The Importance of Supply Chain Strategies

E. Kam[^1^], R. J. Suwandy[^1^], S. Lee[^1^], L. Chang[^1^], S. Sorooshian[^1^]

sorooshian@gmail.com

Business School, Taylor’s University, Malaysia

**Keywords**: Supply Chain Strategy; Letter to Editor; Importance.

Many organizations have adopted this strategy to respond to several business transactions to suppliers and customers; however, many failed to see the long term effectiveness of this strategy. This letter is in form of letter to Editor (LTE) prepared as a class activity and part of a project of supply Chain Management module under Taylors University, which highlights why supply Chain Strategy is a challenging practice.

**HIGHLIGHTS**

This paper highlights the importance of supply chain strategies in today’s companies. Supply chain strategy is the flow of products from the point it was started until it reaches customer and meet their demand. It is also called the art of management of providing the Right Product, At the Right Time, Right Place and at the Right Cost to the Customer [1].

SCM strategy is important for an Organization because the effectiveness of it will lead to better revenue recognition. Any problem encountered to the product being not available at the right time will decrease consumers’ interest to the product. The key factors of SCM functions are effectiveness of inventory control and the visibility of supply [1]; According to Devangshu Dutta, Chief executive, Third Eyesight, “Most companies treat supply chains as a support function”. He also mentioned that the fine line between success and failure is determined by the company’s supply chain. It was found that most Indian companies approach supply chains tactically than strategically. It is highlighted in the article [2] that the tactical supply chain strategy lacks long-term vision and will unlikely achieve the corporate objectives of the organization.

An example as seen in India, through strategic supply chain operations by Nestle it was found that the company has significantly improved operational efficiency, product availability, and visibility. With their continuous improvement in the supply chain, Nestle focuses in reducing the finished goods inventory pipeline to improve the freshness of stocks and lower working capital, control distribution cost while improving productivity [2].

**2. REFERENCES**


**Vitae:**
Elden Kam, Rio Jeffrianto Suwandy, Sylvia Lee, Leslie Chang are undergraduate students, and Dr Shahryar Sorooshian is module lecture in Business School, Taylors university.