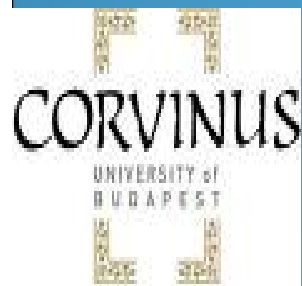


Methodologies for strategic planning of supply chain management under demand uncertainty

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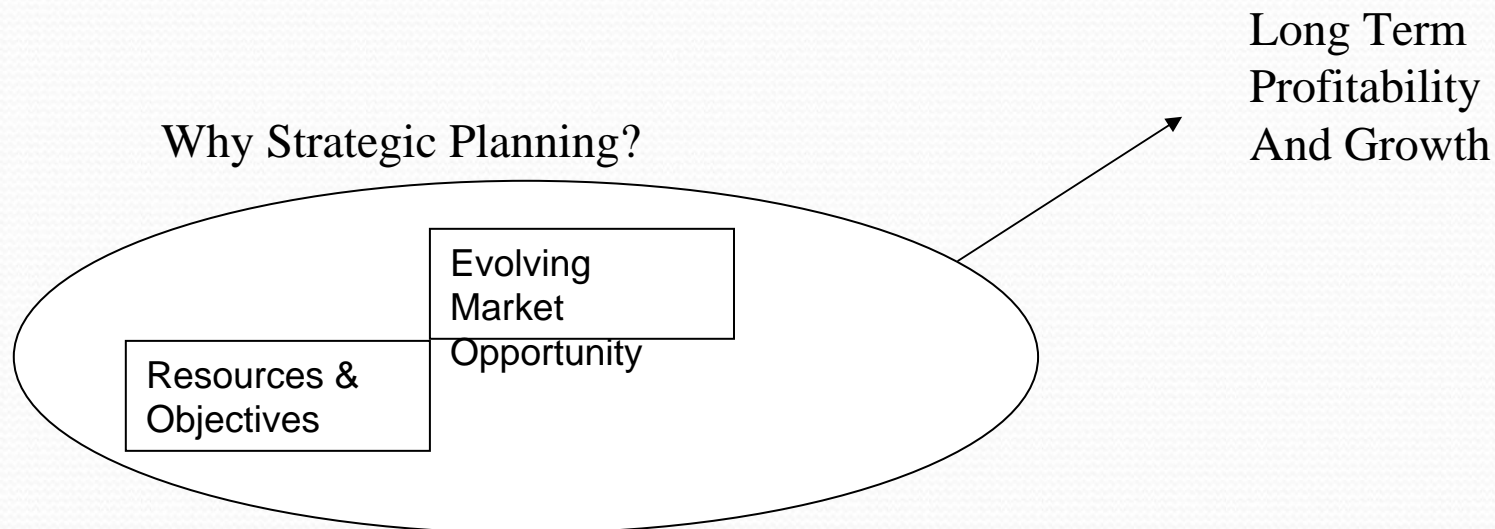
Introduction

With the advent of globalization and gradual economic development, the demand of consumers and their tastes are changing. Unfortunately, consumers are not getting right items with right quality at right place in right time at right price. Business organizations (Suppliers and intermediaries) are still indifferent to gather information about the customer's need sets and make offers accordingly. In fact, there is very gap between consumer and organization due to lack of proper channel of distribution and supply chain management. This research is to focus various challenges of supply chain management in World and to propose a viable solution for enhanced performance of the process

Strategic Planning

The managerial process of creating and maintaining a fit between the organization's objectives and resources and evolving market opportunity. Strategic planning is the formal consideration of an organization's future course. All strategic planning deals with at least one of three key questions:

- "What do we do?"
- "For whom do we do it?"
- "How do we excel?"



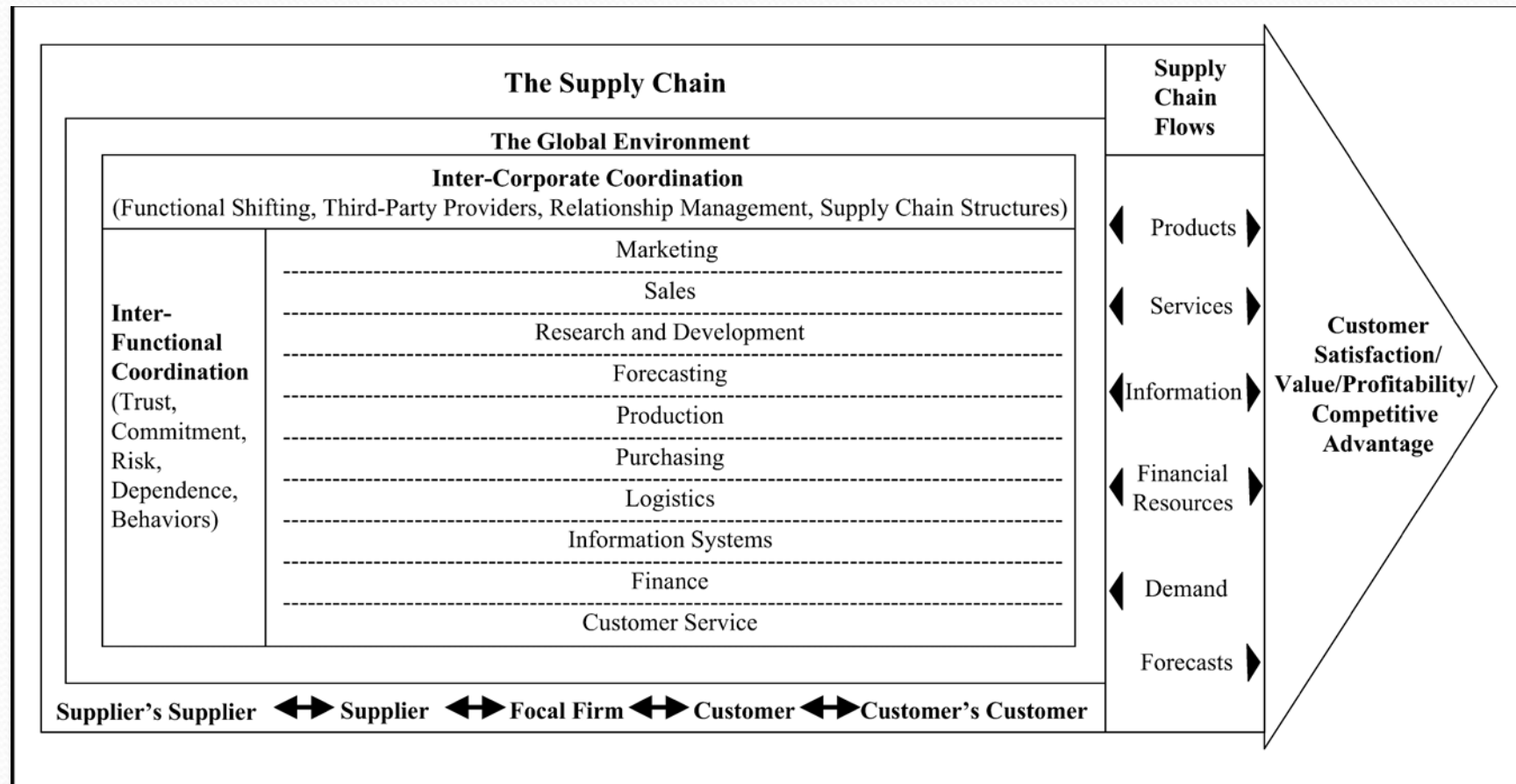
Supply chain management

- It has been noted that discussions of SCM often use complicated terminology, thus limiting management's understanding of the concept and its effectiveness for practical application (Ross 1998).
- Interest in supply chain management has steadily increased since the 1980s when firms saw the benefits of collaborative relationships within and beyond their own organization

Supply chain management

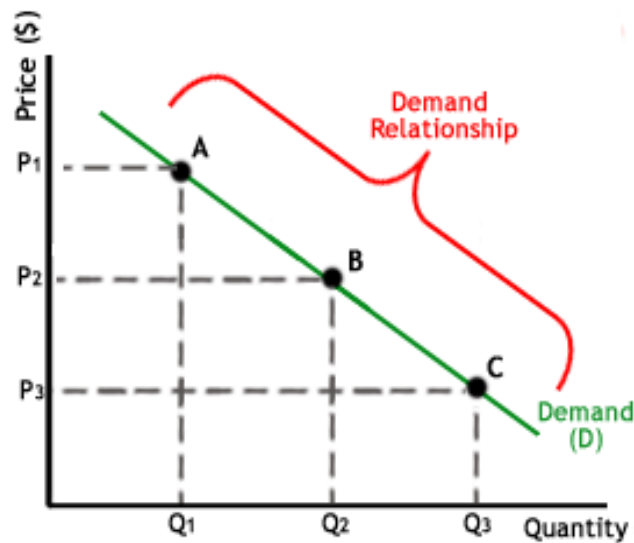
- **The Definition of Supply Chain Management**
Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all Logistics Management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers. In essence, Supply Chain Management integrates supply and demand management within and across companies.
- These are the boundaries and relationships of Supply Chain Management adopted by the Council of Logistics Management: "Supply Chain Management is an integrating function with primary responsibility for linking major business functions and business processes within and across companies into a cohesive and high-performing

A Model of Supply Chain Management



Demand

In economics, **demand** is the desire to own anything and the ability to pay for it and willingness to pay. The term demand signifies the ability or the willingness to buy a particular commodity at a given point of time. Demand is also defined elsewhere as a measure of preferences that is weighted by income



The chart shows that the curve is a downward slope.

Problem statement

- The efficient and effective controlling of logistics services or supply chain needs a sound information base supporting operative as well as strategic management deciding (e.g. resource allocation, outsourcing vs. in sourcing, etc). This information base shall be created by using up-to-date cost and performance calculation methods being able to deliver reliable inputs to profitability assessments.
- The central elements of dedicated examinations shall be logistics or supply chains consisting of different kinds of logistics tasks. These tasks are performed by logistics activities. If we are able to measure the cost and performance efficiency even in activity levels the reliability of logistic cost and benefit analyses can be improved significantly.

Problem statement

- Supply chain strategy planning decisions relate to coordinating supply chain management decisions with business strategy, product/service design decisions and with designing the physical supply chain. The right infrastructure, in terms of technology, people, control system, relationships, policies and procedures are critical in facilitating alignment and linkage. (**Philip L carter, Supply Chain integration: Challenge and good practice**)

These research identified four critical supply chain strategy areas.....

- Supply chain strategy and vision
- In sourcing and outsourcing strategy
- Supply chain management segmentation and architecture
- Product and service design



Problem statement

But these researches leaves out some several key issues, it is not sound or persuasive. We tend to think that it is included some issues.....

- Establish a vision of how financial and non-financial results will improve with supply chain integration.
- Develop people, culture and an organization that supports the supply chain vision
- Establish the correct positioning of a work on a global basis
- Incorporate supply chain consideration into product and service design decisions
- Maintain sourcing as a first level priority
- Stay focused and consistent in relationships with customers and suppliers
- Create an effective sales and operation process
- Develop valid and reliable database, data and information
- Develop the capability and analytical tools required to make effective decision in an increasingly complex and risky environment
- Build trust within and across organization in the supply chain

Literature Review

- The definition of “supply chain” seems to be more common across authors than the definition of “supply chain management” (Cooper and Ellram 1993; La Londe and Masters 1994; Lambert, Stock, and Ellram 1998).
- The need to collaborate can be illustrated by a statement of the Food Management Institute: ‘To be a prime participant in the consumer replenishment process, requires a range of capabilities bigger than a single enterprise’.

Literature Review

- Handfield and Nichols (1999, p. 153) conclude on Business Sciences that “functional capabilities (R&D, manufacturing, marketing, technology) are enablers for success, but are no longer sources of competitive advantages, because they can all be replicated in time. SCM provides a means to achieve a definitive competitive advantage.”



SCM as a Set of Activities to Implement a Management Philosophy

SCM ACTIVITIES

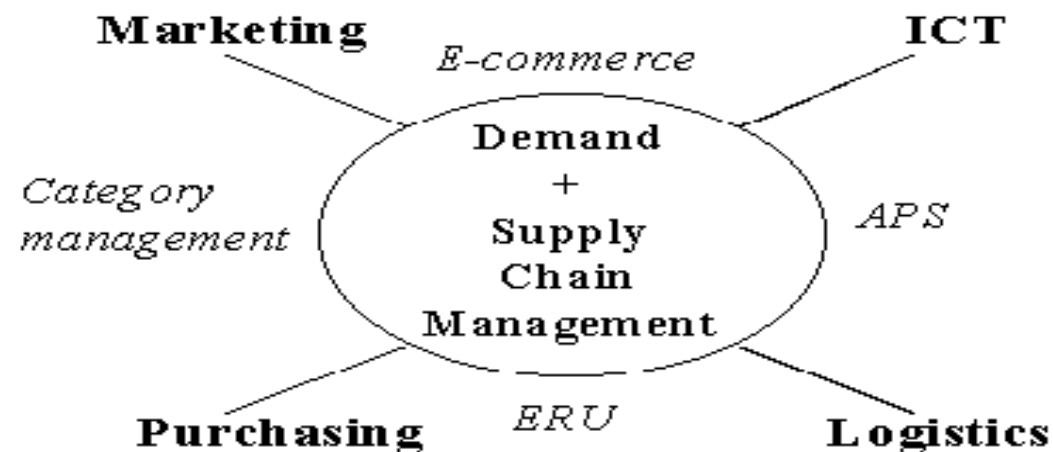
- Integrated Behavior
- Mutually Sharing Information
- Mutually Sharing Risks and Rewards
- Cooperation
- The Same Goal and the Same Focus on Serving Customers
- Integration of Processes
- Partners to Build and Maintain Long-Term Relationships

Literature Review

- The Center for Supply Chain Management of Nyenrode University has formulated the most embracing definition: “Demand and Supply Chain Management (DSCM) is the management of a network that links customers and suppliers as one ‘single entity’ with the objectives to create value and reduce waste through the voluntary integration and co-ordination of the objectives of three or more – and ideally, all the – independent parties in the network.”

Literature Review

- We propose to concentrate Demand driven Supply Chain Management on the integration of four functional areas within and between companies. From the demand side it regards the marketing aspects of DSCM, while purchasing is the entrance from the supply side. Logistics and ICT are the essential facilitating functions for DSCM



Last words for Literature Review

- Supply chain management involves co-coordinating the logistical activities within the individual links of the logistics chain in such a way that the logistical processes can be managed and can function as an integrated whole, with the support of an integrated information system. The ultimate goal is to optimize the logistics performance of the complete supply chain.

Within the context of supply chain logistics, integration can occur at different levels:

- Physical integration.
- Information integration.
- Control integration.
- Structure integration.

Objective of the study

General objective

To improve the knowledge and understanding on Methodologies for strategic planning of supply chain management under demand uncertainty.

Specific objectives

- To understand the meaning of strategic level of Supply Chain Management.
- To identify the challenges of demand uncertainty situation faced by global companies.
- To analyze practices and strategies of companies in facing challenges under demand uncertainty.
- To develop recommendation for organization.

Research Design

- **Type of Research**

When the original research was started, the problem was already identified. Just the factors were needed to be studied to measure their contribution. Therefore, the research design needed for this case is descriptive.

- **Type of Data**

As little previous research was carried out, there was a little published secondary data. Therefore, primary data is required for this research. The data required mainly was related to the corporate employee in world.

Data Collection from secondary sources:

Books

journal

Newspaper

internet

Research Design

- **Data Collection from primary sources**
- **Sampling Size Method:** We have used important techniques and methods in the survey of Employees of managerial level. That's why we have chosen the sampling size of 100 people which will also be used as the set of sample in the analysis of the data in the SPSS software
- **Collection method:** Data collection method used for this research is survey method. A structure questionnaire was prepared.

Research Design

- **Sampling Process:** The almost target population of this research is the related to supply chain management. The sample size was allocated as 100. The primary qualification for being a respondent was those who are involved in supply chain management
- **Questioning process:** Researcher asked the questions following all the guidelines provided by the book. For example- no ambiguous words were used, researcher used ordinary words, researcher explained the intention of the survey clearly etc.
- **Scaling technique:** For the preparation of questionnaire and data analysis purpose, 9 point Likert scale was used.

Proposed method of the study

- **Methodology:**

Supply chain activities can be grouped into strategic, operational and tactical levels of activities that are the areas of research tightly linked with the research for the candidate. The research program will consist of studying, designing and testing the strategic planning to meet the present and future requirements of supply chain management Systems in different scenarios.

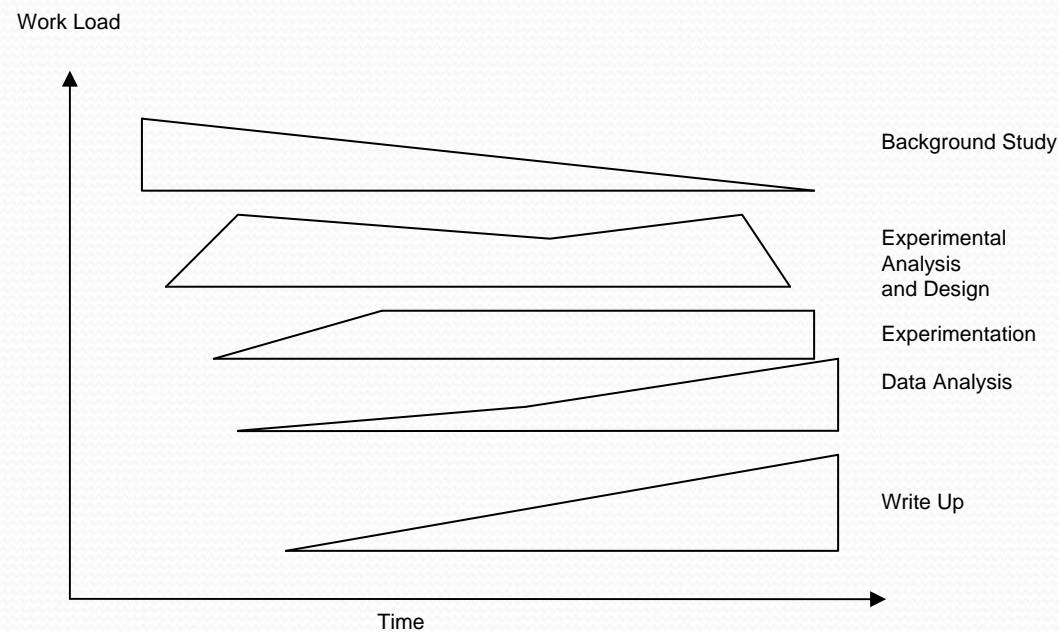
Proposed method of the study

- **TimeLine:**

This research program spans for several years (two years mainly), where reading gradually turns into testing and writing, concluding to a successful research program. The proposed timeline represents an outline how the program for the candidate will proceed, acting as a reference point for both the candidate and the supervisor.

Proposed method of the study

- A Prediction of how the work will proceed the following years, based on the work categories stated above

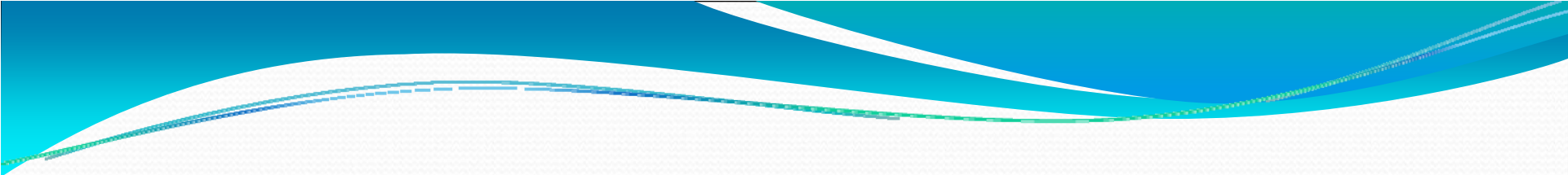


Next presentation

- Experimental analysis and design
- Experimentation
- Data analysis
- Write up

Epilogue

- We believe that Demand driven Supply Chain Management is an amazing challenge for companies to satisfy their customers in a better way. A four stage integration model seems to be realistic for the FMCG-industry. What's happening in FMCG will happen within five years in other types of industry. Due to lack of awareness, poor infrastructure and inadequate use of information technology etc in world, the actual flow of product, information and finance is slower than its potential capabilities. It is imperative to give momentum to current distribution and supply chain management to ensure highest utilizations of resources so that quality of service is preserved and desired performance of various services oriented on distribution and supply chain management can be achieved.



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Thank You
All

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