

Use of it in supply chain management

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Supply chain management: Sunsweet Growers's supply chain What are the constraints on Sunsweet Growers's supply chain? The constraints on Sunsweet Growers's supply chain included the inability to control both the supply and demand by the organization, considering the fact that the supply was purely based on the weather conditions in the regions the dry fruits were produced, while its demand was solely based on the market forces. Scheduling the production and distribution of the dry fruits by the organization was also a major constraint, often requiring the organization to hire overtime labor during the peak seasons, to be able to process the demand arising during these seasons. Planning for the overtime labor was also irregular, since the organization did not have an effective information gathering system that would predict the demand and the supply changes effectively. The initial spreadsheet system that was paper-based had proven to be ineffective in supplying such information.

2. What problems did Sunsweet Growers encounter as a result of these constraints? What was their business impact?

The problems that Sunsweet Growers encounter due to these constraints included the fact that its operational costs were high, since the company had to hire overtime labor on irregular basis so as to meet the demand processing needs. Secondly, following the initial use of a paper-based spreadsheet system by the organization as its information source, the organization relied on outdated data since this system could not process information in good time. The use of the paper-based spread sheet system also limited the collaboration between different departments of the organizations, while the time spent to process simple information such as

demand or supply forecast would take too much time.

3. How did S&OP software help Sunsweet Growers better manage its supply chain?

The adoption of the S&OP software helped the organization to manage its supply chain better, through making it possible for different departments of the organization to come to the monthly meeting with collaborative information, which made it easier to identify the relevant areas of problem for departments and enhanced efficient projections for the future demand and supply changes. This made it possible for the different departments to cooperate and streamline their goals, so that they reflected the overall organizational objective. The software also helped the organization to produce demand plans routinely, which in turn ensured that the organization was now able to balance its demand forecasts with operational plans. Therefore, the cost of overtime labor was markedly reduced, while the time taken to generate important market forecast and supply projection information also declined. The inventory management of the organization also benefited through the finite-planning of the material availability and usage in the production line, to ensure that forecasts on the availability of materials became more effective.

4. What additional ways can you think of for Sunsweet Growers to ease its supply chain concerns?

The additional ways through which Sunsweet Growers can address its supply chain concerns is through alternative sourcing of raw materials, to stop relying on a limited region with only 400 farmers, which causes the uncertainty in the supply chain, due to weather changes. The combination of

the implementation of the S&OP software system and alternative raw material sourcing will help to make the production cycle for the organization more efficient and predictable, thus able to meet demand requirements at any time.