

AL-FARABI KAZAKH NATIONAL UNIVERSITY

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Strategic logistics planning and inventory management strategies

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Lecture 3. Managing the Integrated Supply Chain

Introduction

The integrated supply chain is a critical aspect of business operations and involves the coordination and integration of all the functions involved in the production and delivery of a product or service. Effective management of the integrated supply chain can improve a company's competitiveness, reduce costs, and increase customer satisfaction.

Section 1: Key Components of the Integrated Supply Chain

The integrated supply chain consists of a number of key components, including procurement, production, distribution, and customer service.

Each of these components plays a critical role in the delivery of the final product to the customer and must be effectively managed to ensure the success of the overall supply chain.

Companies must focus on developing processes and systems that support integration and coordination across all components of the supply chain.

Section 2: The Benefits of an Integrated Supply Chain

An integrated supply chain can lead to a number of benefits for a company, including improved efficiency, reduced costs, increased speed, and improved customer satisfaction.

For example, by sharing information and resources across functions, companies can make more informed decisions and reduce waste.

Additionally, an integrated supply chain can help a company respond more quickly to changes in demand and improve its overall competitiveness.

Section 3: Measuring and Improving Performance of Integrated Supply Chains

Managing an integrated supply chain requires ongoing monitoring and measurement to ensure it is functioning effectively. Common metrics used to evaluate supply chain performance include:

- Lead time
- Inventory turnover
- Order accuracy

Continuous improvement is essential in managing the integrated supply chain. Identifying and addressing inefficiencies and bottlenecks can lead to cost savings, improved customer satisfaction, and increased competitiveness.

Questions

1. Can you provide an example of a company that has successfully integrated its supply chain?
2. What challenges might a company face when attempting to integrate its supply chain?
3. How can technology be utilized to improve the integration of the supply chain?
4. Can you explain the difference between Lean and JIT principles and how they can be applied in supply chain management?