

Supply chain management and logistics exam



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a) MBD should consider implementing a push-pull strategy.

This is because the company is in such a position where it needs to inform other book retailers about the services that it offers hence the need for the push strategy. However, in order to curb demand uncertainty, the company could only be delivering the books that have been requested for by the retailers. (Harrison, Hau & Neale, 2005) In order to deal with the push aspect of their distribution strategies, the company ought to invest in a lot of advertisement to its retail booksellers. It also requires a forecast of long term issues affecting the company. On top of that, it would be necessary to examine all the past orders made by customers with regard to certain warehouses so as to understand how the demand patterns works. This would also mean that the company will require large production batches and large safety stock in order to meet client requirements.

However, in order to curb the negative effects of the push system, it will also be favorable to include the pull system. This is because the books delivered to specific book retailers will be the ones that are actually needed by them and what the company thinks should be sold. This aspect will require fewer inventories for the company. Additionally, MBD will need to spread their knowledge across other supply chain partners. This may require serious coordination levels but will eventually reduce the lead times that have been assigned to a specific book type. b) MBD has the option of maintaining their intermediaries through the Distribution centers when tackling distribution to superstores.

Additionally, they could choose to deliver the books to these superstores personally. While the distribution centers have been enhancing communication and encouraging greater flow of money, they have been rendered powerless by the power of the retailers. Most of these superstores are dictating terms to MBD thus minimizing their profit margins. In order to reduce the losses experienced by these companies in the specific area under consideration, it would be favorable for MBD to do direct selling where they can negotiate terms and curb extra expenses. However, when dealing with the online stores, it would be favorable for the company to adopt a different distribution strategy.

Since these companies usually assign MBD with the task of delivering goods to their clientele directly, then it would be favorable for the company to consider provision of certain wholesaling functions alone. In other words, in order to enhance efficiency, then it would be favorable to adopt a streamlined system for the production of most of their products. c) MBD can benefit from changes in its distribution strategies by reducing the amount of lead time that the company needs to take in order to deliver books to their clientele. Additionally, the company will benefit from greater accuracy in their distributional approach because their work will be more coordinated. It would be plausible to consider changes in distribution because it can encourage greater returns to the company.

Supply chains are just as important as any other aspect of production and if managed properly, they can lead to greater output levels. Lastly, changes in distribution can also cause lead to other non-financial benefits such as increased safety or better ergonomics. (IIMM, 2007) d) Having fewer ware
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houses and greater centralization can add to the value offered by any given company due to the following reasons. First of all, it allows greater understanding of the logistics process thus allowing an identification of the strengths and weakness inherent in that particular company. Additionally, it allows a given company to control volumes present in its warehouses. This means that changes in inventory levels can be adequately monitored.

This also implies that turn rates can also be assessed. Through these analyses, companies can then determine types of materials that are needed to meet client needs. (Gallagher, ODwyer & Maher, 2000) On the other hand, decentralization may also benefit the company because it allows greater customization of service provision. This is because there is a high degree of personalization by the company's representatives since logistical decisions do not have to pass through central logistics managers or leaders alone.