

Supply chain management system: role of operation



Operation management involves a chain of activities where the producers engage a work force to obtain material, which material later is processed into a required product, and the product is then taken into the market for use by the consumers. Khosrow (2001) posited that, the aspect of supply chain management takes place in the area where management and analysis of logistics networks are approached. The two are the issues which encompasses any type of a firm that is involved in the production of goods or services meant to be handed over to the consumer as the last destination. This approach tries to ensure that the consumers receive high quality goods and at the right time.

According to Smith (1999) the essence of the above measure is to boost the competitive capability of producers in the market. It is also important to ensure that despite changes in the consumer tastes and preferences for goods, a company is able to cope with those changes and remain as one of the best companies in the market. The philosophy which has come up on logistics chain of supply, transportations and distribution modes of operation have ensured that the logistic goals of a company are realized by application of strategic measures put therein. The goals targeted are meant to ensure short cycles of producing goods, reduce the production costs, attaining lower inventories and ensure the levels of customer services are improved.

Philosophy and Function of Supply Chain Management According to (Norio, 2001) the aspect of management ensures that the supply chain is developed in such a way that efficiency is always realized and the product produced matches with the standards set by the company. The involvement of

companies in the product production has seen very little control of logistic operations by the managers.

The idea of management in the supply chain was therefore put in place to minimize the problem which was coming up by having loss control in the operations, while the partners in the supply chain keep increasing. The supply chain management was put in place to ensure that various companies involved in the supply activities work in collaboration and trust in their operations and ensure inventory visibility is improved. Thomas (2004) stated that the movement of materials in different organizations has been explained by different scholars in various models as they attempt to perfect the process. The SCOR council on supply chain management came up with their model of one supply chain, and campaigned that it is the best model to be followed. The forum for global chain of supply came up with another model of supply which is the SCM model. The supply chain process involves three stages of operation at different levels which are, tactical, strategic and operational.

The strategic level touches on the process of coming up with ways of optimizing networks, a company should identify its centers of distribution, the size of the location which is dealt with, the available facilities, and the manufacturing places of the goods in the warehouses. According to Donna (2002) the partnership issue is addressed among distributors, suppliers and customers. The result is that there will be effective channels of communication which assists in movement of operation through logistics, direct shipping if used and any other operational activities. Coordination of the design of the product is another of the strategic measure which ensures

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that a new product put in the market suitably flows in the supply chain along with the other goods already in the market. The information technology infrastructures are also overlooked by the SCM in the supply chain process to ensure efficiency. The tactical stage addresses issues such as sourcing of contracts and making of purchase decisions which are approved by the organization.

Production decisions are also made which include planning, contracting and inventory related decisions are made. Other decisions made in the tactic level include making decisions on the quantity of the inventory, the quality and mode of transportation, the frequency and the routes which should be used, pavement milestone and all other requirements which would ensure best strategies are put in place for the companies success. Donna (2002) posited that, the supply chain management has operational duties which involve coming up with the effective routes in the distribution line, and looking into the schedule of production on daily basis. Ensuring the the goods produced get to the targeted customers at the right time and in the right quantity is also a concern of the operational management.