SCM Summary notes

Operations and supply chain management involves
- Product design
- Purchasing
- Manufacturing
- Service operations
- Logistics
- Distribution

Success depends upon
- Strategy
- Processes to deliver products and services
- Analytics to support the decisions needed to manage the firm

DM is either qualitative or quantitative

Operations and supply chain management: the design, operation and improvement of the systems that create and deliver the firm's primary products and services.
- Involves the integration of strategic processes to implement the strategy and analytics to support the ongoing decisions needed to manage the firm
- Clear management responsibilities
    o functional field of business
    o <u>concerned with the management of the entire system that produces a product or delivers a service.</u>
- Series of transformation processes.
- Networks constructed- each part controlled by different companies E.g. producer, manufacturer, retailer.
- Materials transported using transportation providers. E.g. trucks and ships.
- For successful transaction, all of these steps need to be coordinated and operated to keep costs low and to minimize waste.
- OSCM manages all of these individual processes as effectively as possible

Operations: the manufacturing and service processes that are used to transform the resources employed by a firm into products desired by customers.
- Products→Produce physical product e.g. automobile or computer
- Services→ Produce intangible product e.g. call center
- Planning to use these processes involves analysing capacity, labour and material needs overtime.

Supply chain: the processes that move information and material to and from the manufacturing and service processes of the firm.
- Logistics processes
- Storage processes
- Delivery to the consumer- end customer- right product, right time, right location

- Things are made using operations processes
- Things are moved and stored using supply chain processes
- Supply Chain Management is the integrated management of operations and supply chain processes
- Try to select the best materials and hiring the greatest talent.

Process: one or more activities that transform inputs into outputs.
- Operations and supply chain processes can be conveniently categorised.
- Different companies are positioned in different places in the supply chain, but within the context of their position requires the 5 process activities.

Processing Activities
1. **Planning –** processes needed to operate an existing supply chain
2. **Sourcing –** selection of suppliers that will deliver the goods and services needed to create the firm's product
3. **Making –** producing the major product or service
4. **Delivering –** logistics processes such as selecting carriers, coordinating the movement of goods and information, and collecting payments from customers

5. **Returning** – receiving worn-out, excess, and/or defective products back from customers
- Goods are a tangible output of processes that has physical dimensions
- Service are an intangible processes that cannot be weighed or measured.
  - o Cannot be patented
  - o Interaction with the customer
  - o Heterogeneous
  - o Perishable and time dependent
- Services processes tend to be highly variable and time dependent compared to goods-producing services.

Product-service bundling: when a firm builds service activities into its product offerings to create additional value for the customer.
- The service evolves from a focus on enhancing the product's performance to developing systems and product modifications that support the company's move up the "value stream" into new markets.

- OSCM people specialise in managing the production of goods and services.
- Jobs are hands-on, and require working with others and figuring out the best way to do things.

Efficiency: Doing something at the lowest possible cost; doing the things right (to reduce wastage)
Effectiveness: Doing the things that will create the most value for your customer; doing the right thing (to deliver value to the customers)
Value: The attractiveness of a product relative to its cost
- Quality/ Price