

Why is supply chain integration important to organizations

[Business](#)



The paper " Why Is Supply Chain Integration Important to Organizations" is an excellent example of a business essay. Supply chain integration involves coordination and harmonization of all the components of a supply chain management ranging from input materials to finished goods so achieves higher performance levels through minimization of cost and maximization of revenues. Normally, supply chain integration involves four major areas namely; planning, suppliers, and customers map for value stream and finally implementation (Han, 2009). This means that it is important for an organization to follow the above for areas during supply chain integration to be efficient and effective. Research indicates that organizations that integrate their supply chain activities enjoy numerous benefits. Some of those benefits include but not limited to; increase flexibility whereby, an organization can promptly respond to both internal and external factors affecting the organization. For example, proper supply chain integration enables an organization to effectively s meet customers need (Basu, 2014). Moreover, supply chain integration helps to reduce cost and increase operational efficiency. In addition, integration of supply chain activities enables an organization to manage its inventory more efficiently and effectively. This means that the problem of having obsolesced stock is eliminated and hence, the cost of managing inventories becomes minimized. Further, supply chain integration enables an organization to order and supply stocks that adequately meet customers ' demand. In addition, the supply chain integration helps to increase production efficiency (Lee & Katzorke, 2010). Further, supply chain integration improves the relationship between the organization, its suppliers, customers, and all the stakeholders is

improved since it leads to an increase in partnership. Through proper supply chain integration, it becomes easier to make a correct forecast on the amount to produce and to ship. In addition, it helps to prepare relevant transportation and project execution schedules (Basu, 2014).