

## 7.22: Supply Chains

### Learning Objectives

- Explain the importance of supply chain management



The supply chain is the entire sequence of activities involved in taking natural resources and raw materials and turning them into a product for the consumer. It includes all the actions, organizations, materials, systems, people, and information involved in that process.

Retailers, like all business-to-consumer organizations, aim to match and maximize demand with supply. This means that the right products need to be in the right place in the right quantities at the right time. Given the millions of products sold daily by large retailers, SCM systems ensure replenishment inventory is being received on time at retail distribution centers and warehouses. By effectively managing supply chains, retailers can realize their sales goals.

In the earliest days of the automobile, Henry Ford made a decision to own or control the full supply chain—from the mines that provided the ore to the factories that made the glass. Raw materials—iron ore, coal, and rubber, all from Ford-owned mines and plantations—came in through one set of gates at the plant while finished cars rolled out the other. Today it is exceptionally rare for a company to try to own all the raw materials for a physical product. Even software products use preexisting software frameworks and code.

### Practice questions

<https://assessments.lumenlearning.co...sessments/9205>

### Video -- Retail Supply Chain



### Video -- Retail Digital Supply Chains: Facing an Omni-Channel Customer-Driven Landscape



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