

Strategic supply chain management business



Contents

- 5. 0 Decision

Abstraction

In early phases supply ironss were seen as merely the supply procedure from a company ' s immediate provider through to the immediate client. They had their ain ends, marks, deadlines, borders, and policies and besides all these were depend on them based on how to provide the market demand. It is easy to execute particularly in a monopoly market with really few mercantile establishments which is spread in a limited country. But when the concern is turning they have to take solid determinations about enlargement policies every bit good as the integrating of supply concatenation operations to last in the market and to derive the competitory advantage with the quickly altering competitory clime.

The fabrication industry faces great challenges every bit as any other industry, which is a consequence of economic crisis, particularly when it comes to the diversified, large-scale companies with immense enlargements and a client base, as Singer Sri Lanka PLC. In peculiar to execute in the current competitory environment its non merely the bing methods are of import, but the latest logistics and supply concatenation direction patterns are matters a batch as good. Time has changed and out believing about the manner we manage our betterment activities besides has to alter. Good is non good plenty – Merely our really best will pull the clients in today ' s competitory environment. Producing an first-class merchandise is non “ cut the mustard ” today.

Over the old ages Singer (Sri Lanka) construction has strengthen vastly to integrate with the schemes formulated to confront the alterations in the environment. A critical survey was carried out to understand the major competency precedences in current supply concatenation of Singer Sri Lanka PLC ; the supply concatenation direction rules, schemes and techniques that are used in accomplishing these competency precedences ; other possible tools which could be used for bettering the present public presentation of the organisation and how the company can travel beyond the excellence by utilizing these patterns every bit good.

(Abstract is non included in the word count)

1. 0 Scope of the Assignment

To look into Singer Sri Lanka PLC ' s supply concatenation with a position to,

Understanding the supply concatenation systems and operations and to measure its impact on the concatenation.

Identify the current supply concatenation schemes and the influence from assorted market conditions.

Make recommendations in order to better the current supply concatenation in the company and over come the identified critical issues and challenges by using strategic supply concatenation direction rules.

Company Overview

Singer Sri Lanka Started its operation in 1872 in Sri Lanka and is a Company that has grown over the old ages into a benchmark entity in Sri Lanka in footings of popularity, modernness and range. Singer today is synonymous

<https://assignbuster.com/strategic-supply-chain-management-business/>

with quality, broad range, and broad merchandise scope across diverse lines and broad entreaty to consumers across the full spectrum of purchasing power. Source -Singer (Sri Lanka) PLC Annual study

Singer Sri Lanka PLC is a diversified, large-scale company, which was established and started its operations with few stores and now Singer has about 550 retail mercantile establishments spread all over the state with a group of more than thousand lasting employees. Furthermore Singer has widely spreaded distribution channels, such as Singer Plus, company ' s largest distribution channel, Singer Mega, which optimises true modern trade retailing, assuring a shopping experience on par with the best in the universe, Singer Homes, the “ furniture shop ” contributed to offer high quality and fashionable furniture, Sisil World, promotes chiefly Sisil trade name merchandises and it is the 2nd slot in the distribution hierarchy, Singer Wholesale, Satellite stores and Duty Free etc are the other channels of distribution. Singer ' s merchandise portfolio is extremely diversified and consists of merchandises across a scope of family, industrial and fiscal classs.

Singer merchandise portfolio:

(Beginning: Singer (Sri Lanka) PLC Annual study – 2009)

Organization Structure Pyramid

Singer Organization construction consists of three chief direction degrees which include Junior, Middle and Senior. Senior and in-between degrees has two bomber beds as illustrated below.

A – Foreign Component Suppliers B – Local Component Suppliers

Prodimix International – Germany Arpico

Haffle Fittings – Italy Regional Sharpeners

Dolken Company – Germany St. Anthony ' s Company

Hevea Company – Malaya

Laminex Company – Australia

C – Other Local Suppliers D – Foreign Suppliers

Soft Logic National/ Panasonic

Epsi Computers Sony

Trade Suppliers Samsung

Nilkamal Hitachi

TCL

Whirlpool

Wedge

Unix

E – Retail Mercantile establishments F – Corporate Customers

Singer Mega Dilmah

Singer Homes Nestle

Singer plus John Keels Retentions

Sisil World Media Services (Pvt) Ltd.

The Supply Chain & A ; Competition

Supply Chain is “ a web of connected and mutualist organisations reciprocally and co-operatively working together to command, manage and better the flow of stuffs and information from providers to stop users ”

(Beginning: Christopher 2005, p. 6)

It is clear that current universe companies can non move separately and survive or derive a competitory advantage in the market for a long tally. Therefore supply concatenation integrating is a powerful construct for endurance and growing in today ‘ s concern environment. A merchandise or a service should hold cardinal properties to be competitory in the market topographic point, which are known as the competitory precedences. The competitory precedences may alter with the market section. For illustration, when see the Singer clients in a rural country may be interested chiefly in the cost of merchandise while the clients in urban countries are interested in quality of the same merchandise.

3. 1 Identifying the Competitive Precedences

Cost Advantage:

This is a scheme where the company seeks efficient installations and utilizations tight cost controls to bring forth merchandises more expeditiously and efficaciously than rivals.

<https://assignbuster.com/strategic-supply-chain-management-business/>

Singer Sri Lanka had merely about 10 trade names in early 2000 and chiefly concentrated on market incursion by supplying low-cost merchandises to the mass market. In order to convey down the monetary value, the company has moved to strategic sourcing of its major trade names through an intermediary which purchases for the full South Asiatic part which affects economic systems of graduated table.

Eg: I. Discontinued the Television works at Singer Industries Ltd. , Ratmalana in 2001 and started sourcing signifier China.

two. Started the mill in Piliyandala for furniture & A ; H2O pumps to cut down imports every bit good as responsibilities and offered advanced merchandises at a competitory monetary values.

At the same clip fabrication workss should be after their systems in such a manner that all resources such as stuff, labor and machines are expeditiously used to convey down the cost significantly. Besides company should do certain to maintain sufficient border to cover all other operating expenses before traveling to cut down the merchandising monetary value to acquire more volumes. This can be illustrated as follows ;

Value Advantage:

“ Customers do n’t purchase merchandises, they buy benefits ”

Adding value through distinction is a powerful construct of accomplishing a defendable advantage in the market. Singer has moved to a distinction and multi trade name scheme to come in into a new epoch of retailing. In all classs, different trade names positioned to appeal different client sections.

Singer trade name has changed to “ SINGER plus ” from SINGER on 1st of January 2007 and the motto to “ MORE BRAND – MORE Choice ” . It enables to increase the entreaty to clients and the message of “ pick ” available in the shops and adds differential ‘ plus ’ over competitory offerings.

Singer adds value through service by supplying odd service to their clients by giving non merely a merchandise but with a full bundle which includes super shopping environment, friendly client attention staff, merchandise presentation, price reduction strategies, easy payment strategies, free bringing to the door measure, free installing, client preparation, free services for selected points like A/C ‘ s, extended guarantee strategy, first-class after gross revenues service, etc.

When sing the merchandise designs, certain designs may increase stock list keeping or transit costs with long fabricating lead clip. In Singer fundamentally in furniture mills this issue can be seen. This will be a immense impact on the whole production of Singer mills if non decently address the job.

Multi Channel Strategy

(Beginning: Singer (Sri Lanka) PLC Annual study – 2007)

Delivery & A ; Lead Time:

Consumers in all markets, industrial or consumer are progressively clip sensitive and this is reflected in their buying behaviour. This should be seeable from the clip of fabrication to the bringing of the point.

In all the Singer mills they use Computer Numerical Control (CNC – Programmable machines) to do certain speedy, efficient and dependable fabrication procedure. As a policy they besides maintain mean three months finished goods stock list in all the stock maintaining units (SKU ' s) in general and 1. 5 to 2 months finished goods stock list for identified fast traveling points in the bomber warehouse. Singer besides has the island broad distribution web with more than 500 stores and goods are transporting mundane to all the locations from the cardinal warehouse. Shops are besides permit to maintain sufficient stock list in their shops.

But here the chief issue is that the uncertainness of keeping more stock lists. Though they have reduced their lead-time, with the volatility of the markets some times they have resulted in extra stock list state of affairss, where sometimes the loss can be really high. This is chiefly for the points such as telecastings, iceboxs and white goods (rinsing machines, place theater systems) etc. since these can be out dated with the new engineering sweetenings. This should be addressed for an immediate solution, because it can hold a immense impact on the whole supply concatenation in the long tally.

Quality:

Quality should be at that place in every facet including design quality, procedure quality, merchandise quality, service quality, etc. While keeping ISO 9001: 2000 criterions Singer Sri Lanka mills make certain that every point produced up to the required or expected degree in footings of both quality of conformity and quality of design.

In overall company ' s point of position it is besides a important factor to keep the balance attack between the monetary value and quality of all the merchandises. So to hold a full scope of merchandises in each class company has decided to travel with multi trade name scheme, where the company does n't desire to compromise quality and damage the trade name image due to acquire the monetary value advantage.

Analysis of cardinal countries in Singer Supply Chain

Analysis of the above competitory precedences has given a clear penetration about the issues that can be impacted on the current supply concatenation and besides here I would wish to pull the attending on major key countries which should be considered to hold an effectual and efficient incorporate web for the concern organisation.

Areas to be reviewed ;

Supply concatenation competitory scheme

Supply concatenation legerity, flexibleness and reactivity

How good the supply concatenation is synchronized

4. 1 Supply Chain Competitive Strategy

Competitive context of concern continues to alter fundamentally because of four major grounds ;

I. The new regulations of competition

two. Globalization of industry

three. Downward force per unit area on monetary value

four. Customers take power to demand on goods/ services

Analysis of Current Situation

Presently Singer Sri Lanka has an internally incorporate system which provides chiefly an terminal to stop planning model and they extremely depend on the hierarchy. So there is a high possibility of detaining the determinations due to miss of assurance and authorization degrees. Besides the focal point on cut down obsolescence properly is besides a major issue.

Possible Strategic Recommendations

Singer Sri Lanka has to travel in front with external integrating with their international

providers this will take to pull off better up watercourse and down stream interaction in order

to keep an effectual and efficient value concatenation and to acquire a better cost advantage.

By holding an effectual ERP system they can manage all the minutess and information

sing the fabrication, logistics, distribution, transportation, invoicing, accounting,

human resources, store gross revenues, market runs, deal or auction gross revenues, publicity

activities, etc. through this and besides by using cyberspace, intranet and extranet installations

the company can avoid holding extra stock lists and keep a proper stock list which is aligned with client demands, particularly when it comes to the multi trade name

multi channel construct. The other of import fact is to place the power place of

Singer relative to their providers and clients with respect to the graduated table affairs.

Finally in this facet they have to concentrate on pull offing 4R ' s (reactivity, dependability,

resiliency, relationships) exhaustively to beef up the linkages between the clients

and providers, where the rival would happen difficult to interrupt.

Best tantrum in an organisation can be illustrated as follows ;

4. 2 Supply Chain Agility, Flexibility and Responsiveness

Demand in today ' s volatile markets causes most of the current force per unit area on supply ironss to vie as webs and to utilize planned web constellations to drive flexibleness, legerity and reactivity.

Agile or Lean?

Analysis of Current Situation

In the current position of Singer Sri Lanka, they keep sufficient stocks of finished goods in ware houses of each channel and besides natural stuffs at the chief Singer mills, where some times it can do immense losings because of surplus of stocks. Though the overall lead clip is reduced when under taking particular orders such as supplying customized points for corporate clients locally or internationally, there can be state of affairss where timely response may be hapless.

Possible Strategic Recommendations

By doing the supply concatenation more agile it can do the operation of the company more

drum sander. For this using the seven rules which is given in Table 1 will be of import.

Efficient reactivity should be improved by de-coupling the up watercourse and down watercourse procedures and using the rules of delay wherever possible.

As the company strongly believe that there should be a flexibleness and variableness in all classs. It can be improved by developing new merchandises, by integrating some merchandise alterations to suit the client specifications and besides rapidly able to react increasing and diminishing demand due to the seasonal gross revenues form and besides can place different brads to appeal the different client sections in footings of quality and the monetary value.

<https://assignbuster.com/strategic-supply-chain-management-business/>

Table 1: Basic Principles for the creative activity of nimble supply concatenation

Principle

Application

Synchronize activities through shared information

Needs to heighten the company ' s new IT systems (ERP system, Electronic fund transportation, Internet, e-mail etc.) which enable effectual on line buying & A ; other services

Work Smarter non harder

Reduce non value adding activities such as manual activities & A ; place the parallel procedures in the company (already this is done up to certain degree of minutess)

Partner providers to cut down inward lead times

Work more closer with providers and portion information about different demand agendas to cut down clip holds

Seek to cut down complexness

Enhance the progress capablenesss of information systems & A ; increase the transparence of procedures to cut down confusion & A ; holds

Postpone the concluding constellation

This is already being used for certain scope of points

Manage processes non merely maps

Needs to pull off across its supply concatenation or the inter related transverse functional procedures to be more flexible & A ; agile in reacting to demand

Utilise appropriate public presentation prosodies

Singer already uses public presentation monitoring prosodies, but can do out the other possibilities which fits the construction of the organisation & A ; do necessary alterations & A ; design betterments

Enhance the supply concatenation schemes through legerity:

4. 3 How good the Singer Sri Lanka Supply Chain is Synchronized?

“ Synchronism implies that each phase in the supply concatenation is connected to the other and that they all ‘ march to the same rub-a-dub ’ . The manner in which entities in a supply concatenation become connected is through shared information. ”

(Beginning: Christopher 2005, p. 177)

Key processes that needs to be linked, up watercourse and down watercourse to provide concatenation synchronism of Singer Sri Lanka:

Key Procedures

Analysis of Current Situation

Possible Strategic Recommendations

Planing & A ; Scheduling

This is done by sharing information between each grade, but the chief focal point is on the first grade clients & A ; providers.

Properly linked information system should be implemented with an integrated ERP system in order to hold a proper control over the lead clip & A ; stock list.

Design

Since the hapless communicating with the grade 2 providers it has lead to a deficiency of market invention and assurance about new design developments

IT based systems (e-mails, internet etc.) can be used to optimise the connectivity among all the grades

New Product Introduction

Though this is done through the distinction schemes, still there are loop holes where the tendencies are non clearly identified and communicated

When this comes to the majority production it is indispensable to place disused points and replace them with new merchandise designs. to derive competitory advantage For this properly linked web channel is indispensable

Merchandise Content Management

When a alteration is required it has implemented after traveling through a really long procedure where wholly based on the hierarchy of direction, which is really clip consuming and complex

Should hold a proper alliance with the schemes and the critical procedures in the supply concatenation to minimise the impact over the clients

Order Management

Most of the chief providers have their ain single order tracking systems and fundamentally the order processing is done by basic methods as pass oning via telephones, where seasonableness is a inquiry

To increase the legerity with the extremely volatile market demands Singer has to be inline with new technological promotions where they can cut down the order direction clip and optimise the efficiency of the whole supply concatenation

Sourcing & A ; Procurement

This is performed good in the current system, but this is limited due to high confidentiality

As some of the providers work with rivals this should be remain but can be better the visibleness by holding strategic partnerships

Properly synchronized system would be as follows:

4. 4 Other recommendations for farther betterments in supply concatenation direction:

Mini Warehouse Concept: Since vocalist has more than 500 retail stores islandwide, maintaining sufficient stock at each locations is affecting considerable sum of money. So it ' s better to turn up mini warehouses in each territory to keep needed stock lists.

Beryllium Green Through Reverse Logisticss: Company can return back all outdated and disused goods straight from the clients and seek to direct these to their providers at a nominal sum, which they are sometimes in a place to upgrade the merchandises once more. This rearward logistic construct can widen into holding a more greeny environment as a responsible corporate citizen.

Convert Major Suppliers Into Strategic Partners: Singer can seek to discourse with its major international providers and change over them to strategic spouses via joint venture or partnership understandings, which would enable to hold a long lasting concern relationship to both parties.

Optimize Supply Chain: By nature consumer lasting market is categorized as a seasonal market. Singer gross revenues form has two chief seasonal effects throughout the twelvemonth (Apr/May and Nov/Dec) . It ' s rather common to run out of the stock during seasonal times and holding extra stock during off seasons. Both ways this is non good for the company since they are fring clients during the season while considerable sum of money tied up in the stock list during the off season period.

Structure Vs Strategy: Company ' s typical tall hierarchal construction in non infavour of the determination devising system since each minor determinations should travel above the line to the top hierarchy, which takes tonss of clip to acquire the concluding determination to the down the beds. If the company can adequately authorise its center and first line directors company can be more proactive than the bing state of affairs.

Red to Blue Ocean Strategy: Singer has figure of caput to caput rivals in the market who are prosecuting in the concern in similar nature. So company can instantly place its strengths and competitory precedences (which can be experienced direction squad, islandwide web, etc) to be edge over the others in the competitory environment. In other words they can bask tonss of advantages by following the Blue ocean scheme.

5. 0 Decision

Supply Chain Management rules and techniques are non common to all the industries. Some times it can be a complex scenario in which it besides change clip to clip due to internal industrial factors such as brotherhood actions, merchandise line alterations, design alterations, etc. and due to external factors such as alterations in economic status, other company regulations and ordinances imposed by the authorities, new market competition, international market forces, etc.

Singer Sri Lanka has strong formulated schemes and besides as per the analysis carried out sing the strategic recommendations will be more effectual in accomplishing sustainable competitory advantage in the industry by expeditiously pull offing its supply concatenation.

So it is critical to be more realistic when choosing the proper supply concatenation direction rules and tools in a extremely volatile and dynamic environment. This besides can be result in reflecting the bottom line profitableness of the organisation.