

# Supply Chain:

## What is the Supply Chain?

Definition: the processes from the initial raw materials to the ultimate consumption of the finished product linking across supplier-user companies. The functions within and outside a company that enable the value chain to make products and provide services to the customer.

Supply Chain Management is the planning, administration, coordination and control of activities, resources and information involved in the flow of materials and products from source to final customer.

The supply chain of a company consists of different departments, ranging from procurement of materials to customer service.

The supply chain includes activities associated with inventory (materials) acquisition, storing, and use in production, transit, and delivery to customers.

### Supply Chain Management Goal

To evolve a company's supply chain in to an optimally efficient, customer-satisfying process, where the effectiveness of the whole supply chain is more important than the effectiveness of each individual department.

### Supply Chain Management focuses on business processes:

- product design
- planning
- order management
- stock management

instead of functions:

- sales
- purchasing
- production

### Supply chain management activities:

- Forecasting demand
- selecting suppliers
- ordering material
- Managing inventory
- Scheduling production
- Shipping and delivery
- Organising information exchange

## Logistics Management

### What is Logistics:

Logistics is the art and science of obtaining, producing, and distributing material and products at the right time, to the right place, at the right cost and in the right quantities.

# Supply Chain:

## Elements of Logistics:

Materials management is:  
sourcing and receiving of raw materials or unfinished products for subsequent use

## Material flow system:

the ability to locate and schedule material through to end production and disposition

## Physical distribution:

the delivery of finished goods to customers

## Logistic steps:

accepting a customer order  
receive and enter  
credit clearance / authorize  
meeting delivery commitments  
supplier ordering  
forecasting demand with sales and marketing  
scheduling manufacturing  
inventory management  
delivery to customer.

## Drivers of change:

Customers in the past have never demanded the service that they do today. Actual customer demands for increased speed, flexibility and competitive pricing are increasing.

Computers, new software: ERP, DRP, MRP, etc. and sophisticated application software

outsourcing trends

## New technologies:

Business to Business connectivity (B2B)

Business to Customer connectivity (B2C)

Internet, intranet, extranet

wireless communications

teleconferencing and telecommuting

bar coding.

**Contact Us Today**

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Call 1300-486-329 or email [enquiry@stlwarehousing.com.au](mailto:enquiry@stlwarehousing.com.au) to discuss your Supply Chain needs.

**STL Warehousing** Pty Ltd  
Suite 3.09  
32 Delhi Road  
North Ryde  
NSW 2113