

Supply chain planning and control

[Business](#), [Management](#)



1. 0 Introduction Supply Chain Operation Reference model (SCOR) is the product under the Supply Chain Council (SCC) which is the basic tool used to improve and communicate in the supply chain management. This model is described how does the business process required can be fulfill a customer's satisfaction. It also presents the process along the whole supply chain process and applying how to improve the process system and practice. SCOR model integrated the process of plan, source, make, delivery and return five sections, thus across the supplier's supplier to the customer's customer. It can be collaboration with operational strategy, material, and information flows. As an independent and nonprofit corporation supply chain organization, SCC has been used this model to collaboration with among of supply chain partners distributors, manufacturers, suppliers and logistics service providers, especially for people who in those category of business.

2. 0 Customer service There are many business facing challenges to keeping fulfill their customers happy in the supply chain industry. Many ways may solve challenge of customer service that is direct communicated with the customers. Suppliers and customers both players need to require constant monitoring and keep the same level of cooperation to ensure supply meets demand. Thus, company can be understand the cost that customer wanted and their requirements. Depend on the current economic environment supply chain manager may work with the highly automated information flow to overload of information. Even through the aim of SCOR model is to fulfill the customer satisfaction, but there are no such necessary to use SCOR model in this section. For SCOR model is to create the buffer inventory based on the understanding the requirement and supply from customers. The

buffer inventory can be results in correct inventories with a perfect planned and managed system.

3. 0 Cost control Cost control is the basic one that company needs to concern like inventory cost, transportation cost, and holding cost, etc. Many manufactures keep in the inventories with the high costs. SCOR model can be solving this problem directly by collecting the best process in the industry. For example, some small companies can be following the experience of successful companies or compare and contrast with those companies which can be result in the cutting down the inventory cost almost 50%. It can also avoid a overproducing and cut costs that increasing the process in reduce saving cost. For the raw material vendor also take the same process. There were such limits based on the industry standards which are achieved from the best practices shared across the industry.

4. 0 Planning and risk management Planning is includes to match the demand, supply plan and managing the raw material. All the materials needed to link with the requirement, plans and the execution of the other steps. The planning also involves decision business rules to improve and measure supply chain efficiency in SCOR model. These business rules rage with business rules, inventory, transportation and data collection which means cooperation in supply chain plan with the financial plan in the organization. In the delivery planning section includes ordering, warehousing, and transportation.

The process of delivery includes receiving orders from customers and send invoicing to them when the product has been received. This step needs to concern and check all the requirements like the management of finished

inventories, assets, transportation, importing and exporting. For the risk management, company must be prepared to handle the return of products by containers, packaging, or defective product. Check and record the reasons for return and adjustment of business rules, return inventory, transportation and regulatory requirement of the management. Risk, performance, price and opportunity are the indicators metrics at the determining level. 5. 0 Relationships between supplier and retailer

One of the supply chain problems need to management that is understands a supplier's capabilities between suppliers and retailers. As to developing relationships with both suppliers and retailers to use entire supply chain process becomes an organization effort. Base on the requirement, retailer need to know the lead times, standard capacity, and quick turn capabilities with their suppliers. Through the demand to determine whether the supplier's capabilities are sufficient for the retailer's needs. Moreover, retailers need to focus with specific supplier which has ability to support demand during a short time frame, it better to predict when products can ship to the end customer. Communication is an important point to alike requires constant monitoring and collaboration to keep supply meets demand. In fact, through highly automated information flow and overload of information which is nothing can be instead of face to face communication between suppliers and retailers.

6. 0 Talent SCOR model can help manufacturers find new talent in the supply chain industry. As the metrics of the supply chain management SCOR help companies really work on HR, team building training mindset. The five standards are the tools measure the new talents to create value for

company. Whereas, the other ways to get talent for company that is to match the current economic environment. According to the changing of developing market and talent acquisition, the hiring requirements of HR department need to enhance the level at the same time.

8. 0 Conclusion Since the economic resections the supply chain management started to change at the same time. According to the various supply chain challenges, SCOR model provide a unique framework that link with business process and different practices and technology functions into a integrate structure to support other supply chain partners. According to the analysis above, SCOR model can solve the challenges and problems in supply chain management, and create value for company, but still got some sections can be solved by other methods like relationship between supplier and retailer and talent. It clear can see that SCOR model cannot be handle all the challenges in the supply chain industry in current economic environment, it need to with the help of other measure to keep developing supply chain management.