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Essentials of supply chain management The evolving structure of supply chain In the current market world, each company in a supply chain usually focuses on its major competencies while outsourcing the remaining practices. This was unlike the past industrial age where successful organizations struggled to own the largest part of their supply chain (Hugos20).
Participants in the supply chain.
The simplest supply chain is only made up of three participates who are the company, its suppliers and consumers. There are three participants in a complex supply chain. The participants are the firm supplying goods to a company’s supplier, the customer’s consumers, and the company’s service providers (Hugos 24).
Any supply chain consists of producers, who are companies that make the products. It also consists of distributors that dispense goods in bulk from the manufacturers. Other participants distributing goods in small quantities to customers, customers, and the service providers (Hugos 25).
Linking the supply chain with business activities
Organizations have to ensure that their strategies and supply chains meet the market requirements. For instance, organizations should consider the price of their suppliers and the amount the customers are willing to pay for the products before participating in any supply chain (Hugos 27).
Defining a company’s major competencies
The other factor to consider before participating in a supply chain is to identify its role in the supply chain (Hugos 30).
Developing a company’s capabilities
After identifying a firm’s role and its competencies, the next step involves forming a supply chain management team that will make the chain more effective. For instance, if a company deals with production, it may build large factories in order to produce excess goods (Hugos 31).
Works Cited
Hugos, Michael H. Essentials of Supply Chain Management. Hoboken, N. J: Wiley, 2011. Internet resource.