

# Supply chain management

Business



Our analysis of their Supply Chain Management focused on the key areas of sustainable supply chain management and also guessing the risk factors to their current supply chain. In the course of our study, we discovered that a number of key supply chain Issues presented an opportunity to change the current business focus/model. In Its current state, JOY Books' supply chain is open to supply chain risks that can have a paralyzing short-term effect on their business.

Their supply chain practices are also not in-line with a sustainable supply chain model (Linton, Classes ; Quarryman, 2007) and result in a greater than necessary carbon footprint.

Our study identified that switching to a apply chain model that is more vested in a digital thrust, with E-Books forming a key part of JOY Books' product offerings, would address both issues of a sustainable supply chain, as well as reduce the inherent risk in the current supply chain. This transition could also be Implemented quite quickly, with very little disruption to the current supply chain and at a minimal cost for potentially better long-term profitability. Table of Contents 1. Introduction 2. Supply Chain Map & Description 3.

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Conclusion & Recommendations References 2 3 4 5 7 9 11 JOY Books Sod Bad is a local book publisher that specializes in Chinese Metaphysics books. We have undertaken a Supply Chain map of the whole process, starting with the conceptualizing of the book, to the writing, editing, design and final publishing; mapping out the various value adding steps along the supply <https://assignbuster.com/supply-chain-management-essay-samples-11/>

chain. The purpose of our study is to assess the sustainability practices of the current supply chain, as well as reviewing the potential disruption risks to the supply chain.

Our study of sustainable supply chain management practices will be limited to Environmental Purchasing (Slain et al.

2012 p. 32) and sustainable distribution of the final product, as these areas present the most impact where the publishing of books is concerned.

Disruption to the supply chain will consider both Endogenous uncertainty as well as Exogenous uncertainty (Truman & McCormick, p. 249), as both of these may have a material impact on the supply chain. However, for the exogenous uncertainties, we will restrict our considerations to continuous risks rather than disruptive events (e. G.

Trial disasters, riots), as these are more relevant given the business environment in Malaysia and the nature of JOY Books' business. This study was undertaken by interviewing the organization's employees and stakeholders directly responsible for each process in the supply chain, as well as the external suppliers of JOY Books directly involved in adding value to the process. Supply Chain Map - JOY Books initial raw material is human capital in the way of subject knowledge. The current supply chain at JOY Books begin with establishing the concept of the book; working together with the author to identify the subject matter and title of the book.

Once this becomes an approved concept, the author then begins work on the first manuscript of the book. The first draft of the manuscript is then passed

on to a dedicated editor, who will edit and refine the book, before passing it back to the Author for further enhancements.

This process may require a few drafts back and forth before the finalized draft of the book. The finalized book manuscript is now sent to the Graphic Design Department, where the graphics are inserted into the relevant sections. The text along with the graphics is now put together in a proper book layout and a mock-up put together.

This mock-up is as close to the final product s possible, so that the Author may review the whole book, provide additional inputs on the graphics and make refinements where required to the cover and book Jacket. Once finalized, the book is now sent via digital copy to the external printers, along with all the relevant details including quantity, size, paper type and type of binding. These printers are an external supplier and not part of JOY Books.

At the same time, depending on the book, the final copy may be sent on to the Multimedia Department, to be converted into an E-Book. This E-Book will be loaded up onto wry.

Jobbery. Com and tunes. Com for direct purchase by customers who would be looking to get the digital version of the book. The printed books are then delivered to the JOY Books Logistics Center, which houses them in their warehouse prior to distribution.

These books are then sent on consignment to the two primary book distributors; CIO Books for International Distribution and MPH Distributors for distribution within Malaysia and Singapore. CIO Books will then distribute

these books to International bookstores around the world, while MPH Distributors will supply these books to MPH

Bookstores and other local bookstores such as Popular, Kayaking and smaller specialty bookstores. Consumers may also walk into the JOY Books Logistics Center and directly purchase the books, bypassing the bookstores. However, as this facility is only limited to Koala Lump, the geographical reach of this distribution is restricted. In the reverse supply chain portion, there are two key activities that move along the supply chain. The first is the return of good and the second is information being passed back to JOY Books.

As books are given on consignment to MPH Distributors and onwards to the bookstores, unsold books are returned to the JOY Books Logistics Center. Feedback on the book is crucial to key improvements in the second printing of the book, consumers can contact JOY Books directly to provide them with comments and criticism, as well any errors in the book. SUPPLY CHAIN ISSUES Assessing the current supply chain, a number of issues were identified. We limited our scope to the sustainability of the supply chain for JOY Books as well as the potential risks inherent in the current supply chain model.

Sustainability of the Supply Chain o green house emissions, for book publishers, so we began our study there. Our study identified that the current books published by JOY Books are printed on a special type of paper that does not originate from recycled paper or renewable sources.

Furthermore, books that have a limited shelf life (Annual Books) and are returned from the distributors are disposed of in general refuse, rather than recycled. Given that the carbon footprint for each book is estimated to be “  
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in the region of 2. 71 keg CO-CEQ” (Well, J et al 2012 p. 212), this is a serious drawback ensuring a green supply chain.

Interviews with the logistics department at JOY Books put the number at a staggering 30, 000 books that end up being Wastage’ every year. This contributes to about 813 tones of carbon dioxide equivalent (CO-CEQ).

The current distribution method for the books; from the printers to the JOY Books Logistics Center is also not the most efficient. Printed books are sent to the warehouse at JOY Books, before being re-distributed to the Local and International Distributors. As such, the cost of transportation again adds to the erosion of the supply chain’s sustainability.

Supply Chain Risk Assessment Analyzing the current supply chain, it’s obvious that there exists two primary risks within the supply chain - that if addressed correctly, could lead to major benefits for JOY Books. The first risk is endogenous in nature; JOY Books only uses ONE single external printer to print all their books. As stated by Davis, T (1993, p.

35), historical order performance and market research can help predict demand but with ever- shortening product life-cycles, this strategy “ is a little more than a shot in the dark”.

It is clear that should demand for a particular book increase, JOY Books current printer (a elatedly small enterprise) would not be able to cope, leading to lost sales. The second risk is in the supply of the special paper JOY Books uses. In addition to being virgin plushest (non-recycled paper), there exists only one international supplier of this unique paper, resulting in

abnormally long lead times in ordering this paper in order to ensure sufficient supply. One other risk identified was the changing market trends towards E-Books rather than physical books.

The limited resource of JOY Books' current Multimedia Team do not allow for all their titles to be converted into E-Books, exulting in many titles being available only as physical copies. Greening the Supply Chain & Reducing Supply Chain Risks A study by Raw, P (2002 p. 645) found that " consumers in Asia are unlikely to pay more for a product manufactured using environmentally friendly processes", as such, any move to ' green' JOY Books' supply chain will need to be cost-effective, without passing on costs to the consumer.

It is recommended that JOY Books consider moving towards postprocessor recycled paper. Not only would this be a cheaper alternative to the current paper being used, recycled paper is also known to be cheaper. The Green Press Initiative (2008) estimates that this alone could reduce green house gas emissions by 37% for JOY Books.

This would also reduce the current supply chain risk of being dependent on a single supplier for paper that is in limited supply.

A reduction in holding costs would also accrue to JOY Books, as they would no longer need to maintain large volumes of paper inventory. In addition to adding additional suppliers for their printing needs, a second initiative should be to work closely with the current printer and book distributors, to streamline the distribution of printed books. Rather than having to transport the books twice; once to the JOY Books warehouse, then to the distributors,  
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the printer can directly deliver the printed books to the distributors as required.

This will require additional investments, to ensure a more transparent supply chain, where the printer would be able to liaise directly with the book distributors depending on the demand for individual book titles.

In addition to a more green supply chain as a result of reduced logistics, the savings in reduced inventory being carried, as well as reducing JOY Books logistics overheads would translate into a better bottom line. JOY Books should also focus on the reverse flow of the supply chain; a recycling program should be instituted with the distributors to address the issue of unsold books that have gone past their shelf-life.

By recycling these books instead of consigning them to the landfill, JOY Books will be able to reduce their carbon footprint, while helping their suppliers recoup some revenue from these recycled books (in Malaysia, recycling companies pay for recycled material). It is also recommended that JOY Books move towards a digital platform for all book titles, investing more in technology to allow book titles to automatically be inverted to a digital format and sold as E-Books.

This will not only reduce the cost of each book, improve margins and reduce green house gas emissions, this will also immediately address the issue of unpredictable demand, with E-Books being available to cater to increased demand immediately.

The move towards a greater dependence on E-Books will serve as a game-changer for JOY Books. As proposed by KEMP (1998) in their study “Unlocking the Supply Chain’s Hidden Prize”, not only does it address the growing market demand for E-books, but this initiative also reduces JOY Books’ dependency on their suppliers, while improving margins and allowing them to avoid issues of oversupply and wastage. A progressive transition from traditional paperback books to E-books, will also see a major contributions towards a more sustainable supply chain.