

Describe the cycle
view of supply chain
processes and
explain why
organizations n...

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Supply chain processes Introduction A supply chain is a system of activities, people, and resources involved in moving goods and services from suppliers to consumers in the market. The supply chain activities transform raw materials and natural resources into finished commodities that are delivered to the end consumers (Taylor, 2004).

According to Taylor (2004), a supply chain consists of all individuals and parties involved directly or indirectly in delivering the consumers goods and services. The supply chain includes manufacturers, suppliers, transporters, retailers, warehouses, and the customers themselves.

Supply chain cycles

Supply chain activities make up processes, which may be described as cycles because it involves constant flow of information, goods, services, and funds between different stages. The processes in a supply chain involve service providers and manufactures, who produce goods and services for customers. The customers transfer funds to the manufacturers, who then convey point of sales data as well as replenishment orders via trucks back to the stores (Sinha, 2009). The manufacturer transfers funds to the distributor after the products are replenished. The distributors provide pricing information and offer delivery schedules to the manufacturers. All these processes show that the supply chain activities are cycles that are interlinked and work hand in hand. The supply chain stages consist of various players who include; customers, retailers, distributors, manufacturers and the components, which are the raw materials suppliers. Each stage sometime may not be represented in the supply chain because the chain would depend on the customer's needs and the roles of the stages involved (Sinha 2009).

The following processes are involved in the supply chain cycle; they include the customer order cycle, replenishment cycle, manufacturing cycle and the procurement cycle.

Supply chain processes

Schniederjans and LeGrand (2012) stated that the customer order cycle occurs at the customer and retailer level and this is where all processes are directly involved in receiving and filling the customer's order. The customer starts the cycle at the retailers' shop by ordering what goods they need and the retailer works on fulfilling the customer's demand. This interaction between the retailer and customer ends when the customer receives the order.

The replenishment cycle occurs at the retailer and distributor level and includes all the processes involved in replenishing the retailer's inventory/ stock. The retailer is the customer in this case, and places an order to replenish inventories to meet his and her customers' needs or to make sure he or she has enough stock of the good quality of products available in the market (Fredendall, 2000).

The manufacturing cycle occurs at the distributor and manufacturer level. It includes all the processes involved in replenishing the distributor or retailer's inventory. The manufacturer responds to customers' needs by producing goods in large quantity to ensure that the distributors and retailers have the commodities they need and the customers' needs are satisfied (Coyle et al. 2008).

Coyle et al. (2008) stated that the procurement cycle occurs at the manufacturers and supplier level and includes all processes done to ensure

materials are enough and available for production to be done following the schedules put in place by the company. Coyle et al. (2008) added that for successful business transaction to take place the suppliers need to be included to the manufacturer's production time schedules.

Processes interlinked

All these processes are interlinked and in order to produce a successful supply chain, these processes need to be integrated. The customer is an important part of the supply chain because all products are aimed at reaching the customers. The customer places an order and the chain ends with a satisfied customer who has paid for his or her goods and services. Taylor (2004) stated that the primary purpose of the supply chain is to satisfy customer needs and in the process, businesses are able to generate profits.

References

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