5. Should traditional booksellers like Barnes and Noble integrate e-commerce into their current supply chain or manage it as a separate supply chain?
6. For what products does the e-commerce channel offer the greatest advantage? What characterizes these products?

1.7 SUMMARY OF LEARNING OBJECTIVES

1. Discuss the goal of a supply chain and explain the impact of supply chain decisions on the success of a firm.

The goal of a supply chain should be to maximize overall supply chain profitability. Supply chain profitability is the difference between the revenue generated from the customer and the total cost incurred across all stages of the supply chain. Supply chain decisions have a large impact on the success or failure of each firm because they significantly influence both the revenue generated and the cost incurred. Successful supply chains manage flows of product, information, and funds to provide a high level of product availability to the customer while keeping costs low.

2. Identify the three key supply chain decision phases and explain the significance of each one.

Supply chain decisions may be characterized as strategic (design), planning, or operational, depending on the time period during which they apply. Strategic decisions relate to supply chain configuration. These decisions have a long-term impact lasting several years. Planning decisions cover a period of a few months to a year and include decisions such as production plans, subcontracting, and promotions over that period. Operational decisions span from minutes to days and include sequencing production and filling specific orders. Strategic decisions define the constraints for planning decisions, and planning decisions define the constraints for operational decisions.

3. Describe the cycle and push/pull views of a supply chain.

A cycle view of a supply chain divides processes into cycles, each performed at the interface between two successive stages of a supply chain. Each cycle starts with an order placed by one stage of the supply chain and ends when the order is received from the supplier stage. A push/pull view of a supply chain characterizes processes based on their timing relative to that of a customer order. Pull processes are performed in response to a customer order, whereas push processes are performed in anticipation of customer orders.

4. Classify the supply chain macro processes in a firm.

All supply chain processes can be classified into three macro processes based on whether they are at the customer or supplier interface or are internal to the firm. The CRM macro process consists of all processes at the interface between the firm and the customer that work to generate, receive, and track customer orders. The ISCM macro process consists of all supply chain processes that are internal to the firm and work to plan for and fulfill customer orders. The SRM macro process consists of all supply chain processes at the interface between the firm and its suppliers that work to evaluate and select suppliers and then source goods and services from them.

Discussion Questions

1. Consider the purchase of a can of soda at a convenience store. Describe the various stages in the supply chain and the different flows involved.
2. Why should a firm like Dell take into account total supply chain profitability when making decisions?
3. What are some strategic, planning, and operational decisions that must be made by an apparel retailer like The Gap?
4. Consider the supply chain involved when a customer purchases a book at a bookstore. Identify the cycles in this supply chain and the location of the push/pull boundary.

5. Consider the supply chain involved when a customer orders a book from Amazon. Identify the push/pull boundary and two processes each in the push and pull phases.

6. In what way do supply chain flows affect the success or failure of a firm like Amazon? List two supply chain decisions that have a significant impact on supply chain profitability.

Bibliography


