

Supply chain management essay sample

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



Supply chain management is one of the processes that control the flow of goods and services. It entails the storage and movement of work-in-progress inventory, raw materials, as well as finished goods from production to consumption level. It is worth noting that supply chain management incorporates a lot of networks, businesses and channels. Supply chain management focuses on supply management and purchasing operations. There are key purchasing operations and supply management issues. In identifying the key purchasing operations and supply management issues, it is crucial to comprehend the fact that the entire activities are a process (Cetinkaya, 2010). Supply chain management incorporates many processes. The key issues of supply management and purchasing operations include employees, information, actual products and series, costs, budgets, price, price negotiation, processing of demand, approval payment, value analysis, as well as availability.

The purchasing operations and supply management issues are very important in the entire supply chain management process. The issues are key in the sense that it leads to proper organization, planning, evaluation and control, of activities in the organization. For example, the purchasing department uses the key issues to implement and develop purchasing policies that will be employed in undertaking purchasing operations (Boyer & Verma, 2010). On the same note, they are key issues because it provides the input for the entire organization to be converted into the output. The materials to be used in the organization forms a platform of the entire supply chain management. Therefore, the issues mentioned are important since it ensures the availability of materials and goods in proper quantity, proper

time, proper price, and at proper place.

The key issues in purchasing operations and supply management ensure that the organization remains competitive in buying products and keeping minimum inventory. On the same note, it enhances good supplier and vendor relationship. The issues related to purchasing operations and supply management is important because it control the costs of the products and allocate resources efficiently (Boyer & Verma, 2010). Gathering of information is a reality since it helps in decision making process. The parties involved always focus at satisfaction; this is achieved through price negotiation. The price of purchasing operations should not exceed the profit of the organization.

Global supply chain depends on the purchasing operations and supply management key issues. There are many parties involved in supply chain management; the key issues stated develop a link among all the responsible stakeholders. Hence, ensuring that each party involved executes their roles appropriately. Balancing of the key issues will lead to sustainable competitive advantage, which adhere to sustainability, institutionalization, and employability. In the general perspective, the key issues are important in the sense that it brings together all the success factors in the supply chain management systems.

In the business, strategic sourcing is one of the overlooked areas. In fact, some organizations and business are not aware of the meaning and key issues of strategic sourcing. There are various key issues in strategic sourcing. Strategic sourcing refers to the approach that formalizes information gathering and used to optimize value of the organization (Sollish

& Semanik, 2011). Some of the key issues include examination of purchasing, negotiation, supply market, business needs, operational practices, amount paid to suppliers, total acquisition cost, demand drivers, as well as procurement tactics. All these key issues in strategic sourcing are essential in supply chain management.

They are key issues because of various reasons. The issues enable the organization to understand the management and buying process in order to identify the available opportunities for improvement (Sollish & Semanik, 2011). The key issues in strategic sourcing ensure that there is sharing of best practices in the organization. On the same note, these key issues increase quality of products and enable the organization to access new suppliers.

The key issue of procurement is attained in the sense that the supplier market and the needs of the business are matched. This will ensure that there is stability in supply chain management. The profitability of every organization depends on the maximization and minimization of profits. The key issues in strategic sourcing ensure that there is the minimization of costs, which leads to maximization of profits. Other reason that makes the issues important is the fact that it improves operational efficient and facilitates price standardization.

One of the best ways to manage the key issues is through the understanding of the supplier market and the spending profile of the organization. The information should always be updated to ensure that the deliver improvements are ongoing, especially in organizations sourcing and performance procurement. On the same note, management of the key issues

is achieved through recognition of various contextual factors and implications of strategic sourcing (Cetinkaya, 2010). A model and framework to identify the contextual factors should be used so as to facilitate decision making. The use of appropriate technologies will also lead to proper management of the key issues. Technology is very dynamic; hence, the organization should be ready to integrate new technology in strategic sourcing process (Sollish & Semanik, 2011). Every stakeholder in the organization needs to understand that the strategic sourcing is a procurement process that re-evaluates and improves the purchasing activities of the organization. It is a component of supply chain management that ensures proper operations in the production environment.

References

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