

Free research paper on supply chain management

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Abstract

The research study intends to provide a detailed analysis on the requirement of supply chain risk management strategy. The study covers various types of risk associated with supply chain processes like raw material supply, manufacturing, goods delivery, procurement, production, inventory management etc. The study also provides what kind of strategy are being used by different organizations to manage the risk and how effective their strategies are. The study is also providing analysis of data gathered from top executive and managers from various organizations. The research helps us in generating scope for future study that is how existing risk management processes can be improved.

Thesis Statement: Proactive supply chain management: A risk management strategy.

The research study focuses on analyzing various risks associated with the supply chain and also discusses how companies are adopting a proactive approach to deal with the risks. There are various processes that companies are integrating in its existing supply chain to reduce the operational cost without realizing the risk associated with those processes. The higher number of processes means more exposure to the risk.

Introduction

Once we look back in the history when industrialization was taking place we realize that, it was the first time when various textile manufacturers adopted a very elementary supply chain. They started bringing their material by trains, established their factories nearby waterways to get power supply by

their own and cloths were sent to the local producers for stitching. With the time companies started integrating supply chain process and produced final goods by themselves. In present scenario supply chains are very composite. Companies are going international and providing customized services and products. In increasing competition many companies are opting low price and high volume strategy hence they look for low cost manufacturers to outsource some low importance processes. Companies are also adopting just-in-time strategy and lean manufacturing to speed up their process at low cost. With all such processes any commotion in supply chain can lead to huge revenue loss. If any incident like: A break in manufacturing, irregular goods delivery, no supply of raw material occurred, what impact it will have on companies revenue.

Majority of the companies do not invest in assessing the risk associated with supply chain and how that can mitigate. It is very important to take a proactive approach to reduce the risk associated with supply chain management. In the research study we will examine various organizations and their supply chain. We will further analyze different type of supply chain risks and what companies are doing to minimize that risk.

The problems will be captures during the study are:

What all process or tools companies have adopted to minimize the supply chain risk

Impact of risk management strategy and tools:

are the processes and tools are effective

are they able to control supply chain risk completely

If risk management processes are not effective then what should be the next step

Literature Review

Several studies have been conducted to gain more insight on the subject. Studies focused on various area like identifying need for supply chain risk management, understanding the risk management process, and taking a proactive approach etc.

A research study “ Proactive supply management: the management of risk” conducted by Larry R. Smeltzer and Sue P. Siferd provides detail on procurement process of supply chain. The study analyzed cost theory, resource reliance model and risk management.

Another study conducted by Uta Juttner provide detailed description on requirement of supply chain risk management. In the study author finds that 44 percent expected the fact that their supply chain will be more vulnerable in coming five years hence risk management is requirement of time.

Study “ Securing the upstream supply chain: a risk management approach” by Larry C. Giunipero and Reham Aly Eltantawy focus on need of current scenario to manage the risk associated with supply chain. Authors mentioned that risk management is required to deal with uncertainties and to avoid potential revenue loss.

Research Methodology

The research study will adopt mixed approach; both quantitative and qualitative study will be performed. In quantitative study ten renowned companies from four different industries will be selected. While short listing

the company's one thing will be ensured that they are having complex supply chain. From each company senior management including all the heads involve in supply chain process will be interviewed. In qualitative study group discussion and literature review will be done.

Conclusion

After above discussion we can say that it is imperative for any organization to see the risk associated with supply chain which can cost them a huge sum. Companies are integrating various processes to provide cost effective service or products to the customers. They should see the risk associated with all the processes and adopt suitable risk management strategy.

References

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