

A company reporting on its supply chain activities

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Supply Chain Management: A Company Reporting on its Supply Chain

Activities The essay aims to present a company reporting on its supply chain activities based on an article from Purchasing. In this regard, an article written by Stundza (2010) entitled “ If prices are rising, it's not buyer demand that's pushing them up” would be used to discuss the basic supply chain activities of Steel Dynamics, one of the mini-mill producers affected by sluggish demand for their products. A Company Reporting on its Supply Chain Activities According to Russell and Taylor (2009), supply chain “ encompasses all activities associated with the flow and transformation of goods and services from the raw materials stage to the end user (customer), as well as the associated information inflows” (406). In this regard, an example of supply chain management from an article published in Publishing, a trade magazine, presented relevant activities and factors that affect supply chain flow of mini-mill products. One of the companies exemplified in the report was Steel Dynamics where the current situation reported by Stundza (2010) was manifested as weak demand for products such as merchant bars, wire rod, light structural products, mini-mill made steel, special quality bar, structural steel and fabricated rebar, among others. The raw materials for these products are highly dependent on the availability and prices of scrap, briquettes, pellets, the types of steel to be produced, and operational factors. The end products are marketed to consumers of which the following were mentioned: automakers, automotive parts producers, residential and non-residential building construction, export markets and the nuclear industry. The crucial information that affects the supply chain are factors affecting supply and demand. As revealed, there is currently low demand or sluggish movement in both residential and non-

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residential building construction, and the prices of raw materials, particularly scrap. Further, export markets deem to be a lesser viable alternative to market their products due to end prices that would not be competitive in Europe and Asian nations because of including custom-duties, insurance fees, freight costs and availability of ships for export. Other relevant factors that affect pricing strategies for the products are the rising cost of scrap due to seasonality in supply and the strong demand for export markets. All of the components and elements from raw materials to the end markets, and the information revealed affect the supply chain management of steel producers.

References Russell, R. S. and Taylor, B. W. (2009). *Operations Management: Creating Value Along the Supply Chain*. John Wiley and Sons, Inc. Stundza, T. (2010). "If prices are rising, it's not buyer demand that's pushing them up." *Purchasing*. Boston, Vol. 139, Iss. 4; pg. 43, 1 pgs.