

1 Basic Understanding on Supply Chain in Management

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5

6 **Abstract**

7 There has been some few definitions about what effective management of an organization
8 should be, the structures to put in place so as to get the best administration of the
9 organization. This study looks at the supply chain in the direction of an organization, its
10 importance, and design. This study, however, concluded that it is useful for every business to
11 have a supply chain in the organization since it does coordinate the people and activities
12 within including those outside the organization and that it also maximize profit by eliminating
13 unnecessary cost.

14

15 **Index terms**— supply chain system, supply chain design, innovation, management.

16 **1 Introduction**

17 The study looks at the administration of an organization (in brief) and Supply Chain Management, its design, and
18 some advantage. The study also looks at the Supply Chain of Dell as they are one of the leading electronic service
19 providers and are well known for their computer products. This study is purely based on the understanding of
20 the student in Supply Chain Management study.

21 a) The student understanding of Enterprise Management

22 The efforts of individuals to achieving goals and objectives by the use of existing resources effectively and
23 efficiently is a managerial function. Management involves the following among others planning, organizing,
24 staffing, leading or directing, and controlling an organization to achieve the goal or target. Resourcing is
25 the deployment and manipulation of human resources, financial support, technological resource, and natural
26 resources. Management is also an academic discipline, a science whose objective is to study social organization.

27 According to Henri Fayol , "to manage is to forecast and to plan, to organize, to command, to co-ordinate and
28 to control." Moreover, according to Fayol's definition, he considers management to consist of six functions thus
29 forecasting, planning, organizing, commanding, coordinating and controlling. All these six functions as identified
30 by him can be seen in the management of organizations today either for profit-making or not for profit, either
31 small scale or cooperation, for production or service provision.

32 Author: Lanzhou Jiaotong University. e-mail: e_messiah@outlook.com ??ary Parker Follett (1868 ??1933)
33 said: "management is to get things done through people." She described management to be a philosophy. By
34 taking the management definition of Follett as a working definition, we can say that organizational goals, mission,
35 vision, objectives cannot achieve by only one person (the manager) but with others (workers) in the various aspect
36 of the organization. In another hand, we can say that people are needed in every aspect of the organization. By
37 going with the definition given by Fayol, all the six functions identified only work among social settings, at where
38 people are located.

39 Peter ??rucker (1909 ??rucker (-2005) says the essential task of management is in twofold thus marking and
40 innovation. By going with the view of Peter Drucker, we can say that successful management depends on the
41 innovation and marketing strategies put in place by the manager to the running of the organization.

42 According to all the definitions and the viewpoints looks at we can say that Supply Chain in Management
43 view is an innovative marketing strategy designed to regulate the people within and outside the organization to
44 achieving the organization's goals, mission, visions, and objectives. Hence, we can see from the viewpoints of
45 management that the management definition giving by Fayol, Follett as well as Drucker is what a Supply Chain
46 seeks to achieve.

9 B) CONCLUSION

47 2 II.

48 3 What Supply Chain Management (SCM) is About

49 Supply Chain can be referred to as the management of value flows of final goods, materials, and related information
50 among suppliers, resellers, company, and final consumers. An SCM can also be referred to as a systematic,
51 strategic coordination of traditional business functions across all business service within a particular company
52 and across firms in the supply chain for the determination of improving the longterm performance of the individual
53 organization and the supply chain as a whole. The performance of any organization either for manufacturing
54 or service provision is depending on its supply chain. The design of the supply chain is, therefore imperative.
55 Base on the vision, mission statement, as well as the objectives of an organization, supply chain, is designed to
56 maximizing the profits of the organization as well as removing unnecessary spending or waste. Depending on the
57 A production or service line of a particular business its supply chain can be complex or simple.

58 4 a) The design of Supply Chain

59 Supply Chain Management is the partnership of manufacturers, wholesalers, and retailer to provide the best value
60 to buyers in a particular trade channel or market. In other to maximize customer value so as to gain competitive
61 advantage, however, companies has to streamline their Supply Chain management activities in the marketplace.
62 Furthermore, the suppliers effort to developing and implementing a chain that could be efficient and economical
63 as possible. The development of this chain, however, is applied to production and product development down to
64 the information system. In a simple form, one can say that supply chain management is the management of the
65 flow of goods and services.

66 It includes raw materials, work-inprogress inventory, finished goods from one point of origin to the point of
67 consumption. From this understanding, we can take the figure bellow as a supply chain design of a manufacturing
68 company.

69 5 Fig. 1: A supply chain design in a manufacturing company

70 As it has been earlier established in this study that supply chain aims to maximize the net profit of an organization,
71 therefore, all supply chain either simple or compound designs to build a good business relationship with its
72 customers. The figure below shows the form of a supply chain design.

73 6 Fig. 2: The form of every supply chain design b) Some 74 Important of supply chain management

75 Supply chain management is vital to company success and customer satisfaction. This study identifies the
76 following few points as an advantage of a supply chain basis on the understanding gotten from this study. It is
77 imperative to note that apart from the importance identify by this study. However, every buyer can have his or
78 her advantage of a particular supply chain base on the system of operation.

79 7 Supply Chain of Dell

80 Dell as one of the leading electronic service providers, this study takes a look at its supply chain management
81 system. Below shows the supply chain of Dell. The structure of a design adopted by a corporation would also
82 determine its profit maximization level within the chain. This study identified from the direct distribution channel
83 of Dell that the other cost to be incurred as a result of involving others players in the delivery of its products are
84 cut off as a result of its direct dealing with the customer hence its profit maximization within the chain would
85 be higher comparatively than the fabulous company.

86 IV.

87 8 Lessons Learn, Conclusion, and Recommendation a) Lesson 88 Learn

89 This study has identified the following few points as the experience gained;

90 Every supply chain is designed to create an excellent organizational relationship between itself and the
91 customer.

92 The supply chain aims to maximize profit by eliminating unnecessary cost of operations. Moreover, also by
93 minimizing its cost of production. The supply chain is designed for quick delivery of goods and services to its
94 customers. It aims for the rapid flow of the right information on time within and outside the organization. The
95 supply chain is also designed for effective and efficient running of the systems within the organization and the
96 management of the people within the organization for efficiency.

97 9 b) Conclusion

98 The management definition given by Henry Fayol and Parker Follett are all pointing to the fact that people
99 are needed for efficient operations of organizations activities. In another hand, there would not be forecasting,

100 planning, organization, commanding, coordinating, and controlling as identified by Fayol, in an environment
101 where there are no people. The management activities will not beget done according to Follett definition if
102 there are no people. The design is needed, however, to get things done on time as well as managing the people
103 involve. The supply chain is hence the design needed. The supply chain does not only manage the activities and
104 individuals within the organization but also those outside the organization (customers).

105 **c) Recommendation**

106 It is suitable for every organization to have a supply chain system for the efficient running of the organization's
107 activities.

108 The design of the supply chain should be the one that best fit the operations of the organization involved.

109 It is advisable to keep a simple supply chain like Dell than making it too complicated so as to get the optimal
110 maximization of profit from its operations.

Every manager needs an understanding of supply chain management for effective management. ¹ ²



Figure 1: T



Figure 2: Fig. 3 :



Figure 3: Fig. 4 :

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10 C) RECOMMENDATION
