

# Example of essay on global supply chain management

[Business](#), [Company](#)



Supply chain management (SCM) is continuous developing, planning, informing, controlling, and monitoring of events within and between supply chain links in order that an integrated supply process results that by and large meets strategic goals. Alternatively, Supply Chain Management is the method of deliberately managing the progress and storage of materials, parts and completed product from supplies, through the mechanized procedure and on to customers or end user, as well as the related information flows (Yeo and Ning, 2002: 256).

The world has become a global village; this means that one can get any product from whatever part of the world. New technological innovations and improvements have devised means that organizations can use to sell their products anywhere in the world. One of the very large organizations that have employed the global supply chain network is the Coca-Cola Company which is a beverage manufacturing company. It has distribution outlets, and manufacturing plants all over the world and as such it enjoys a monopoly on the manufacture and distribution of non-alcoholic drinks. It commands a large market share which to some extent, scares the small upcoming beverage manufacturers on fear that they will not make any sales and such record losses. In order to run such a large organization successfully, the management must devise means to ensure a smooth operation.

Coca-Cola Company is one of the largest organizations in the world; therefore as such it has a very comprehensive network of distribution of its products all over the world. For such a large company to succeed in ensuring that its products reach its consumers in good time, it must invest in a supply chain network that will enable the products to sell. The method of packaging

used must be very efficient and customer friendly. The packaging must be done to ensure that it is easily portable and also it must save on space. The strengths of the Coca cola Company are that it is the most recognized brand in the globe; thus it has a wide market share and a loyal customer base. They have great advertising strategies that they employ for instance sponsoring world cup. It also has the most extensive beverage distribution channel. However it has some challenges since it focuses only on the production of beverage products only hence it has an undiversified product portfolio. These drinks are also carbonated which means that consumers will ignore the drinks because of health reasons. It has diverse opportunities in that there is an increase in demand of the beverage in developing countries, and also growth of bottled water consumption. On the other hand, it faces threats from the competition from other emerging beverage companies, scarcity of water in the future. There are legal requirements for beverage companies to disclose negative information on product labels

The present trend toward the supply chain's globalization is an important issue for many major companies involved in the business of supply of products. Globalization refers to the movements of goods across borders and the materialization of global competitors and opportunities across rival supply chains within an industry. The fierce competition experienced in markets currently has been caused by improvements technology in industries, globalized increase in sources of demand and supply, incredible advances in information availability, plentiful venture capital, and creative designs (Bovet and Sheffi 1998).

The simple pursuit of market share in the markets with high competition is

not sufficient to guarantee productivity, and thus company's center of attention is on redefining their competitive space or yield zone (Bovet and Sheffi 1998). For instance, companies decide to collude in order to capture lifetime customer share instead of focusing on mass market share through organized development and administration of cooperative and shared partnerships (Gruen 1997). Markets have been changed, by factors such as shifts of power from corporate consumers to final users, mass customization requirement, emanation of global consumer segments, competition based on time and quality, efficiency in information and communications technology, increasing knowledge intensity, and changing government policies.

Kotler (1997) made a study on firms and observed that as firms globalize, they lack the total resources and fundamentals for success no matter how large they are. While observing the total supply chain for production worth, they recognize the inevitability of partnering with other organizations. Kotler (1997) also made an argument on customers that they are scarce; the company ceases to survive if the customers are non-existent, plans must be put in place, to acquire and keep customers. It is a challenge, for many large organizations to ensure that they maintain customer loyalty hence; they have to maintain the products standards.

Muhtar Kent, the Chairman and Chief Executive Officer of the Coca-Cola Company made an observation that if the company is to perform their role as stewards of the world most renowned and significant brand, he recognize that the success and sustainability of the business is keeping the promises to customers.

Despite the global supply chain network being a new technological system

used in the distribution of products, it has both merits and demerits just like any other technological innovation. There are a lot of environmental issues that can be observed, due to the adoption of the supply chain networks that are currently used by the Coca-Cola Company. To start with, it is a large company which produces a lot of products; these products have to be distributed all over the world using the various supply chain networks. It has been observed that there is a reduction on the amount of waste and emissions since producing on a large scale reduces the amount of waste supplied considerably. However, some challenges have been observed; in most instances when companies are operating in the developing economies they do not have enough labour force as such they employ children to work, who receive inadequate pays. These children will miss on the opportunity to attend schools.

Markets have been modified, by aspects such as supremacy shifts from business buyers, to end users, emergence of global consumer segments, changing government policies, time and quality based rivalry, the responsibility for mass customization improvements in communications and information technology, and increasing knowledge intensity. Mass customization provides a tremendous increase in a variety without sacrificing efficiency, effectiveness, or low costs. Pine (1993), therefore, contends that mass personalization can be attained only through the devoted participation of employees; distributors, retailers, and most importantly end customers. Coca Cola through its developed management structure can ensure that diverse customization is achieved on its products and customer services. The commitment by all the stakeholders in the global supply chain to cooperate

towards achieving efficiency is the core factor that will ensure complete customization. Personalized goods and services will ensure that the consumers' needs are satisfied, and consequently success in global supply chain management is achieved.

## **References**

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