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CLASS:- B.Com & BBA II YEAR

SUBJECT: - Supply Chain and Retail Management

Unit	Syllabus
1	Supply Chain Management (SCM) Introduction to Supply Chain Management; Concepts, Definition, nature and scope of SCM; Components of SCM. The distribution across centers. Collaboration between retailers and vendors in SCM.
2	Logistics System, Warehousing, Transportation Systems Conceptual framework of Logistics System, Logistics system analysis and design, Warehousing and distribution centers, their location; Modes and Characteristics of Transportation Systems, facilities and services, Key issues and practices involved in SCM.
3	Retail Market Strategy Retail Market Strategy: Concept, Sustainable Competitive Advantage Building through Customer Loyalty, Location, Human Resource Management, Distribution and Information System, Vendor Relations. Study of Growth Strategies like



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Supply Chain and Retail Management

Unit-1

Supply Chain Management (SCM)

Introduction to Supply Chain Management-

Supply chain management (SCM) is the coordination and management of all activities involved in the production and delivery of goods and services to customers. It encompasses everything from sourcing raw materials and components to manufacturing, distributing, and delivering finished products to end customers.

The goal of supply chain management is to optimize the entire supply chain network to increase efficiency, reduce costs, and improve customer satisfaction. Effective supply chain management requires collaboration and coordination among all stakeholders in the supply chain, including suppliers, manufacturers, distributors, retailers, and customers.

Concepts-

There are several key concepts that are important to understand in the field of supply chain management (SCM):

- **Visibility:** Visibility refers to the ability to track and monitor the movement of goods and information throughout the supply chain. This allows for better coordination and collaboration among supply chain partners, and helps to identify and address potential issues before they become major problems.
- **Collaboration:** Collaboration involves working closely with supply chain partners to achieve shared goals, such as reducing costs, improving efficiency, and increasing customer satisfaction. Collaboration can take many forms, such as sharing information and resources, developing joint initiatives, and establishing common metrics and performance targets.
- **Integration:** Integration involves bringing together all the different functions and activities within the supply chain to create a seamless and efficient flow of goods and information. This requires breaking down silos between different departments and functions, and establishing effective communication and coordination mechanisms.



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- **Flexibility:** Flexibility refers to the ability to quickly adapt to changes in demand, supply, or other external factors. This requires agile and responsive supply chains that can quickly adjust production and distribution schedules, change suppliers, or find alternative routes to market.
- **Sustainability:** Sustainability involves balancing economic, social, and environmental considerations in supply chain decision-making. This includes reducing waste and emissions, promoting ethical sourcing practices, and supporting local communities and economies.
- **Risk management:** Risk management involves identifying and mitigating potential risks and disruptions in the supply chain, such as natural disasters, political instability, or supply chain disruptions. This requires developing contingency plans, diversifying suppliers and transportation routes, and establishing effective crisis management protocols.

Definition

According to Douglas M. Lambert, the founder of the Global Supply Chain Forum, supply chain management is "the integration of key business processes from end user through original suppliers that provide products, services, and information that add value for customers and other stakeholders."

According to Martin Christopher, a leading expert in supply chain management, "supply chain management involves the management of flows between and among stages in a supply chain to maximize total profitability."

According to Sunil Chopra and Peter Meindl, authors of the popular textbook "Supply Chain Management: Strategy, Planning, and Operation," supply chain management is "the design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand, and measuring performance globally."

Nature and Scope of Supply Chain Management

Nature of Supply Chain Management (SCM):

- **Integration:** SCM is a collaborative process that involves integrating various functions, processes, and stakeholders across the supply chain network. It involves breaking down functional silos and working together to achieve common goals.
- **Dynamic:** The supply chain environment is constantly changing due to factors such as customer demands, technology advancements, and market conditions. As a result, SCM needs to be flexible and adaptable to changing circumstances.



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- **Complexity:** The supply chain involves multiple tiers of suppliers, manufacturers, distributors, and customers, which can result in a complex network of relationships and processes. Effective SCM requires the ability to manage this complexity and optimize the flow of goods and services.
- **Information Technology:** Technology plays a crucial role in SCM, providing tools for planning, communication, collaboration, and monitoring. SCM requires the effective use of technology to manage data, analyze performance, and make informed decisions.
- **Customer Focus:** SCM is driven by customer demands, and effective SCM requires a deep understanding of customer needs and preferences. Supply chain partners need to work together to ensure that the right products are delivered to the right place, at the right time, and in the right condition.
- **Continuous Improvement:** SCM is a continuous process of improvement, where supply chain partners work together to identify areas of inefficiency and waste, and implement solutions to improve performance. This requires a culture of continuous learning and improvement across the supply chain network.

The scope of SCM involves the following activities:

- **Planning and Forecasting:** This involves creating a strategic plan for the supply chain that outlines the demand for products and services, and the necessary resources to meet that demand.
- **Sourcing:** This refers to the process of selecting and evaluating potential suppliers, negotiating contracts, and managing relationships with suppliers.
- **Production:** This involves managing the production process to ensure that products are manufactured in the most efficient and cost-effective way possible.
- **Inventory Management:** This includes managing inventory levels to ensure that products are available when needed, without tying up excessive capital.



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- **Transportation and Logistics:** This involves managing the physical movement of goods from one location to another, including selecting transportation modes and carriers, managing customs clearance, and ensuring on-time delivery.
- **Distribution:** This involves managing the delivery of products to customers, including order fulfillment, customer service, and returns management.

Components of Supply Chain Management

- **Planning and forecasting:** This involves analyzing data and making predictions about future demand for products and services, so that companies can plan and adjust their production and supply chain activities accordingly.
- **Sourcing:** This involves identifying and selecting suppliers who can provide the necessary raw materials and components at the right price, quality, and delivery time.
- **Procurement:** This involves the actual process of purchasing the raw materials and components from suppliers, and managing the associated documentation and payment processes.
- **Production:** This involves the actual manufacturing or assembly of products, and ensuring that they meet the required quality and quantity standards.
- **Inventory management:** This involves the tracking and management of inventory levels throughout the supply chain, to ensure that products are available when needed and that excess inventory is minimized.
- **Logistics and transportation:** This involves the movement of products from one location to another, including the selection of transportation modes, route planning, and management of transportation providers.
- **Distribution:** This involves the delivery of products to customers, including managing warehousing, order fulfillment, and customer service.



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- **Customer service and support:** This involves providing support to customers, including handling complaints and addressing issues related to product quality, delivery, and service.

Collaboration between Retailers and Vendors in SCM

Collaboration between retailers and vendors in supply chain management (SCM) is essential for optimizing supply chain efficiency and achieving mutual benefits. Retailers and vendors must work together to streamline the flow of goods and information between them.

Here are some key ways in which retailers and vendors can collaborate in SCM:

- **Collaborative planning:** Retailers and vendors can work together to plan inventory levels, production schedules, and shipping dates. This can help to reduce inventory costs and improve product availability.
- **Sharing of data:** Retailers and vendors can share sales and inventory data to help each other better understand demand and supply patterns. This can lead to improved forecasting accuracy and better decision-making.
- **Joint promotions:** Retailers and vendors can collaborate on promotional activities, such as discounts, coupons, and other special offers. This can help to increase sales and build customer loyalty.
- **Vendor-managed inventory (VMI):** VMI is a collaborative approach in which the vendor manages the inventory levels of the retailer. This can help to reduce inventory costs and improve product availability.
- **Collaborative transportation:** Retailers and vendors can collaborate on transportation, such as sharing transportation costs or coordinating deliveries. This can help to reduce transportation costs and improve delivery times.
