

SUPPLY CHAIN MANAGEMENT

LESSON 1: INTRODUCTION TO SUPPLY CHAIN

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Chapter Description

- **Aims**
 - To provide basic understanding on introduction to supply chain management
- **Expected Outcomes**
 - Students should be able to:
 - Define supply chain
 - List the objectives of a supply chain
 - Identify the importance of a supply chain
- **Reference**
 - Chopra, Sunil, and Peter Meindl. (2016) Supply Chain Management: Strategy, Planning, & Operation. 6th. Ed. Upper Saddle River, NJ: Prentice Hall.
 - <https://dupress.deloitte.com/dup-us-en/focus/business-trends/2015/supply-chains-to-value-webs-business-trends.html>



Chapter Outline

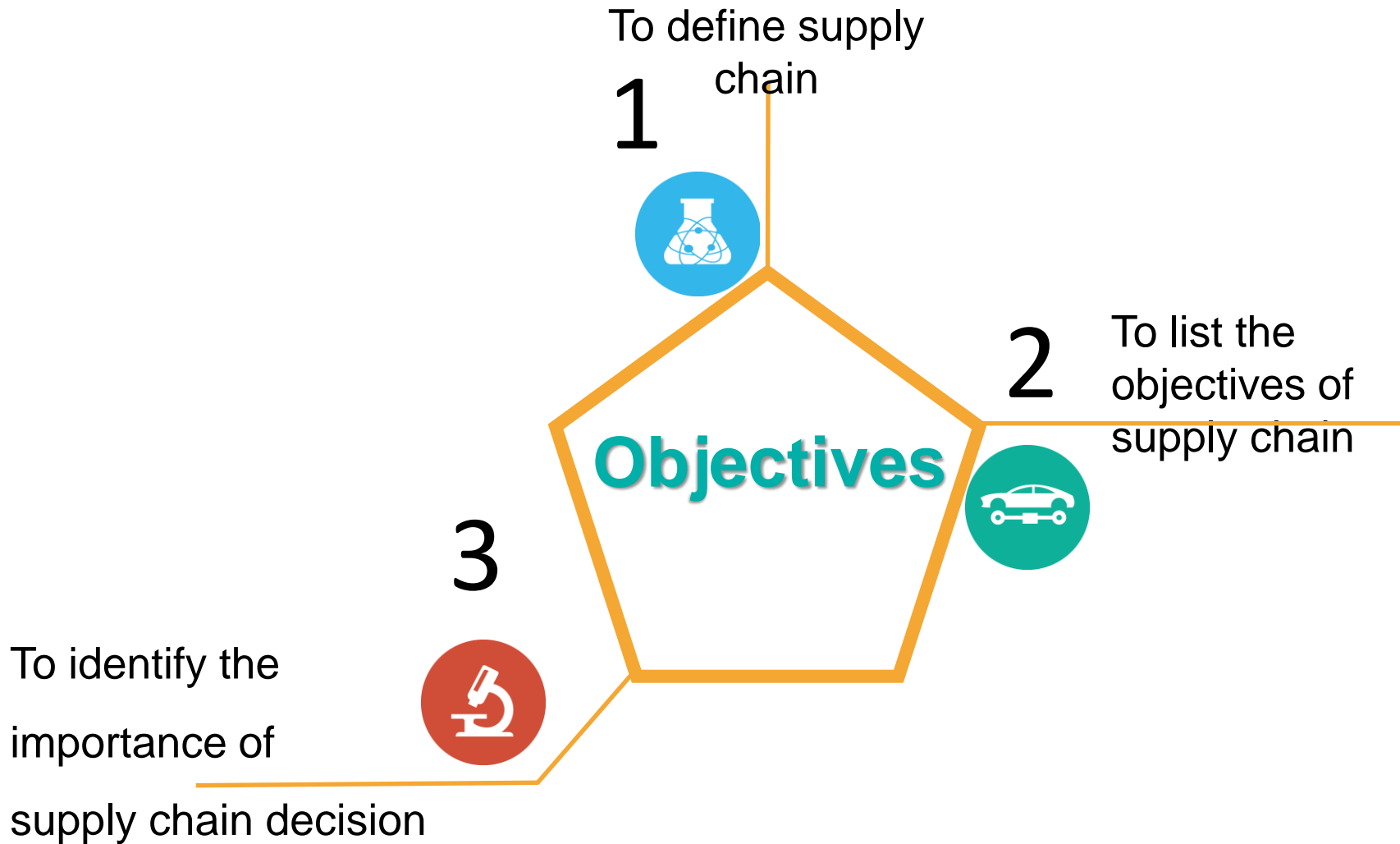
1.1 General overview of a Supply Chain

1.2. Objectives of a Supply Chain

1.3. Importance of Supply Chain Decision



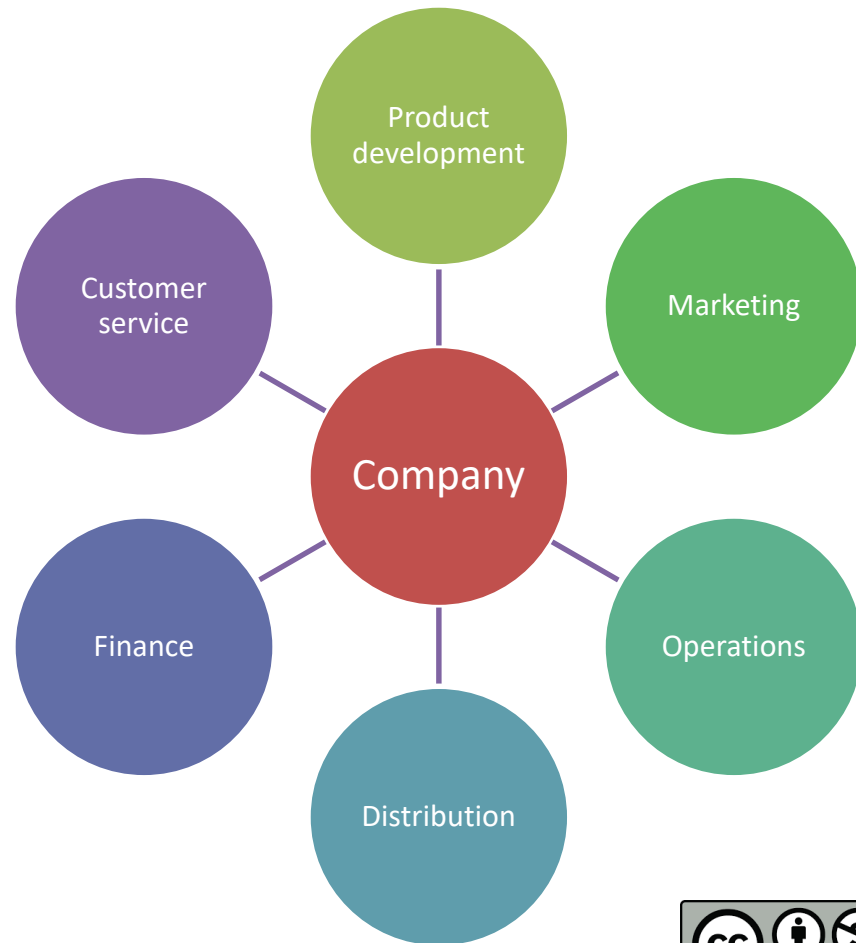
LEARNING OUTCOMES



What is a Supply Chain?



Involves the network and integration process of all business activities in meeting customer's request



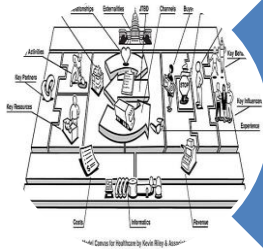
Source : Wikimedia



Now?



Technology has transformed SC into Supply Web.



All elements and activities are interrelated and interconnected



Information flows around all stages and activities

Source : Pixabay



Objectives of a SC



Objectives of a SC (Cont.)

Is it all about money and profit?

YES and NO!

The value of
the product

Consumer
surplus

SC
Profitability



Importance of SC Decision

↑ the success
rate

Effective flow
of information
and goods

Efficient
inventory
management

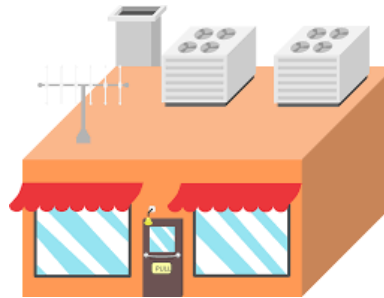


Toothbrush Supply Chain Process

Product
(Toothbrush)



Customer

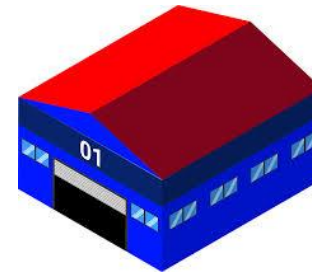


Supermarket



Transportation

Factory



Warehouse



Packaging



Synthetic
brush
supplier



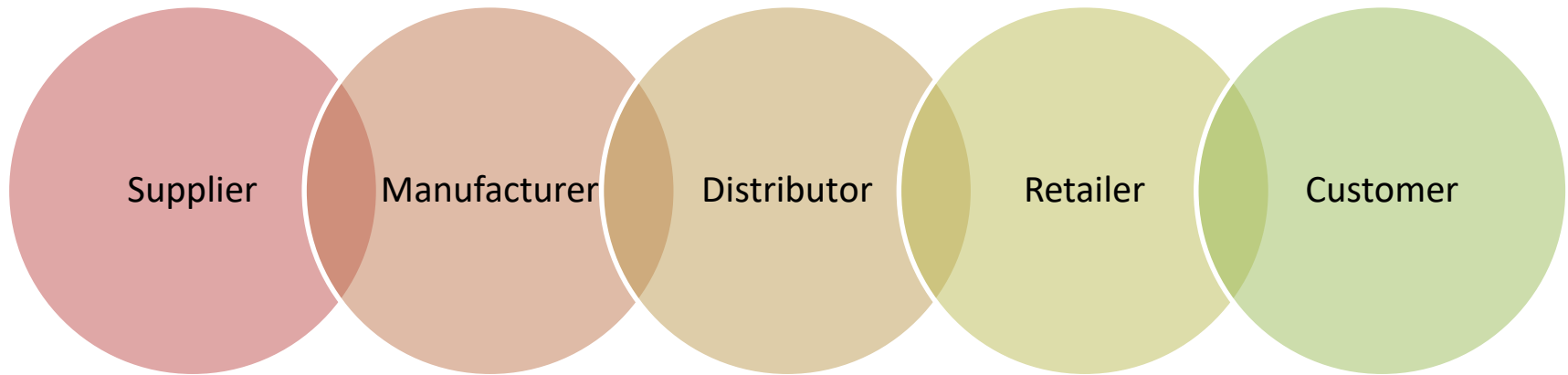
Toothbrush
handle



Plastics
supplier



Supply Chain Stages





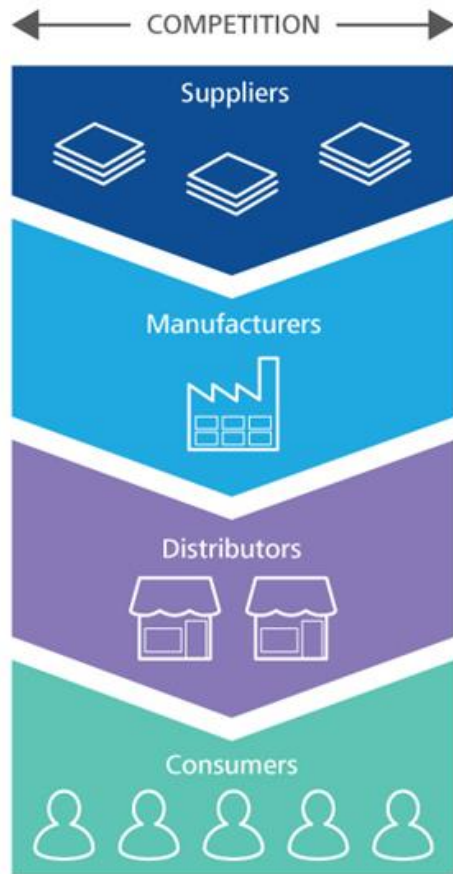
Source : Wikimedia,
Wikipedia

in good products offered, what else does these companies good at?



Supply Chain vs Value Chain

Linear supply chains are evolving into...



Value is based on the production of goods and services

complex, dynamic, and connected value webs



Value is based on knowledge exchange that drives proactive production of goods and services

Conclusion of The Chapter



- **Conclusion #1**
 - An efficient SC activities ensure the success of an organization.
- **Conclusion #2**
 - The main objective of SC is to achieve SC surplus where value should exceeds the cost of SC.
- **Conclusion #3**
 - SC is important in a business process where it ensure the firm's success rate, effective flow of information and efficient inventory management through better communication among all elements in a SC.