

## SUPPLY CHAIN MANAGEMENT AS A STRATEGIC ADVANTAGE

### INTRODUCTION

Competitive supply chains are flexible, agile and fast. Small-to-medium-sized enterprises (SMEs) can use this knowledge to develop competitive advantage as they often have the ability to adapt and change more easily.

Once you have fundamental supply chain management practices in place, you can focus on increasing the speed and flexibility of your supply chain.

**How can supply chain management lead to a competitive advantage?** Competition is changing from firms competing with each other to supply chains competing with each other. There are many benefits of effective supply chain management:

- improved forecasting, planning and scheduling capabilities
- reduced lead times
- reduced costs and inventory levels
- improved decision-making (due to real-time knowledge of sales rates, inventory and production rates)
- improved customer service
- improved quality levels

**Example:** Siemens Medical Engineering Group reduced cycle time from 22 weeks to 6 weeks.

**Can SMEs use the principles of supply chain management to their advantage?** Yes, your business may have several advantages over larger companies. Take advantage of these, especially during a downturn:

- flexibility
- agility
- rapid response

### BALANCING SUPPLY CHAIN CAPABILITY WITH CUSTOMER DEMANDS

Take advantage of using information to partner more effectively within your supply chain.

It's often easier for small firms to alter their business strategy and even change direction. Your smaller scale enables you to quickly adapt to changes in market conditions, including exploiting new sales channels or production needs. This is of particular importance in a supply chain context.

An agile firm has designed its organization, processes and products such that it can respond to changes in a useful time frame. **Use the benefits of supply chain management to your strategic advantage.**

