

Contemporary Supply Chain Management

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Supply Chain Performance

The three services that I have chosen are as follows:

1. Spotify
2. Google Search
3. Gmail

Spotify has an extensive music library, which serves me well as most of the music I listen to is available there. The app has a built-in AI which tracks what you listen to week after week and gives you song suggestions on a weekly basis, this is the most famous feature of Spotify, and the best part is that it is free! Although the free version has a few restrictions, such as on phones, you can only shuffle play your songs, and audio ads play after 2 – 3 songs. No wonder many people consider it the best music streaming service (Hall, 2017).

Google Search has no competition when it comes to looking up information for you. That is the primary purpose of the search engine, and that is what I use it for. Google Search's service goes beyond my expectations. The only thing I expect when I search for something is a list of relevant suggestions, but Google search goes beyond to suggest places according to your location, previous searches, etc. The only issue I have with Google Search is the issue of privacy (Weinberg, 2018).

Gmail, for me, is the best email service out there. It has all the features that I need, such as categorizing emails by categories, auto-replies, signatures, etc. Furthermore, it has a very basic interface, allowing the website to load quickly compared to many other email service providers (Gil, 2017).

II. Supply Chain Types

Brick-and-mortar stores will find it difficult to survive and maintain the same level of profitability as they have now. Think of it this way: would you rather go out of the comfort of your home to buy something, or would you instead prefer sitting on your couch or chair and purchasing the item online? The ability to buy in the convenience of your home is something that is hard to fight against.

Even brick and mortar stores are slowly transitioning towards becoming online retailers, the term being used for these types of businesses is *click and mortar*. An excellent example of a business that has incorporated both would be Tesco. It has given customers the ability to purchase groceries and

other household items from the comfort of their own homes as well as the option to go to their physical outlets if that is their preference when it comes to buying groceries or other items. This is working significantly well for them (Khurana, 2016).

However, one such other retailer in the clothing industry has not been so fortunate even after the transition. H&M, a well-known Swedish multinational clothing-retail company, faced an unexpected drop in sales, which apparently was the worst it had ever been in the last ten years of the quarterly sales report. H&M reported that although their online sales were doing significantly well, the brick-and-mortar stores weren't doing as well. It decided that it would go on to close down a few stores as well as open fewer branches from now on. Furthermore, to take further advantage of its growth on the e-commerce side, H&M is also extending a partnership with the Chinese e-commerce site Alibaba by selling its products on Alibaba's digital platform, Tmall (Christie, 2017).

Brick-and-mortar stores are now looking for new ways to survive in the continuously evolving retail market. They are finding new and improved ways to get people to walk into their shops and make purchases. One such thing that stores do nowadays is price matching. The trick to this is that when you see a customer walking out after seeing a product they liked, it usually means that they found one for cheaper online. The best thing to do in such a situation is to approach the customer and match the price they are getting online. The concept behind this is to make a few bucks rather than make no money at all. Stores that have no online platforms are losing the click vs. brick war as it has become necessary to be a part of it, at least even if it is just minor. Other retailers are offering personalized services. Ben Flint reported that he gives his employees expert training, which allows them to perform better in their field. For example, people working in clothing aisles have been trained to find various clothing items that go well with each other. This makes the customer want to buy the whole look rather than just that one piece of clothing (Moore, 2018).

III. Supply Chain Processes

Zara has one of the most impressive financial performances in the retail clothing industry. According to Digitalistmag, at one point, Zara's parent company, Inditex, was worth over \$100 Billion in market capital. Zara's primary focus is agility, everything from its product development, manufacturing, and supply chain process are designed to emphasise on agility which is a departure from the traditional methods in the fast fashion industry (Gorrepati, 2016).

The first factor that contributes to this is vertical integration. [Zara designs and manufactures all its clothes](#). This is different from the standard practice that exists in the fast fashion industry, where retailers design clothes and then manufacture them from other suppliers. This allows Zara to quickly switch production to something else to keep up with the latest ongoing trends in the market. Whenever a new product needs to be introduced into the market, Zara does it in four to six weeks, which is blazingly fast. This again brings us back to how Zara's agility allows it to launch products at blazing speeds and keep up with the industry (Gorrepati, 2016).

Zara creates about 11,000 distinct items per year, which is almost three times more than its competitors, who, on average, carry 2,000 to 4,000 in stores. When it comes to season-oriented fashion products, it only makes up a small part of Zara. Only 15% to 25% of Zara's season line is designed before the start of the new season. Almost 50% to 75% of Zara's seasonal items are designed and manufactured in the middle of the season. It takes advantage of Zara's quick ability to introduce something into the market and thus make profits off of new favorite ongoing trends (Gorrepati, 2016).

Zara produces products in small lots. This can happen thanks to its design, manufacturing, and supply chain processes. It is designed so that shipments are made with the purpose of just being on time with small product lots and frequent deliveries to various stores. This allows Zara to reduce the amount of waste due to large lots of items that do not catch on with people's tastes and thus need to be sold at massive discounts. Another advantage of this is that it allows Zara's to maintain a low inventory, this enable Zara not to have to sell items on a significant discount or just dispose of due to large amounts of stock (Gorrepati, 2016).

Lastly, Zara's manufacturing operations run for 4.5 days per week. This is done so that if there is an increased demand for a good, then it leaves some flexibility to add extra shifts and hire additional labor whenever needed. Agility has provided Zara with a competitive edge by incorporating it into its design, manufacturing, and especially supply chain processes (Gorrepati, 2016).

IV. Supplier Selection and Evaluations

I would use the 10 Cs of supplier evaluation to pick my supplier (Mind Tools Content Team, n.d.). My top 5 criteria out of the 10 are as follows:

1. Competency: This is my number one pick because it answers a lot of questions when appropriately used. It allows me to see how the supplier's capabilities measure up against my requirements. It further allows me to evaluate how the public feels about this current supplier. If the sentiment is terrible, it indicates that something has gone wrong before, for which the supplier is responsible. Thirdly, suppliers always encounter problems, so it's important to see the extent of the problem and how severe the damage is. Lastly, if there are customers similar to you who used to use that supplier but stopped, find out why (Mind Tools Content Team, n.d.).
2. Cost: Businesses are based on profits, and that is also true for good reasons. You can't expect to expand your operations or fund them without having profits. It's important to see how much the supplier you are interested in costs you. Also, a comparison of the cost with other suppliers allows you to analyze how much you should be paying on average. The cost of higher quality suppliers is usually higher than other ones, so they could cost you more but are more reliable. Thus, before making a decision just by cost, try to understand and gain a justification as to why prices are high here compared to the other places (Mind Tools Content Team, n.d.).
3. Cash: Profits go both ways in a business-to-business relationship. A supplier that is not making a

profit indicates that something is wrong with the company. Regardless of whether it's making a profit or not, it is our concern. For us, the matter relates to the fact whether they have enough cash on hand to supply you with the goods you need as well as be able to survive in an uncertain economy because, theoretically speaking, a company with more cash will be able to survive far longer than a company that is going through a financial crisis (Mind Tools Content Team, n.d.).

4. Consistency: Being the purchase manager of a food company, it is imperative that you are always given high-quality goods. Low-quality goods can result in people getting sick and a lawsuit against you. The supplier should be able to tell you what process or procedure they follow to ensure that you are given the high-quality goods that you want. There is no harm in asking for a demo of what is offered, as it is an excellent way to know what to expect from them (Mind Tools Content Team, n.d.).
5. Control: Suppliers need to have good control over their policies and processes to ensure that everything is delivered on time. You can run out of specific food items quite quickly, so it's important to ask your supplier what he/she is going to do if that happens. A good supplier will usually, if not always, have a backup regarding where they can get that particular item for the same high quality without there being an issue in supply (Mind Tools Content Team, n.d.).

V. Ethical Sourcing

Most multinational companies of today make use of cheap labor from abroad. There are various reasons as to why they do this, but everyone has one thing in common, which is pretty much universal everywhere, and that is to make a profit by cutting down on costs as much as possible. People of the labor classes who work in multinational companies don't have a choice, as all of them look for employment as a means of sustenance for themselves and their families.

In a lot of these countries, laws exist to protect them but are not enforced, and the locals just live with it as most of them are either not aware of the law or know that it'll cost them more to seek justice than to just suck it up and live with it. Chinese labor laws are an excellent example of this (China Labour Bulletin, 2007). As the [supply chain manager](#), I would advise my company to follow the law. The reason is quite simple: there are already enough multinational companies that are exploiting labor for their benefit, and it's not going to be long before the axe drops on them. It would be best that we are not on the wrong side of the law.

Furthermore, it is important to remember that we live in an age and era where smartphones exist, and information is spread quickly. Sustainability has become a core part of a majority of multinational companies, if not all of them. The reason for this is that compared to 20 – 30 years ago, information gets out to people much faster when compared to then. Avoiding sustainability can result in a negative reaction from all over the world as information can easily travel through social media channels now. Avoiding sustainability in an era where everyone else is trying to be a part of it is a sure way of shooting yourself in the foot (Krukowska, 2015).

I am fully in support of importing items from abroad as long as the material is cheaper, but in doing so, given the reasons above, my advice will be to adhere to the law, or else we might find ourselves on the other end of a lawsuit. In the issue of wages and profitability, it is best that we pay them the minimum wage set by the government regardless of whether it is livable for them or not.

Ethically, my last suggestion sounds wrong in a lot of ways but as the manager is it my responsibility to ensure that a profit is made as well thus why I do not recommend paying them above the [minimum wage as we will be abiding by the law](#) as it is and thus have no legal responsibility.

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