

Meaning of Supply Chain---A supply chain is a network between a company and its suppliers to produce and distribute a specific product to the final buyer. This network includes different activities, people, entities, information, and resources. The supply chain also represents the steps it takes to get the product or service from its original state to the customer.

- A supply chain is a network between a company and its suppliers to produce and distribute a specific product or service.
- The entities in the supply chain include producers, vendors, warehouses, transportation companies, distribution centers, and retailers.
- The functions in a supply chain include product development, marketing, operations, distribution, finance, and customer service. Supply Chain

Examples of Supply Chain

1) Generic Supply Chain

The generic supply chain begins with the sourcing and extraction of raw materials. The raw materials are then taken by a logistics provider to a supplier, which acts as the wholesaler. The materials are taken to a manufacturer, or probably to various manufacturers that refine and process them into a finished product.

Afterward, it goes to a distributor that wholesales the finished product, which is next delivered to a retailer. The retailer sells the product in a store to consumers. Once the consumer buys it, this completes the cycle, but it's the demand that then goes back and drives the production of more raw materials and the cycle continues.



2) Supply Chain for an e-Commerce Company

In this example, the e-commerce company operates a website, and that website sells various products. When a customer places an order for a product, the product order is being processed by technology such as a checkout cart, an order system, or a third-party . The payment processors then come in and deal with payment transactions for the order, which actually opens up a new supply chain.

The payment processors use their own systems but, in most cases, third parties such as PayPal and Stripe are employed, and they involve banks and other providers. When a product order is placed, the warehouse receives the order and ensures the product is ready for delivery. The warehousing company can be either in-house or a third-party logistics provider.

The order then goes from the warehouse to the shipping company. Once again, the shipping may be in-house or a third-party shipping company. After shipping, the package arrives at the customer's door and the customer receives it.



- Logistics refers specifically to the part of the supply chain that deals with the planning and control of the movement and storage of goods and services from their point of origin to their final destination. Logistics management begins with the raw materials and ends with the delivery of the final product.

What Is Supply Chain Management?

Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products. It involves the active streamlining of a business's supply-side activities to maximize customer value and gain a competitive advantage in the marketplace.

A supply chain manager is tasked with controlling and reducing costs and avoiding supply shortages.