

AL-FARABI KAZAKH NATIONAL UNIVERSITY

Department of Business technologies

Strategic logistics planning and inventory management strategies

Aida Yerimpasheva, c.e.s., Senior Lecturer

Lecture 2. How Corporate Strategy Impacts Supply Chain Decisions

Introduction

Corporate strategy and supply chain decisions are closely linked and have a significant impact on a company's overall success. The way a company chooses to position itself in the market, its goals and objectives, and its competitive strategy, all play a role in shaping its supply chain decisions. Understanding this interplay is critical for companies to effectively manage their supply chains and achieve their goals.

Section 1: The Influence of Corporate Strategy on Supply Chain Design

Corporate strategy can drive the design of a company's supply chain by dictating its focus on cost, quality, speed, or flexibility.

For example, a company that prioritizes low cost may opt for a highly centralized supply chain, while a company that values speed may choose a decentralized approach.

It is essential for companies to align their supply chain design with their corporate strategy to ensure that their operations are aligned with their goals and objectives.

Section 2: The Impact of Corporate Strategy on Supply Chain Partners

Corporate strategy can also affect the type of partners a company chooses to work with in its supply chain.

For example, a company that is focused on sustainability may choose to work with suppliers who share its values and can help it meet its goals.

Similarly, a company that prioritizes cost may choose suppliers who can offer the lowest prices, even if they are located far away.

Section 3: The Role of Supply Chain Decisions in Corporate Strategy Implementation

Supply chain decisions can play a critical role in the implementation of a company's corporate strategy.

For example, the supply chain can affect a company's ability to enter new markets, respond to changes in demand, or improve its product quality.

It is important for companies to continuously evaluate and optimize their supply chain decisions to ensure that they are aligned with their corporate strategy and are supporting its implementation.

Questions

1. How does corporate strategy influence the design of a company's supply chain?
2. How does corporate strategy affect the selection of supply chain partners?
3. What role does the supply chain play in the implementation of corporate strategy?
4. In what ways can companies ensure that their supply chain decisions are aligned with their corporate strategy?