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## SUPPLY CHAIN MANAGEMENT IN RETAIL

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### Abstract:

*Supply Chain Management(SCM) is the Process of implementing and Controlling the operation of the supply chain as efficiently as possible. Supply chain Management Spans all movement and storage of raw materials, work-in-Progress inventory, and finished goods from point of origin to point-of-consumption The definition and American professional association put forward is that Supply Chain Management encompasses the planning and management of all activities involved in sourcing, Procurement, Conversion and logistics management activities. Importantly, It also includes co-ordination and Collaboration with Channel partners, which can be suppliers, intermediaries, third party service Providers and Customers.*

### OBJECTIVE OF SUPPLY CHAIN MANAGEMENT:

The objective of Supply chain management is to increase sales of goods and Services to the final, end use customer while at the same time reducing both inventory and operating expenses.

- Enables organization to make better and informed decisions, such as forecasting demand and Supply, through a better understanding of the Supply chain Processes.
  - Provides for faster response time thereby enhancing customer satisfaction.
  - Enables organization to efficiently monitor status of inventories ensuring that orders for the right quantities are placed.
  - The movement of goods Can be tracked at all times ensuring on time and safe delivery of Products.
  - A Supply chain management solution helps in increasing inventors turnover resulting in reduced costs of products.
  - Offers mechanisms for better and effective Communication between supply chain partners.
  - Reduces paper work and administration costs as orders are placed and accessed electronically.
- Reduces errors arising from the Manual way for recording and tracking data and processes.

### SUCCESS FACTORS FOR SUPPLY CHAIN MANAGEMENT:

Supply chain represents 40% to 70% of a retailers operating cost. It may Comprise of as much as half of all Company assets.. High emphasis is given on Supply chain efficiency in retail to prevent profit leakage from lost sales due to lack of stock and reduction in margins due to excessive stock.

The Success of any retail format depends on four factors they are

- Infrastructure,
- Product mix (selection of merchandise)
- Marketing & customer care,

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- Efficient supply chain management.

#### MAJOR CHALLENGES FOR SUPPLY CHAIN MANAGEMENT:

The biggest challenge for today's retailers is to have an efficient supply chain management. As logistics competency becomes a more critical factor in creating and maintaining competitive advantage, logistics measurement becomes increasingly important because the difference between profitable and unprofitable operations becomes narrower.

- Managing Product life cycles.
- Promotional Planning.
- Planning for Seasonal products.
- Determining Capacity at the store level.
- Role of technology in integrating and managing Supply chain.
- Poor infrastructure in India hampers the anticipated growth in organized retail.
- Inclusion of Farmers and small producers in the supply chain.

#### ALIGNING THE SUPPLY CHAIN WITH BUSINESS STRATEGY:

A Company's Supply chain is an integral part of its approach to the markets it serves. The Supply chain needs to respond to market requirements and do so in a way that supports the company's business strategy. The business strategy a Company employs starts with the needs of the customers that the company serves or will serve. Depending on the needs of its Customers,. A Company's Supply chain must deliver the appropriate mix of responsive and efficiency. A company whose supply chain allows it to more efficiently meet the needs of its customers will gain market share at the expense of other companies in that market and also will be more profitable.

- - There are three steps to use in aligning a supply chain with business strategy.
  - The first step is to understand the markets that a company serves.
  - The Second step is to define the strengths or core competencies of company and the role the company can or could play in serving its markets.
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- The last step is to develop the needed supply chain capabilities to support the roles company has chosen.

#### CONCLUSION:-

This paper has reviewed a wide range of issues and options relating to supply chain management and how effective supply chain management can improve business performance and profitability. Smarter supply chain management provides retailer with vast potential to decrease stock holdings and raise service levels for the consumer. The supply chain lies at the very heart of a retail operation, an efficient one can provide a competitive example as seen with wal-Mart and office Depot. As we have discussed, smarter supply chain management is not just about trucks, cases and ware houses .Supply chain improvements can be found by active collaboration with Merchandise Suppliers integration of financial and merchandise plans, and use of advance ship notices.

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