

CGN IN THE EVENT

SCM Logistics World 2018 - Post Summit Report

India is likely to be the global economic powerhouse by 2025. As the economy grows and the operating environment evolves, several macro trends will shape the future supply chain design. With much needed reforms and economic policy changes in the offing and the operating environment becoming increasingly more conducive and evolving still, it is sure to have a positive impact on all sectors, including the supply chain management (SCM). This year's theme, "SCM Logistics World: Future-India & Beyond" reflected several macro trends will shape the future supply chain design. The key notes and presentations of the program highlighted Supply Chain-Go Digital, Create Value & Blockchain, and offered first hand perspectives from respected SCM and wider business leaders.



CGN Came up with A Very Important Concept of Network Designing



Designing Supply Chain Network for each industry or business involves arriving at a satisfactory design framework taking into all elements like product, market, process, technology, costs, external environment and factors and their impact besides evaluating alternate scenarios suiting your specific business requirements.

No two supply chain designs can be the same. The network design will vary depending upon many factors including location and whether you are looking at national, regional or global business models

1. Supply Chain Network in Simple and basic Terms Involves determining following process design:



All above decisions are influenced and driven by Key Driver which is the Customer Fulfilment.

2. Designing Supply Chain Network in involves determining and defining following Elements:

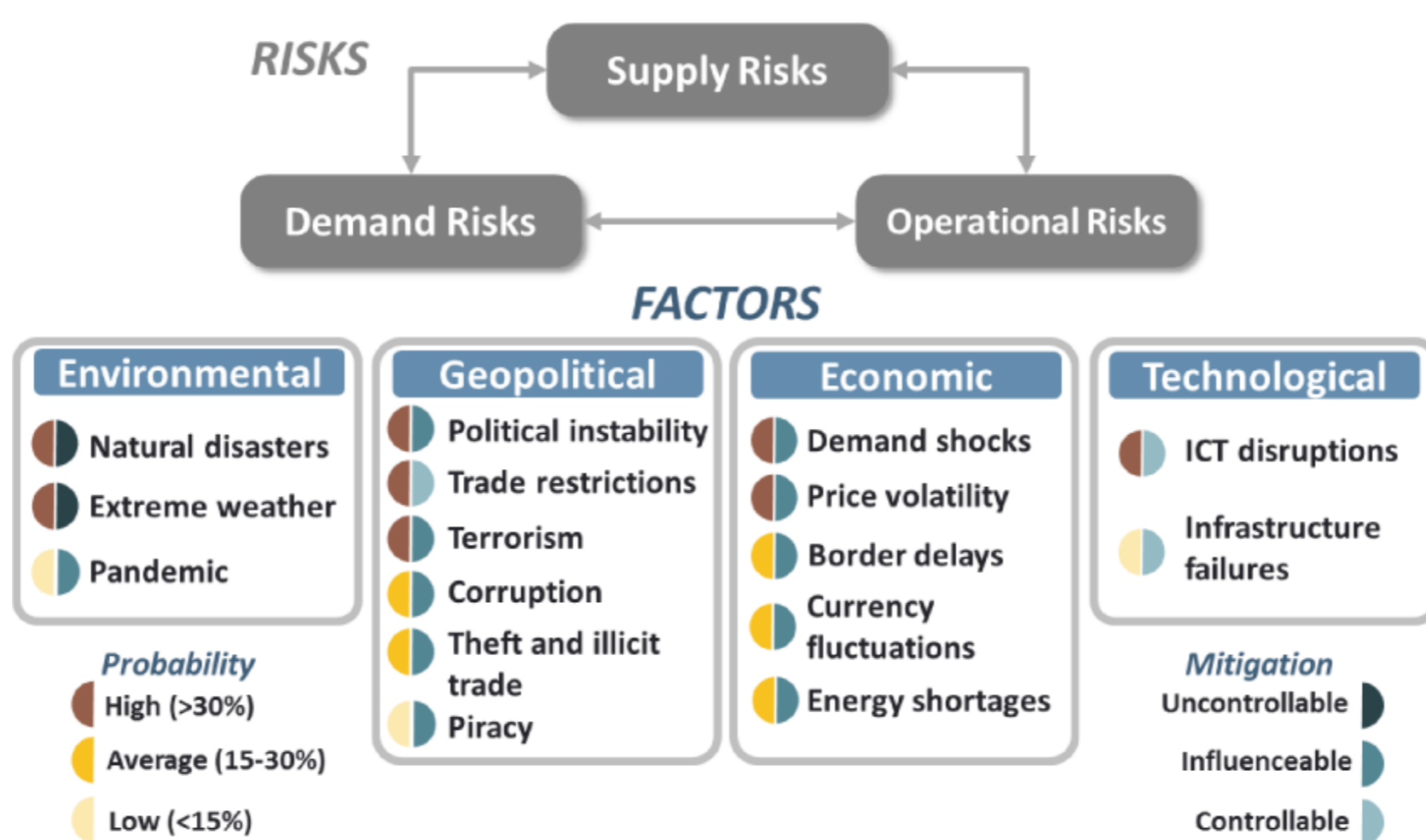
- Market Structure
- Demand Plotting or Estimation
- Market Segment
- Procurement Cost
- Product /Conversion Costs
- Logistics Costs including Inventory holding costs
- Over heads
- Cost of Sales



3. Network Design aims to define:

- Best fit Procurement model - Buying decision and processes - VMI, JIT, Kanban, procurement cost models etc.
- Production processes - One or more number of plants, plant capacity design, building to order, build to stock etc, in-house manufacturing or outsource manufacturing and related decisions including technology for production.
- Manufacturing Facility design - Location, Number of factories, size of unit, time frames for the plant setup project etc.
- Finished Goods Supply Chain network - Number of warehouses, location & size of warehouses, inventory flow and volume decisions, transportation.
- Sales and Marketing Decisions - Sales Channel and network strategy, Sales pricing and promotions, order management and fulfilment process, service delivery process definitions.

4. Network Design also examines:



Conclusion

Supply Chain Network designs not only provide an operating framework of the entire business to guide the managements, they also examine the structure from strategic view point considering external influences, interdependencies of all processes and critically evaluate opportunities to maximize profitability.

Supply Chain Design consultants use various design software and optimization techniques coupled with inputs from industry consultants and experts.