

Responsiveness
increase the
responsiveness by
focusing on



**ASSIGN
BUSTER**

Responsiveness can be defined as the ability to respond to wide ranges of quantities demanded, meet short lead times, handle a large variety of products, build highly innovative products, and meet a very high service level. One of the options would be to physically move the inventory closer to the customer's locations. For the grocery retailer, they could open up smaller stores in areas of high density. If you know many of your customers live within a certain region of the US for example, you can move a distribution center closer to where your clients are and that way delivery can be cheaper. This is an option that Amazon takes with their fulfillment center. According to the cost-responsiveness frontier, it would be wise to perform along the frontier taking into consideration how increasing responsiveness can impact cost and visa versa.

If a company is performing under the frontier, then they are not optimizing their supply chain. Inventory plays a major component of costs. Since Amazon has recently began their Amazon Fresh campaign to deliver fresh foods similar to that of a grocery store but without the need of the store, they have innovated the space and rely on the responsiveness of their delivery centers in order to maximize the happiness of their customers. To increase the responsiveness by focusing on reducing the cycle inventory or by cutting the cycle time. The grocery in this situation could optimize their shelf space and perishable time of their products; routing this information and understanding how long items can stay frozen can help predict future inventory levels. This will boost responsiveness but also keep in mind that when it comes to inventory, some inventory may be perishable 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 may affect 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.