Seagate technology profile: real-time response to demand

Technology

In the following analysis, I will explain how the company used visibility to ensure an effective and efficient global supply chain, review the risks associated with real time demand systems, describe categories of regulatory and legal requirements for ensuring compliance in a global supply chain, describe implications of the Foreign Corrupt Practices Act in global operations, assess strategies for ensuring adherence to ethical labor practices, analyze the use of supply chain visibility to ensure equal treatment of partners, and evaluate the role of ethics and regulations in an effective and efficient supply chain.

Agate's use of visibility to ensure an effective and efficient global operations and supply chain process Seagate characterized it supply chain as a real time demand forecasting process by removing the lag time between supply chain lead time and customer acknowledgement. Seagate has many customers all around the globe, at the same time there are customer as well have different locations within the same firm where the products have to be shipped. Seagate manages with a real time/Just in time supply chain process, removing the inventory holding and carrying cost associated with a forecasting system.

They have managed to arrange a holistic supply chain model on the base of technologically systems which integrate both suppliers as well as customers. They reply in real time to customer needs and then forward the requirements directly to supplier manufacturing system at the same time to replenish products out of their inventory and then get ready for the next sequence. Agate's processes focus on handling extreme product complexity, lengthy component lead times, and customized products. They have to meet

these challenges better than its competitors to sustain control over the competition.

The company's supply chain plays a critical, strategic role in this process. Prior to the transition, Seagate focused was on low cost manufacturing and operating to plan (Cohen and Rousseau, 2005). Now, with the new processes, the company can focus on being a technology leader, getting more products to market faster, and flexibility to meet customer's expectation. Risk associated with real-time demand strategies Although the reward is greater than the risk, there are some risks associated to opening up visibility to the customer/supply base.

If not properly done, you could be deeding information to both so and someday they could cut out the middle. Companies would have to have very strict AND forms associated with the process. A second risk could be if the information was not entered correctly. Feeding bad information could be detrimental to a company's bottom line. Last, there are high costs associated with implementing this type of system. Some suppliers could be reluctant to want to invest in this type of technology. It is very important to provide the fact and teach the benefits of this type of system.

Types of regulatory and legal acquirement that Seagate faces in global operations and supply chain management Regulations can change over time and be harder to meet than expected, leading to delays in supply. Companies have to deal with trade regulations, currency fluctuation, and political embargos. Non-tariff restrictions including complicated documentation requirements for border-crossing processes and many kinds

of international trade bills. These are some of the difficult challenges in which buyers have to face in order to do business abroad. This regulations make it hard for companies support a global apply chain.

In order to support these requirements, companies have to invest money in people and processes to manage and comply with these requirements. By opening visibility, this allows the supply base to plan for the delays and put corrective actions in place to mitigate risk. Implication of the Foreign Corrupt Practices Act of 1978 The Foreign Corrupt Practices Act affects supply chain management by keeping corporation from engaging in behavior of paying bribes to foreign government officials and political figures for the purpose of obtaining business. It is a tool to keep easiness honest in competing in a global environment.

The APPC contains two types of provisions: anti-bribery provisions, which prohibit corrupt payments to foreign officials, parties or candidates to assist in obtaining or retaining business or securing any improper advantage. The implication of this act will keep all companies on a level playing field in obtaining a supply base abroad. Strategies for ensuring adherence to ethical labor practices employed in various parts of the world Many of ethical issues in a global supply chain are caused from the political systems, law, economic development, and culture.

Unfortunately, what is considered to be ethical in some countries may not be considered ethical in others. To ensure consistency throughout the whole global supply chain, companies must put processes into place to streamline the business. They must enforce the laws and regulations of one part of the

world to the entire business. Companies must ensure that rules and regulations of their business be practiced throughout the whole supply chain. When sourcing product, companies must also ensure that their supply base is acting ethically to ensure continuous quality parts to support demand.

If you chose suppliers based on cost only, from companies that are acting unethically to get you price reductions, risk is greater than the reward. Supply chain visibility to help ensure equitable treatment of partners The real-time supply chain visibility will immediately notices changes in demand, supply, and business conditions. Advanced visibility will drive real-time decision-making, allowing companies to be flexible. Collaboration tools will encourage interaction with suppliers and vendors, coordinating activities across the supply chain. The resulting process with allow