

# Management security

Business



Management security can be defined as the application of procedures, policies and technologies needed to protect the supply chain assets like the products, facilities, equipment, information and personnel. This protection is meant to be from theft, damage or terrorism. It also prevents the introduction of unauthorized contrabands, people or weapons of mass destruction into the supply chain<sup>35</sup>. Of course, security oriented culture applied to the supply chain is good business in that it seeks to prevent supply chain assets from being the target of terrorism. It also prevents itself from being used as a method to facilitate terrorism through effective application of management procedures, policies and technologies. Supply chain protection does not stop at the point of securing facility through gates and locks, but extends further to protection of products and people.

Therefore, it creates a continuous flow of information both externally and internally. It is as well a tool for preventing disruptions of supply chain operations<sup>36</sup>. There is concern that the disruptions may go beyond the individual firm and, thus, the need for broader supply chain defence framework. This helps in protecting the customers, the public and also the brand equity. The benefits of extending security issues beyond the individual firm then could be as follows: First loss of short term revenue, which could have, resulted from the customer delivery disruption is prevented when terrorism is stopped.

Brand equity is protected and, thus, preventing the perception by customers that the security failure was a result of neglect. Sale of equity investments is stopped when lead investors' confidence is restored<sup>37</sup>. This also prevents unnecessary regulatory scrutinizes and as well prevents legal liabilities.

Security also prevents the dissolution of the supply chain. It leads to increased automated handling of imports by the company.

The transit or otherwise the delivery time is also dropped drastically, and this is coupled with the improvement of the on time shipment to the clients. The asset visibility in the supply chain is also improved tremendously since there is improved accessibility to the supply chain data by investing in supply chain security. Problems could also be identified very fast. The company gains insurance premium reductions, improved inventory management and customers' service<sup>38</sup>. The acronym RFID stands for Radio Frequency Identification. It is basically a system that transmits the identity of an object or person wirelessly using radio waves.

The identity is usually in the form of serial number. It does not require contact or line of sight for communication as in the case with the ubiquitous UPC bar- code technology. RFID is important in asset tracking. Companies put RFID tags on assets that are lost, stolen or underutilized. RFID is also very important in the manufacturing sector where it is used to track parts and works in progress. It reduces defects and manages the production of various samples of the same product.

It can be used to track shipments among supply chain partners<sup>39</sup>. In the retailing industry, it is important in improving supply chain efficiency, and thus making sure products that are on the shelves when customers need them urgently. RFID is used in payment systems where the most common is the payment of road tolls without stopping in order to shorten the gap in the supply chain management. Security and access control also uses the RFID

technology. This is seen in the use of electronic key to control access to buildings and specific areas in office places.

In the army department, it is used widely to provide the military with access to information about equipment and supplies, thus enhancing readiness and safety<sup>40</sup>. Security competencies are created through an interactive strategy which involves the development of security capabilities like the infrastructure, assets and resources that maintain supply chain security. There are 10 security competencies used in creating the security framework. They include; Process strategy, Process management, Infrastructure management, Communication management, Management technology, Process technology, Metrics, Relationship management, Public interface management and Service provider management. Of these some are indeed very challenging to implement<sup>41</sup>. Examples of security competencies that are challenging to implement are as follows: The process technology deals with the use of information systems to track product movement since many firms have not progressed beyond the implementation of physical security measures like gates and, thus, they are still a milestone from attaining the new technologies due to the costs being involved.

The next is the relationship and service provider collaboration management which creates a mutual existence between the companies. There is an increased global security difficulty as most target firms are often unable to monitor the activities of their partners and, thus, protection becomes impossible<sup>42</sup>. In order to help protect the companies from such misfortunes of court cases, issues of capitalism and freedom must be available to employees. Capitalism can be defined within economic terms as the <https://assignbuster.com/management-security/>

economic system, whereby, the distribution and production means are privately or corporately owned. The development is proportional to the profits accumulation and reinvestment gained at the free market. It is a social system based on the code of individual rights.

For an economic system prospering, both the corporately and privately owned channels of distribution and production must have the property and individual rights as scheduled. The only way of having the economic system that fits the first definition is availability of the political system that fits the second definition. The second is fundamental and since it is the cause of the first one, it is more useful and preferable definition<sup>43</sup>. Capitalism is an upright political system since it is the only system devoted to the protection of rights. It is the only proper role of the government.

Capitalism must be shielded heartily on a moral basis. It should not be done on the economic or utilitarian basis. Freedom can also be defined as the condition of being free of restraints or the liberation of an individual from detention , slavery, or oppression. In simple terms, it refers to political independence which is the exemption from the subjective exercise of power in the performance of a definite action, for example, the civil liberty or freedom of assembly<sup>44</sup>. Economic freedom refers to the freedom of exchange.

This is the ability to sell or buy without any legal restriction. Friedman considers this as a necessary constituent of freedom since it restricts a range of actions and choices. On the other hand, political freedom implies the absence of intimidation of a man by his colleagues. Economic freedom is

considered as the means to political freedom since it separates the two opposing powers that is the political power from the economic power. Power concentration is very impudent to the peoples' freedom.

There is a general connection between the emergence of democracy and the emergence of capitalism. Collectivist economic planning has indeed interfered with individual freedom<sup>45</sup>. The co-ordination of the economic activities of very large populations is indeed a major problem of the social organization. There are two ways of incorporating this idea. These are the main direction concerning the use of intimidation and the voluntary co-operation of individuals.

Competitive capitalism creates co-ordination without coercion. Co-operation is stringently voluntary and individual provided that the enterprises are private and also that the ultimate contracting parties are individuals.

Individuals must be free either to enter or not to enter into any exchange<sup>46</sup>. This will ensure that every transaction is strictly voluntary. The buying and selling labour power and goods are constantly reciprocally beneficial.

He further adds that the central aspect of the market association of fiscal activity is that it prevents one person from prying on another in respect of most of his activities. It is un-coercion in that the worker is sheltered from coercion by the employer due to the presence of other employers for whom he is able to work<sup>47</sup>. Self less service will automatically help in the structuring of the caring spirit and even also the team work attribute of the company or organization. Loyalty on its own can help build the spirit of stewardship. This is because a loyal individual will most definitely follow

within the positive footsteps of his or her superior employer cum worker.

When three values are put together in an organized way or manner, then the whole organization will have developed the core values concerning the professionalism and the caring spirit and stewardship element<sup>48</sup>.

Varieties of stakeholders have the right to control the decisions made by the company. This is because they directly command respect from these companies. The business policies must be formulated to fit the needs of most stakeholders in order to have successful businesses. This is due to the influence exerted by shareholders. The term stake means a portion or share in the business. Examples include employees, investors, partners and shareholders.

The suppliers, trade unions, consumers, government banks, community and other organization affecting the business are incorporated<sup>49</sup>. A stakeholder also refers to an individual or organization that the company must have and cannot survive without. The principle here is that every stakeholder has something that they want from the organization. They also make certain burden to the organization, to which they are allied. For instance, employees claim remuneration and insurance<sup>50</sup>.

Financiers and investors will claim interest rates; customers claim quality, favourable prices and constant supply; shareholders claim dividends.

Stakeholders' claims can certainly affect the activities of the firm and this includes the product market. When the product market is brought in, the initial issue that comes to mind is the consumers' satisfaction<sup>51</sup>. It is important for sellers to study their buyer's behavior before engaging in risky

business. Consumer behaviors are the studies aimed at informing the marketers, advertisers and public agencies onto how a commodity selection is important to issues like personality, values, beliefs and perceptions. In cases of marketing reasons, the influences are in demography.

The context of demography here includes ethnicity, age, family size, income, marital status, employment and education. The elements such as sociology, psychology, economics and social anthropology play a major role in consumer behavior. Consumers' behavior fundamentally interprets the decision making process of the consumers both in groups and as an individual. It tries to assess what influences on the consumers in making consumption behavior like the friends, families and society in general<sup>52</sup>. The other way is through benchmarking.

A benchmark is the standard point of reference that is for the measurement of quality and value. With this in mind and considering business, benchmarking is the practice through which an organization establishes the standards to determine the progress. It is a tool used both internally and externally<sup>53</sup>. It has two basic parts that is the performance measurement and the continuous improvement. There are three basic types of benchmarking that is the kind where comparison of within the same organization is done; then, there is the one that compares relative service performance and the final type compares the supply chain performance of different firms although not necessarily competing ones.

Benchmarking involves the process of data collection analysis and reporting<sup>54</sup>. It is a very valuable tool in the improvement of product



innovation. The product innovation helps in delivering top line growth, the creation of new customers' value and the establishment of a competitive advantage to the organization. The improvement of product innovation is important because it helps the organization face certain challenges. The challenges associated with product innovation include the following: The complexity of the process since it requires cross functional collaboration throughout the organization.

There is also the need for cross functional management teams for decisions on new product investments. It also enables the company to zero in on certain specific problems. Isolation of high value improvement opportunities is also administered where strengths that should be preserved are identified. Key stakeholders are involved in the consensus building for the company<sup>55</sup>. The inclusion of the second phase related to continuous improvement is typically a step forward from the traditional benchmarking approaches since the goal of this second phase is to select best improvement procedures.

The improvements could be in sectors like the on-time delivery which could be learnt from much more established companies. On time delivery can be improved by the changing of collection schedule, increasing capability of transportation vehicles and rearranging the routes for delivery. The improvement is done by entering the ratings of sub criteria for each changing opportunity into the expert choice where best practice come out<sup>56</sup>. The second phase gives a quantitative model for managers to select the best practice that is gained from industry leader. The measurement system derived can be used to make judgments both qualitative and quantitative which are the attributes of a standard one.

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As managers are the decision makers, then their service is required in the selection of the best practices after that the customers were involved in the first phase. Since different companies have different goals and operational strategies, then the values of weights must also be different<sup>57</sup>. Performance evaluation is decomposed into criteria and sub criteria where the weights would be gauged at. This is achieved by use of questionnaires based on the comparison of the pair wise levels. The criteria and sub criteria are further divided into eight criteria as follows: Reliability being the first one can lead to customers of satisfaction once it is reduced and end up damaging the image of the company. Short lead times are advantageous to both the customer and the company, but for Postal companies it comes handy in the improvement of the image of the company due to the mass production<sup>58</sup>.

The company together with the customers enjoys high degrees of confidentiality. Once the confidentiality levels are high then they attract more sales. Flexibility has a close relationship with environmental uncertainty, functional interfaces and the overall firm's performance. The organization should have an abundant pool of capital as this would lower the costs of production and thereby ensures continuous operation. Efficient utility of assets can enhance productivity at a competitive price and quality, thus, attracting more sales.

Relationships also play an important role in the production. Innovativeness is vital in that the customers require continuous change and at the same time, competition and pressure on profit margin regularly require innovativeness<sup>59</sup>. The major differences between the two companies are as follows: The first is the issue of neutrality whereby the 4PLs are not

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considered part of larger logistics provider. This means the 4PLs are independent to work with the buyer to design and manage supply chains. On the other hand, 3PLs are considered part of a family that provides services like warehousing and transport among others.

They are obliged to seek services of the parent company whether they like it or not. The next difference lies with the management of the supply chain. The 4PLs are basically supply chain management service providers while the 3PLs are logistics service providers. The interaction between these services and the 3PLs provides the total supply chain<sup>60</sup>. The process being involved also gives some difference as in the 4PLs crosses departments and functions where they extend past the corporate level.

They value technology as a process enhancer. On the contrary, 3PLs are transaction and not process driven. They aim at the work of orders and shipments which means they cannot create a value proportion with the customer and, thus low turn out. The 4PLs are both strategic and tactical as opposed to the 3PLs who are basically strategic. This is because 4PLs work with clients in developing supply chain strategy. They understand time market cycles.

The 4PLs do not own assets as opposed to the 3PLs who must own a variety of assets to survive at the market<sup>61</sup>. More and more companies are relying on the services of the 4PLs. This could be as result of the following: The companies suffer high levels of order – delivery cycle times and cycles for order – cash. This pushes them to seek for research and development.

Continued advancement in technology as with the IT has forced the companies to look for the IT infrastructure.

The global growth leads to much more inventory and in very many places. This leads to a revenue shifting point for the company. Most companies want to venture into businesses that they never tried before and this brings the need for the 4PLs to help in finding the right sector to venture in<sup>62</sup>. The need for more supply agencies to cater for the growing number of clients also influences on the companies to seek information on the available suppliers from the 4PL company. The continued dire need by companies to outsource clearly summarizes the need for much reliance on the 4PLs.

Most companies may not want that the customers see the books of account and, therefore, would try to avoid this at all costs. Due to this the company seeks the services of an expert like the Auditor to help run the business and this brings the 4PLs into the picture. The companies are obliged to make better use of transportation and distribution functions and locations, thereby the need to lean on the 4PLs. Material flows such as transloading, cross docking and shipment tracking may force the company to seek higher expertise from the 4PLs<sup>63</sup>. Metrics are mechanisms kept in place or implemented to help in evaluating the performance of a company which in this case is the 4PL company. The metrics used in the control of the 4PLs included but not limited to the following: The ability to manage 3PLs well, excellent cost control and management, single accountability and ability to operate at operational, tactical and strategic levels among many others.

The importance of establishing the metrics for the determination of the value of 4PLs are, therefore, paraphrased as follows: It helps in the establishment of inventory investment and the determination of stock turn over<sup>64</sup>. It also aids in reducing loss in sales and in noticing the days out of stock in order to take the necessary precautions. The need for their inventory classification helps to determine and promote their service level while establishing the rate of ageing of their inventory. Customers' complaints are well catered for since the customers' service perception is within the company's reach that there is direct contact with the customer. The metrics also helps in reducing the cost of expediting and that of supply chain operation<sup>65</sup>. This metrics leads to effective management in the demand forecast, thus, leading to the prevention of unnecessary interferences in the supply chain.

The increase in the competition and growing complexity of the logistics function has led to the out sourcing of logistics and, thus, to the need for the 3PLs in the benchmarking process. The 3PLs helps companies to avoid the lockage of capital in warehouses and containers. Since globalization also affects most companies, 3PLs come in handy to help in this process. The 3PLs provide complementary services and together with the e logistics they can cover a worldwide supply chain. They play a role in sharing information and knowledge with the customers. They can optimize the supply chain, reduce the cycle time and provide unprecedented customers' responsiveness<sup>66</sup>.

The 3PLs provide Information Technology based Services to clients with relative analysis and reports specific to the supply chain. They as well help in service improvement by offering in depth analysis of the various functions

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involved in the services. The improvement of organizational support functions is also achieved by encouraging proper decision making process. They help in the selection of cost effective modes of transport and the carrier companies for product. The 3PLs also helps in the analysis of the compliance of the supplier and, thus, helps in time restoration<sup>67</sup>. The Companies should have a strategic plan.

Strategic planning is the process whereby an organization identifies the long term goals and objectives and then moves forward to determine the best approach to achieve these goals and objectives. A manager is an individual bestowed with the responsibility of allocating and monitoring the use of managerial resources in the form of materials, information, people and money<sup>68</sup>. There are three basic skills that a manager should possess in order to function efficiently and these are technical, conceptual and human skills. Conceptual skills involve the capacity to develop ideas, understand abstract relationships and solve the problems of the company amicably. The Human skills involve the display of ability to interact, communicate and associate with others to gain cooperation.

The technical skill is basically the area of specialty of an individual like the Engineer, Lawyer and Doctor among others. The technical skills are relevant at the lower levels of the organization's work because the managers are dealing directly with the employees. Conceptual skills are important in monitoring the organization taken as a whole and, thus in understanding the relationship among various sub units. They then visualize the organization in the wider environment. The skill is that of importance in the top

management positions. Human skill is concerned with the ability to work well with other people in groups or as individuals.

This skill is the most crucial because managers deal directly with people. Managers, who have better human skills, know how to communicate, lead, motivate and inspire enthusiasm and trust. These skills are important on the whole due to their nature of being outgoing<sup>69</sup>. For example, in the Health Care Sector, there is the need for strategic planning since Health Care providers at least should try and develop all the three managerial skills. This is because all the skills are equally important.

The technical skill is important in the treatment and patient diagnosis. The conceptual skill is important in the development of new affordable treatment to patients. The Human skill would of much weight as compared to the rest because it helps in understanding the patients' needs through dialogues. It also ensures the building of good relationships with the post hospital patients and their health status can still be tracked. It also comes in handy where traumatized patients need some counselling services<sup>70</sup>.