SUPPLY CHAIN MANAGEMENT OF CELLULAR PHONE INDUSTRY

A supply chain is a network of facilities and distribution options that performs the functions of procurement of materials, transformation of these materials into intermediate and finished products, and the distribution of these finished products to customers. Supply chains exist in both service and manufacturing organizations, although the complexity of the chain may vary greatly from industry to industry and firm to firm. Supply chain management is typically viewed to lie between fully vertically integrated firms, where the entire material flow is owned by a single firm and those where each channel member operates independently. Therefore coordination between the various players in the chain is key in its effective management. Such a team is more competitive when each player knows how to be positioned for the hand-off. The relationships are the strongest between players who directly pass the baton, but the entire team needs to make a coordinated effort to win the race.

After analyzing the factors considered in research it is observed that following factors are significant as compared to all other factors.

Details analyzed shows that following parameters play an important role in SCM decisions for Vendor in Cellular Industry
1) Price 2) Payment 3) Responsiveness 4) Innovation 5) Transparency 6) Inspection 7) Specifications

Detail analysis shows that SCM is there in the Organization still this is not been adequately used to 100% to match all the requirement From the details it is analyzed that there is hardly any respondents who are Highly Satisfied. In Airtel it is observed that most of the respondents are Neutral. Most respondents that is 54.55% stand Neutral. In case of Hutch 44.68% respondents stand Neutral. Similarly in Hutch only 48.94% respondents are Moderately Satisfied and in Airtel only 41.56%. Area of concern is that still lot of concentration is required in SCM in Cellular industry to make to efficient and effective.

Though customers plays very important role in cellular industry, but they are not directly linked with SCM of the Organization. Results of frequency distribution and Ch1-Square do not show any value significant in this case. (Refer Interpretation from Chapter 5 and Appendix 3) shows that though customers have given very important response on individual organization but are not directly associated with SCM of that Organization. Detail Analysis by using Paired Correlation was also done on the same set of Questionnaire and results were extracted in form of Correlation table (Refer Annexure 3) to understand the relations. But it is clear from Paired correlation that none of the case is Significant and customer is basically an end user of all services where he is not directly linked with SCM of the Organization.
To sustain the benefits of SCM in dynamic & uncertain business environment, the need for continuous evaluation of SCM is called for. Though SCM can be evaluated on a number of parameters, the most important parameter which defines its use from business point of view is effectiveness. The existing literature on SCM is having very limited inputs and addressed partial view only for cellular industry. So there must exit a way to identify the overall effectiveness of SCM and also the scope of improvement. Various Principals have been identified for successful implementation of SCM in the cellular industry

Principle 1: Segment customers based on the service needs of distinct groups and adapt the supply chain to serve these segments profitably. To strike and sustain the appropriate balance between service and profitability, most companies will need to set priorities—sequencing the rollout of tailored programs to capitalize on existing capabilities and maximize customer impact.

Principle 2: Customize the logistics network to the service requirements and profitability of customer segments. Finally, the network will require more robust logistics planning enabled by “real-time” decision-support tools that can handle flow-through distribution and more time-sensitive approaches to managing transportation.

Principle 3: Listen to market signals and align demand planning accordingly across the supply chain, ensuring consistent forecasts and optimal resource allocation. Forecasting has historically preceded silo by silo, with multiple departments’ independently creating forecasts for the same products—all using their own assumptions, measures, and level of detail. Detect early warning signals of demand lurking in customer promotions, ordering patterns, and restocking algorithms and takes into account vendor and carrier capabilities, capacity, and constraints.

Principle 4: Differentiate product closer to the customer and speed conversion across the supply chain. The key to just-in-time product differentiation is to locate the leverage point in the process where the product is unalterably configured to meet a single requirement and to assess options, such a postponement, modularized design, or modification of processes, that can increase flexibility.

Principle 5: Manage sources of supply strategically to reduce the total cost of owning materials and services. That is, a sound knowledge of all their commodity costs, not only for direct materials but also for maintenance, repair, and operating supplies, plus the dollars spent on utilities, travel, temps, and virtually everything else. This fact-based knowledge is the essential foundation for determining the best way of acquiring every kind of material and service the company buys. With their marketplace position and industry structure in mind, companies can then consider how to approach suppliers—soliciting short-term competitive bids, entering into long-term contracts and strategic supplier relationships, outsourcing, or integrating vertically. Excellent supply chain management calls for creativity and flexibility.

Principle 6: Develop a supply chain-wide technology strategy that supports multiple levels of decision making and gives a clear view of the flow of products, services, and information.
The manager needs to build an information technology system that integrates capabilities of three essential kinds.

Principle 7: Adopt channel-spanning performance measures to gauge collective success in reaching the end-user effectively and efficiently. To facilitate channel-spanning performance measurement, many companies are developing common report cards. These report cards help keep partners working toward the same goals by building deep understanding of what each company brings to the partnership and showing how to leverage their complementary assets and skills to the alliance's greatest advantage. The willingness to ignore traditional company boundaries in pursuit of such synergies often marks the first step toward a “pay-for-performance” environment.

As we step into the knowledge –era, the SCM activities in organizations must be streamlined in order to enable the organization deal with uncertainties of the business environment. This can be achieved only when the SCM effectiveness is monitored holistically and continuously. Since SCM depends on people, processes, environment infrastructure, resources etc, its effectiveness must be studied in an integrated view taking a conglomerate of business, quality, quantity, services to customers at last.