Maintaining and improving operations report

Business, Company

Background

Wal-Mart is a large American Corporation that is multinational and delivers its goods and services globally. It is among the largest public corporations, which has large warehouses and department stores (Wells, 2011, p. 11-16). The organization acts as the largest private employer because it has over two million employees. Founded in 1962 by Sam Walton, the company was later incorporated in 1969. The company's first time to trade in the New York stock exchange was in 1972. It is the largest grocery in the United States and generates half of its income from United States. The organization has more than 8, 500 stores in different countries where it supplies its products.

Components of the organization's supply chains, potential problems and approaches used by the organization

Production is the first component of Wal-Mart organization and it forms the basis of decision-making. The company makes strategic decisions on production based on the customer's needs, volume, demand, quality and capacity of goods. As illustrated by Wells (2011, Pp. 11-16) Wal-Mart production component get problems that affect the sales level of the company. Such production problems include introduction of new technology, supply of low quality raw materials and changes in customer preferences and tastes. Wal-Mart approaches the problem by looking for ways to get feedback from the customers and conducting surveys that help the company to know the customers needs as they change.

Supply is a component that the company outsources. According to Wal-Mart's overseas supply chain, (2010, p. 13), outsourcing the supply

component gives the company enough time to obtain raw materials and have enough inputs for production. To maintain the supply, the company gives emphasis to the quality of the products and flexibility of prices in the products. To help maintain the low cost, the company selects the best suppliers for raw materials and concentrates on the input. The problem associated with the supply component is that there are always problems in selecting the best suppliers of the raw materials. Getting the raw materials that fit in the low cost of the products affect the supply chain. To address the problem, the management of Wal-Mart has settled in developing a velocity that will make them flexible as they select suppliers (Wal-Mart's overseas supply chain, 2010, p. 13). This lowers the cost and gives the company a competitive advantage over other similar organizations in the industry.

Wal-Mart maintains inventory as an important component in the supply chain. The management of the company uses the inventory levels to determine the competiveness of the business. The company uses Radio Frequency Identification technology to identify and manage the inventory. The technology is important because it helps them to keep the day-to-day inventory records and they are able to know the remaining goods after the day's sales. Wal-Mart using the technology is able to identify the available goods in the stores (Wal-Mart's overseas supply chain, 2010, p. 13). The problem associated with the inventory component is that the traffic in the network may cause wrong interpretation of information. This negatively affects the decisions made and the company may loose its competiveness. To minimize the effects of the techniques, the company management has increased the server database. There is continuous improvement of the

technology that helps to reduce traffic and reduce the impact of the problem.

Location is another component in the Wal-Mart company because it determines the success of the business. As stated by Wal-Mart's overseas supply chain (2010, p. 13) determining the location for the stores depends with the customer's needs and their satisfaction. For any store location, the company depends on the customer's demands and production facilities. The problem associated with the location is lack of considerations for other factors such as the living standards and the population's level of income. To deal with the problem, the company has come up with ways that analyze both micro and macro environment factors that may affect the business location before making any location decisions. This has made the company to be effective in locating stores.

Transportation is an important component in making decision and is related to inventory. For the customers to get the products, the company keeps its goods in the supply stores and delivers to customer using its trucks. This is an easy method because Wal-Mart does not use extra cost in supply of its products. The only problem is that the transportation gets affected when the employee strike (Wal-Mart's overseas supply chain, 2010, p. 13). This affect the customer base and market share. To address the problem, the company arranges with other external transportation companies that offer transportation in case of strikes.

Information is a component that collects end users information and helps the company to make decisions. Wal-Mart uses computers to link through the

internet in distributing and getting information in all the stores located globally. This enables connection of the stores globally and the management is able to get feedbacks. The problem is that the sharing of the information by the global stores cause theft and misuse of data. The company has noted the problem and it uses security and passwords to protect the company information.

Wal-Mart focuses on meeting the customers' needs by production of quality products and services. The products are available to the customers at convenient prices. The company knows the importance of quality management and it is driven by the quest of improving the customers' satisfaction, as they improve the quality of their operations (Wells, 2011, p. 11-16). Wal-Mart views itself as an internal system that has a common goal. This motivates the employees in the stores globally because they do not work to attain individual goals.

Wal-Mart control chart

As Wal-Mart (2009) puts it, the control chart is used by Wal-Mart for estimates of the global operational process, which must stay within the limit to keep the process going. The upper control limit and the lower control limit must be avoided because the percentages have to remain in between them. The company re- asses the global operational process when the percentage is outside the limit.

Implementing an enterprise resource planning system would help streamline the operations of Wal-Mart and achieve efficiencies. This is because the company management will be equipped with the right tools needed to

reduce the cost and make better decisions. The company will have a cost competitive advantage over the other companies in the industry, which will give it the first position in the market share (Wal-Mart, 2009). The company will add functionality as the business grows. The major concerns that need to be addressed in the Wal-Mart business is the fact that most of the stores are located far from each other. Getting a system that will connect all the information from the stores together will be helpful to the company. Integration of all the stores will enable the company to have a single computer system that will serve them all. Another concern to address is the cutting cost issue, which will enable the company to have flexibility in prices. Together will reduction of prices, the company will have increased profitability when the operational efficiency improves.

References

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