

# [Responsiveness increase the responsiveness by focusing on](https://assignbuster.com/responsiveness-increase-the-responsiveness-by-focusing-on/)

Responsiveness can be defined asthe abilityto respond to wide ranges of quantities demanded, meet short lead times, handlea large variety of products, build highly innovative products, and meet a veryhigh service level. One of the options would be to physically move theinventory closer to the customer’s locations. For the grocery retailer, theycould open up smaller stores in areas of high density. If you know many of yourcustomers live within a certain region of the US for example, you can move adistribution center closer to where your clients are and that way delivery canbe cheaper. This is an option that Amazon takes with their fulfillment center. Accordingto the cost-responsiveness frontier, it would be wise to perform along thefrontier taking into consideration how increasing responsiveness can impactcost and visa versa.

If a company is performing under the frontier, then theyare not optimizing their supply chain. Inventory plays a major component ofcosts. Since Amazon has recently began their Amazon Fresh campaign to deliverfresh foods similar to that of a grocery store but without the need of thestore, they have innovated the space and rely on the responsiveness of theirdelivery centers in order to maximize the happiness of their customers. To Increase the responsiveness byfocusing on reducing the cycle inventory or by cutting the cycle time. The groceryin this situation could optimize their shelf space and perishable time of theirproducts; routing this information and understanding how long items can stayfrozen can help predict future inventory levels. This will boost responsivenessbut also keep in mind that when it comes to inventory, some inventory may beperishable and have limited time on shelves.

Understanding a product’s shelflife will be extremely helpful and analyzing the responsiveness of the supplychain. While improving cycle inventory metrics can help responsiveness, youalso have to keep in mind the problems that could arise if you have too muchinventory on hand. The holding costs would increase dramatically if too muchinventory is ordered or if the inventory is ordered too often. Understanding trends in thesupply chain with inventory can boost the responsiveness as well. You canoptimize your cycle inventory but forecasting seasonality and how that mayaffect the company’s inventory levels.

They can seek distributors of theirproducts that are located closer to their stores in order to increase the grocery’scommitment to responsiveness and time dedication. Communication amongst allplayers in the supply chain can only benefit the responsiveness. In addition, it is worthwhile to always keep in mind risks that could occur and planningproper risk mitigation strategies to avoid lapses in the supply chain’sresponsiveness levels.