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# Supply Chain Management: Integration And Globalization In The Age Of E-Business

## Abstract

It is the 21st century and business is booming. Over the past 10 years, there have been quite a few revelations and introduction of a number of concepts in the field of business and its functioning. One major concept is of Supply Chain Management. For the longest of time, the concept was just in theory and barely in practice. However, the previously unnoticed concept has now found its way into majority of the existing businesses in the world and is ever growing and being innovated for the best of its interests.

In this paper, we intend to find out the scope of supply chain management in the current business market, focusing more on its effects on e-businesses. For e-businesses we are trying to understand how supply chain management has benefited them to grow and the various aspects required for the smooth working of the system. We also try to understand how industries perceive the globalization and integration of supply chain management. To understand the extent of the concept of supply chain management being implemented in e-businesses. Also to understand if the growth of supply chain management has helped the further growth of the business. As this paper will be based on secondary data the conclusions of this paper will be based on studies made by other theorist.

## Introduction

As globalization blooms in the ever-changing business environment, it is essential for businesses to adapt to the changes, to survive in a competitive market. It also gives a greater opportunity for businesses to bring out their innovative side into the field. With the help of globalization, it is getting more and more attractive for businesses to generate innovative ideas in order to run business both national and international. Supply chain management was an overlooked concept by many and many more were ignorant of its deep impact on one's business. Supply chain management has created considerable interest in the past few years, for a variety of reasons. Managers in many businesses are now mindful that actions made by one chain leader will impact the productivity of all those in the chain. Rivalry has gone beyond company-to-company competition, to supply chain to supply chain. Supply chain management (SCM) refers to the administration of products, knowledge and funds across the whole supply chain, from distributors to the end customer by production and delivery. It also covers after-sales support, which reverses flows such as consumer return handling which box recycling and recycled items.

E-business has made its way right through all the big companies with such ease due to the wide access of customers and huge cost savings. It is so much easier for them to keep track of the happenings within.

While before it was just the transfer of good from the manufacture to the customers. Companies gave more attention to the customers and left the rest out, ignoring the long way it came from

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and defect or benefits that can be altered or benefited from. Now companies work together with manufactures help in product developments and distributions. Now, even supply chains are quite competitive, making it very important for companies to maintain loyalty to their manufactures at every step of the way or someone else might just swoop in and take it away.

In this paper we try to understand the increasing growth and demand of supply chain management in e-businesses. Also to understand the benefits companies has made by utilizing the concept of globalization and integration

## **Significance of supply chain management**

One of the major advancements that have come into the picture apart from the business strategies would be the mass shift of production externally. It has grown in such an extent that business rely on external resources more that the external recourses. Revolving around merely the company's core competencies is not good enough as for the growing demands of customers. The supplier market plays a huge role in running most businesses nowadays. As having a good chain of suppliers provides you with a better hold on better resources, making your products more desirable to the customers. Many centric operating business operations-product creation and growth, administration of resources and equipment, distribution and production were taken over by suppliers. As a result, a growing emphasis has been put on handling the external supply ties and regulating the flow of recourse from suppliers to consumers. Such activities were represented by the term 'supply chain management'

The supply chain focuses not only on particular roles of organizations such as sourcing, manufacturing and distribution, but also on enhancing network efficiency in both the internal and external environments. In the dynamic world of the 21st century, supply chain companies have to maintain productivity, a consistent standard of operation, rapid response and good services and products quality. Supply chain management focuses on the systematic and pragmatic strategies to demand, production, acquisition, and distribution processes.

Control is not only focused on the direct monitoring of particular companies 'business operations, but rather on the management of all operations as part of the supply chain between interconnected organizations. Cooperation among supply chain organizations is essential for successful execution of a business. Organizations need to be conscious of their position and actions in the supply chain, and the fact that their success influences the success of the other supply chain participants. That means companies need to control the efficiency of the supply chain to maintain a competitive edge.

## **Growth and development of supply chain management**

The growth of theorist focusing more on the concept of supply chain management can be noticed from the 1990's. Riggs and Robbins (1998), 'Supply Management strategies – Building supply chain thinking into all business process' , which puts out new ideas of the concept of supply chain management, emphasizing on efficiency of time and networking.

## **Logistics Product group**

The concept simply means that the difference in logistically significant characteristics (e.g.,

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product size, weight, rate of sale and supply source) requires differential treatment in the supply chain. This concept was first written about in the fore mentioned book 'supply management strategies- Building supply chain thinking into all business process (Riggs and Robbins (1998))

This was further modified by Tyndall et al. (1998) which states To position the development of the subject, a supply chain development path is planned, beginning with isolated businesses, progressing through integrated processes (i.e. process-oriented operations) to a streamlined and transparent consumer-focused supply chain. A concept also introduced by the same authors that incorporates a high level of organizational fluidity in the resources of external agents. (Darren Hall, Alan Braithwaite, 2017).

## **Information Sharing**

In recent year, there has been and increasing emphasis on the importance of information sharing (e.g. Barratt, 2004; Lambert and Cooper, 2000; Lau and Lee, 2000; Stank et al., 1999; Mason-Jones and Towill, 1997). In a supply chain it is very essential that everybody involved in the network is aware of all details from head to toe, as misinformation can come in the way a decision made not in favor of the business. Information should be readily available for all the companies within the chain.

## **Business Process Orientation ( BPO )**

The definition signifies a company that, in all its thinking, emphasizes processes as compared to hierarchies with a special focus on results and consumer service (McCormack and Johnson, 2001). An inquiry by (McCormack and Johnson, 2001) was undertaken to research and analyze the connection between BPO and improved market efficiency. The findings of the study have shown that BPO is crucial in mitigating conflict and promoting greater collaboration within the enterprise, while enhancing market efficiency.

## **Conclusions**

Among the most common issues with the supply chain is the so-called bullwhip effect. Even the minor variations in production or inventories of the final organization in the process are propagated and spread across the chain. Although each company in the chain has inadequate awareness of the needs of others, it will respond with a disproportional rise in inventory levels and, as a result, a much greater difference in demand relative to others in the chain (Forrester, 1958, 1961). Several scholars (Forrester, 1961; Holweg and Bicheno, 2002) have demonstrated that the peak of production can be greatly decreased by moving knowledge directly from the customer to the manufacturer. Another concern is that businesses still prefer to maximize their own efficiency, while missing the advantages of supply chain as a whole (local rather than global optimization). However, the ultimate productivity for each chain does not automatically contribute to global optimization (Gunasekaran et al., 2004). In addition, individual variables can be taken into account: decision-makers do not generally make flawless choices at different points in the supply chain (due to lack of knowledge or their personal obstacles) and their choices are often affected by workplace compensation programs (McGuffog and Wadsley, 1999).