockchain to better position companies which have their value creation.
- Challenges of legal infrastructure and technical understanding of technology is a problem.

Perhaps it might be hard for an organization to adopt this new technology, but research shows that technology has many benefits in simplifying the financial structure and supply chain management in an organization.

Therefore, it is essential for a given organization to adopt this new technology in supply chain management.