

Participation questions



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1. Long term relationships with suppliers are necessary to achieve success in the business world of the 21st century. According to Patterson (1991) quality and service in supplier relations improve with the passage of time. I agree with your point of view that companies must evaluate the benefits that can be achieved by establishing long term relationships with specific suppliers. If a supplier has a specific raw material that is hard to obtain it would be in the best interest of the company to establish a long term relationship with such a supplier. Among the E-Business factors you mentioned I liked regulations and exchange rates. In order to perform E-business a company must educate themselves on the different business regulations that affect their particular industry. Due to the fact that e-commerce takes places across national boundaries a company must be aware of the exchange rate conversions in order to establish a pricing policing that considers the relative value of a currency.

Patterson, P. (1991). Long-term relationship with suppliers pay off. Nation's Restaurant News. Retrieved September 4, 2009 from http://findarticles.com/p/articles/mi_m3190/is_n36_v25/ai_11254196/

2.

A business enterprise that incorporates a lot of the characteristics you mention of an efficient supply chain is Walt-Mart. The company achieves economies of scale by purchasing in bulk. They also have superior logistics and distribution system. A study performed by John Mentzer on the supply chain management practices of hundreds of companies revealed that companies can gain a competitive advantage by leveraging the management of their supply chains (Mentzer, 2007). I like your idea of designing products through the use of independent modules. This approach

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is simple and follows a sound production methodology similar to lean manufacturing. Your answer to the postponement strategy question was very insightful. Eliminating customization in the front end of the cycle can help a company achieve inventory savings.

Mentzer, J. (2007). Achieving Competitive Advantage Through Supply Chain Management. IndustryWeek. Retrieved September 4, 2009 from [http://www.industryweek.](http://www.industryweek.com/articles/achieving_competitive_advantage_through_supply_chain_management_13355.aspx)

[com/articles/achieving_competitive_advantage_through_supply_chain_management_13355.aspx](http://www.industryweek.com/articles/achieving_competitive_advantage_through_supply_chain_management_13355.aspx)

3.

Your recommendation of partnering with technologically savvy suppliers is outstanding. The internet, wireless technology, and advances in information technology can enhance the functionality of the supplier chain. Wireless applications such as radio frequency identification tags have gain a lot of popularity among supplier chain managers. In 2007 the RFID market was valued at \$4. 9 billion (Das & Harrop, 2008). As you mentioned flexibility is also an important characteristic in a supplier partner. Sometimes there are unforeseen circumstances in business that can cause problems in the production line. For example an accident by an employee can damage a truck load of key materials. If the company runs out due to this incident they need to have a supplier that can adapt to the situation and provide the company with an immediate shipment of raw materials.

Das, R., Harrop, P. (2008). Complete RFID Analysis and Forecast 2007-2017. Retrieved September 4, 2009 from [http://www. idtechex.](http://www.idtechex.com/research/reports/rfid_forecasts_players_and_opportunities_2007_2017_00163.asp)

[com/research/reports/rfid_forecasts_players_and_opportunities_2007_2017_00163.asp](http://www.idtechex.com/research/reports/rfid_forecasts_players_and_opportunities_2007_2017_00163.asp)

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4.

You mentioned the importance of transmitting information across the supply chain. This is extremely important in order to ensure the timeliness of the delivery. In the shipping & transportation industry companies such as DHL and UPS are able to comply with the customer orders on a timely manner due to their advanced information systems. I also agree with you about the benefits of a responsive supply chain. A responsive supply chain enables a company to increase their levels of customer satisfaction (Bowersox & Lahowchic, 2009). Your comment that the corporate culture of an e-business is different from a traditional operation is absolutely true. The culture of an e-business requires dynamic people that are able to react quickly to market changes. Alternative work structures such as telecommuting are very common in such an environment.

Bowersox, D., Lahowchic, N. (2009). Start Pulling Your Chain. Retrieved September 4, 2009 from http://ogillc.com/The_Book_and_Authors.php