

# [Free essay on business](https://assignbuster.com/free-essay-on-business/)

[Business](https://assignbuster.com/essay-subjects/business/), [Management](https://assignbuster.com/essay-subjects/business/management/)

Being operationally efficient is the goal that companies put as priority one nowadays. In modern business environment, producers are pushed to reduce the price, increase quality and provide superior customer support to stand out among the competitors. One of the driving vehicles to increase competitive advantage is the supply chain management. Introducing a better SCM system will help to cut the operational costs, minimize delays, track orders and thus it will build exceptional customer service. Supply chain has to be efficient, market responsive and operationally excellent.

Riordan Manufacturing can also profoundly benefit from improvements in supply chain management system. First of all, by its modern definition, supply chain management is a practice of using web and other informational technologies to keep track of orders and delivery, coordinate supply of raw materials. Such intranet or web centralized supply chain database must be created in Riordan Mfg., a system that will be accessible from all four facilities and will ensure that logistics among those is done accurately.

Production at Riordan is also inefficient, for instance its facility in Pontiac has to maintain a sufficient amount of raw materials to respond to new orders quickly. I suggest moving to just-in-time inventory control, a process that will monitor the amount of raw materials, sales forecasts and finished goods in order to minimize costs associated with inventory. Instead of keeping significant amount in stock, company needs to predict demand and use centralized supply chain management system in order to ensure that there are required materials at the right time.

After analyzing inventory management and control diagram, I would also propose to introduce a scanning device to track the orders of raw materials and finished goods. The system of entering this information by the clerk is not very accurate, so in order to eliminate errors, it must be computerized.

## References:

1. Riordan Manufacturing home. Retrieved on November 27, 2011, from
2. Supply Chain Management. Retrieved on November 26, 2011 from
< http://ecommerce. hostip. info/pages/968/Supply-Chain-Management. html>