

Manufacturing and geographic postponement



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The difference between traditional distribution channels and modern supply chain is time. Traditional distribution channels take time to get the order from customers and it's also take time to deliver customers the product they had ordered because traditional model firms do their own delivery and because they are not the specialize in transportation it tend to take long time to deliver products and it also costly, so what the firms do in traditional model is they tend to have a lots of stock in their warehouse, which cost them a lots of money to pay for the spaces.

The modern supply chain is differences from traditional model because of the customer's need and specification. Now a lots of customers tend to favor the customize products that made just for them, so the supply chain don't have to maintain a lots inventories or stock which help firm reduce cost, and because of the changing in technology the customers can receive their order faster than before because modern supply chain firm hire the specialize in logistic to do it for them which tend to cost less than they do it themselves. And because they hire specialize in logistic firm can promise to customers about time to deliver product. The Internet help firm receive customers order faster, so they can deliver it to customer in the shortest time. In modern supply chain firm don't need to have warehouse to stock inventories, so their cost goes down, this mean the firm can achieve the better performance in the lower cost.

2. What specific role does logistics play in supply chain operations?

Answer: Logistics is the process used to create value. The good logistic can help firm added value to their products by deliver it on time. The good

logistic help firm get the effective connection between supply chains by manage the location to place inventory (warehouse), transportation, and order management. These help firm work faster in the effective ways.

3. Describe and illustrate an integrated service provider. How does the concept of integrated service provider differ from traditional service providers, such as for-hire transportation and warehousing?

Answer: Integrated Service Providers (ISP) can be count as the practice of outsourcing. The two traditional ISP services is specialize in logistic that provide the service and other work that necessary for the firm to service customers. The traditional ISP offers warehouse (public warehouse) and sharing transportation services (for-hire transportation, ex. DHL). Now firm also help manage order entry and the delivery services, but in some situation they also they also provide the value-added service.

4. Compare and contrast anticipatory and response-based business models. Why has responsiveness become popular in supply chain collaborations?

Answer: Anticipatory (Push) and response-based (Pull) business models are used by firm to fulfill the consumer requirement. Anticipatory business model is the forecasting of what products customers will want in the future, then produce products based on market forecast, which is high uncertainty because the firm cannot know that they can sell all the products that they produced. But response-based business model try to reduce the uncertainty by information exchange between supply chains. The new technologies help firm sharing information quicker and now a day response-based business model tend to be very popular because it helps company reduce the

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uncertainty. The company does not have to have much inventory like before because many company today use the build-to-order system.

5. Compare and contrast manufacturing and geographic postponement.

Answer: Manufacturing postponement is produce product one at a time (make-to-order, Ex. Dell computer they will produce laptop as soon as they get order from customer) with no preparation to produce more products until they know the exact customer specifications. The geographic postponement is the opposite of manufacturing postponement. This basically produce product and put in the warehouse to wait for customers to order, then they will delivery it to customers in the fastest time or on time. So manufacturing postponement focus on reduces the uncertainty to have a lots inventory but the geographic postponement focus on the speed of delivering the products.

6. Define and illustrate cash-to-cash conversion, dwell time minimization, and cash spin. How do supply chain strategy and structure impact each?

Answer: Cash-to-cash conversion is the process that company takes to convert company's resource inputs (inventories) into cash, in order to expand customers' sales. Companies usually give discount to the buyer that pay within the given time. Dwell time minimization is the time that asset is in storage compare to the time required to satisfy supply chain mission.

Companies reduce dwell time by collaborating in supply chain to eliminate duplicate inventory and non-value-added work. Cash spin is trying to reduce assets overall assets committed to supply chain performance. The investment in a warehouse, if eliminated by reengineered supply chain. If

firm combine these three strategies together and performance it well, it will increase the financial attractiveness of effective collaboration.

Challenge Questions

1. What are the operating challenges related to the Toys R Us plan to establish 600 temporary or pop-up seasonal retail outlets? Be specific concerning the supply chain challenges leading into, during and after the Christmas selling season.

Answer: Toys R Us has to talk to their supplier, who produces the toys, whether they can deliver the order or not because during the Christmas period customer demand are going up, so the company needs to make sure that they have enough inventory to provide to customers. And also the company needs to make sure that they have enough space to keep their inventories and they need to make sure that there will be trucks stand by to deliver products because in Christmas all the worker go on long holiday. But the company also need to make sure that they won't be to much inventories left over after Christmas because usually in Christmas company will produce the special toys for that period, so if it left over they may need to give some discount, which reduce company's revenues.

2. How do the concepts of SaaS and cloud computing differ from the services offered by traditional data processing service centers?

Answer: Traditional data processing service centers is the system, which firms own and maintain by it own. SaaS is referred to the external system that firms buy from outside. SaaS provides both internal system and hosted

basis. When use the large specialize computer system to host is called cloud computing.

3. Discuss how reverse logistics can create value.

Answer: reverse logistics is the process of returning the products went the products had problem. With the internet it help company know the information about the product returning, so they can deliver new products to customer in the short period of time. This can make customers feel like company very care about them. This can help customers make decision when they buying products.

4. What is the primary value proposition of Kane Is Able's collaborative distribution service? Be specific concerning how this collaborative distribution service differs from traditional services offered by 3PLs.

Answer: Public warehouse provide product storage and transportation, but because they not the specialize in transport, so sometimes they cannot manage to deliver product on time and it not the efficiency way of transportation. Kane Is Able Inc is specializing in offering transportation and share warehouse. And they are good in managing and delivery products, this help company save money and time because they can promise to deliver products to customer on time.