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Creating and Developing a Sustainable Supply Chain

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Abstract:

It is simple to think about the present without accounting the future. Customers desire more goods and services to properly improve their standard of livelihood. The predicament is they make selections about goods and services that have long-term repercussion for the environment. In today's modern world, organizations need to show accountability. This factor means that they use available resources effectively and efficiently, do not spoil the environment and continuously consider how what they do affects the capability of future generations to meet their needs and wants.

The direction for every organization is provided by its vision. This vision acts as a mentor for everybody within and outside the organization about what they want to accomplish. Many organizations have vision to create and provide a better life for the many people and businesses. To meet this vision companies provides many product and services designed keeping in mind their customers. Every business wants their prices for their Products/Services low so that as many people as possible can afford to buy and use them. However, in establishing low prices many organizations are not willing to sacrifice its principles. To make a business to be sustainable, principles should be strictly followed. Pressure for low and low prices is consistent in any business and to fight with this push, companies need to work strategically to cut costs in terms of other means like Supply Chain Management, Research and development and not merely on reducing the quality and services. Research showed that a business can save up to 5% merely by building an efficient supply chain which can sustain in log-term. In spite of increasing raw material cost and inflation consistently, this 5% can help a business to sustain as long as up to 5 years by offering 1% each year as subsidy to selling price (which can be adjusted from a supply chain kitty) and thereby providing them sufficient time to work towards research and development to find ways for keeping their products and services at low prices by maintaining the same quality.

Key words: Supply Chain sustainability, Long term Supply chain, Manufacturer's Supply chain

1.3 Top Sectors of an Industry and Sustainable Supply Chains

When customers go to a retailer like Big Bazaar etc, they will be glancing at the different ranges of available products and how they are presented there. They may also seek for quality customer service and help desk. However, consumers may not be cognizant that before products reach them, they must have travelled a long path from being raw materials through a variety of phases to turn into finished products suitable for sale and display. This is known as the supply chain – the process from manufacturing to sales. The major 3 sectors in supply chain every organization should focus on:

1.1. The Primary Sector

The primary sector comprises of the development and growth of the raw materials. Every organization needs raw materials to develop its products and make them available to consumers. Therefore, every organization must work closely with primary sector suppliers to ensure a sustainable and viable impact on the people and the environment in which the business operates.

If a company designs its own products; Low price is one of the main factors that they usually consider in producing well designed, functional products available to everyone. At the design stage organization should ensure that products meet strict requirements for function, quality, efficient distribution and their impact on the environment and surroundings. Organizations should negotiate prices with suppliers, need to check the quality of materials regularly and need to analyze the environmental impacts that are imminent through the supply chain. Companies should also keep an eye on social, economic and working conditions at suppliers.

A product being used should not have any harmful impact upon consumers or their surroundings. For instance, it should not cause allergies or aversions. It should be able to use energy efficiently and effectively. When a product comes to the end of its useful life throughout its life cycle, it should be possible to recycle the materials that make up the product again. Such materials can then be re-used for making other products which are green products.

1.2. The Secondary Sector

Several manufacturers within the secondary sector usually create products from raw materials. While products move through the supply chain, the process of value addition takes place. Companies should design many of their products so that the smallest amount of resources utilizes the best products. For instance, a manufacturer should save on resources by using scrap to join different parts so that they can save 3% to 12% on the waste materials. As manufacturers or suppliers add value to products, several code of practice identifies a company's minimum requirements. Such code of practice expects suppliers to:

- Follow Global (national and international) laws
- Say no to child labor
- Do not use woods from non-sustainable forests
- Reduce their waste and harmful emissions to avoid pollution
- Commitment to recycling
- Follow health and safety guidelines and practices
- Environment friendly
- Employee motivators

The operation of the code raises standards to the great extent. Each of the requirements within the code of conduct always helps to develop sustainable business exercises. They have a positive effect on the business environment and surroundings in which the suppliers operate to contribute in business. They also boost the experience of people working for those organizations and businesses. Moreover, to monitor suppliers, every organization should regularly carry out an audit. The activity involves talking to employees and inspecting documents and records for all in-bound and out-bound activities. Regular visits to the suppliers on-site on a number of occasions to ensure that they are following the code of conduct should be a diligent activity for every business.

1.3. The Third Sector

Businesses in the third sector provide a service, such as customer support, banking, transportation or retailing. Business does not extract the raw materials or make products themselves. Figures show that 18% of businesses within the globe are retailers. Retailing turnover in the world was more than \$9250 billion in 2007. In the tertiary sector, a company's retail stores inculcate value to manufactured goods by providing a form of centralized shopping different to the usual high-street experience to the customers. Therefore, every manufacturer should focus on their own outlet (like BMW, Jaguar etc) to meet the needs of consumers in a number of distinct ways:

- Each store should contain a large number of products giving lots of choice to customers.
- Within each store, there should be a number of display settings that enable customers to see what the products would look like in their own homes and helps them to judge it.
- The store must be built on a concept of bill to ship immediately to enhance the sales cycle
- Consumers handpick products themselves using trolleys and carry bags.
- Companies should provide catalogues and home delivery to save customer's valuable time.

2. Conclusion

Every Business should have a long-term ambition is to become the leading manufacturer company who provide huge products range and quality. However, for an organization, for getting there is not simply about developing profitability and market share. As a global organization companies should choose to undertake a leadership role in creating a sustainable and long term way of operating. It must have educated suppliers to understand how and why sustainable production is vital for long term sustainability. This will help manufacturing companies to differentiate themselves from their competitors. Companies should focus on awareness that their consumers should have about the business commitment to sustainability through their involvement with them.

3. References

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