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Global Supply Chain Management

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Problems found

- A major issue for the NCI is poor demand forecast
- Excess inventories
- Currently, the company is using Excel spreadsheets for planning and scheduling production and using phone, email or fax to communicate with dealers, which result in long ordering process time and response time

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Demand forecast solution

The implementation of Manugistics planning tools will greatly improve demand forecasting

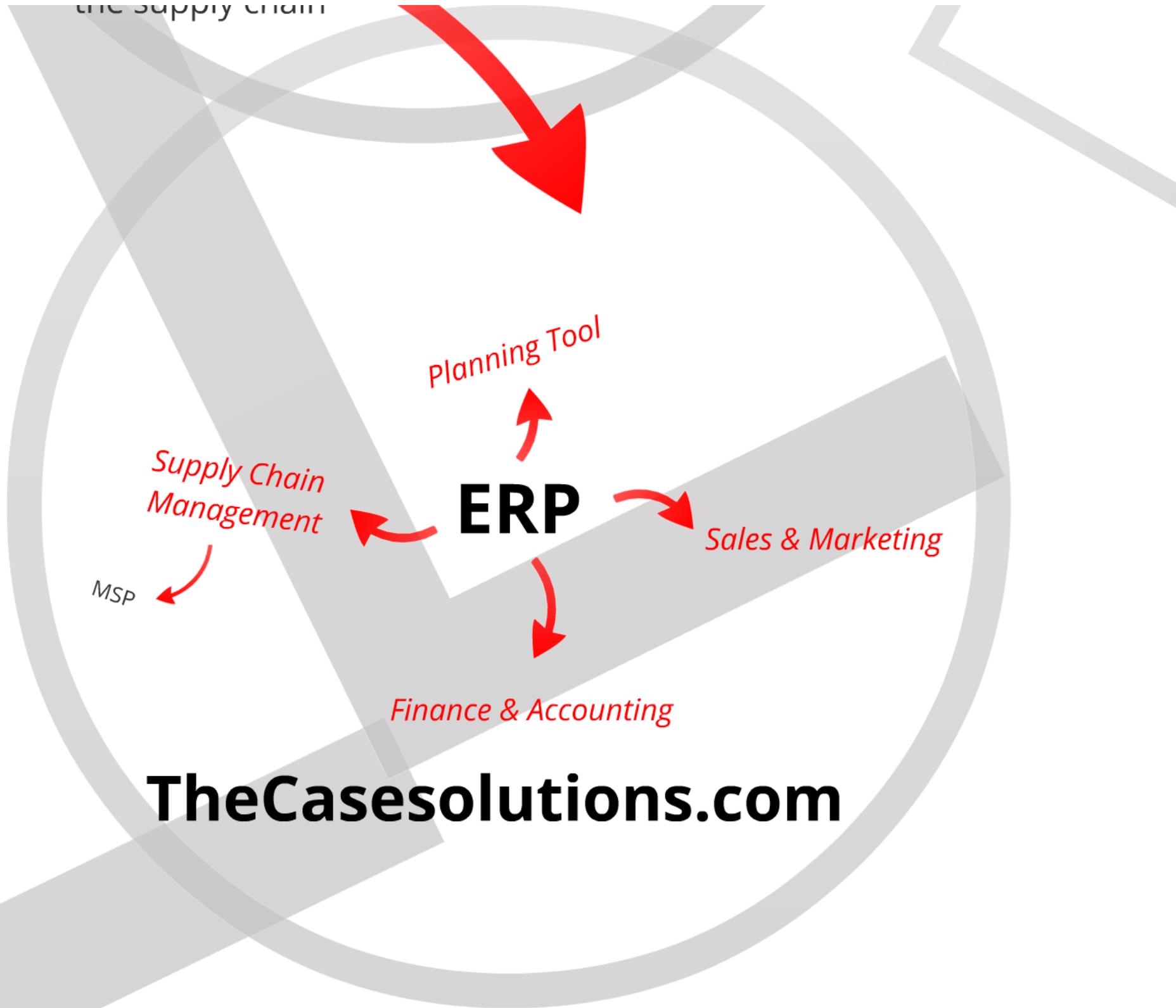
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NCI have to work more closely with the dealers when planning and scheduling production

The implementation of automated centralized ERP system will cover all of the firm's activities and enable the company to allocate, track, modify and cancel orders in real-time, create master production schedule (MPS) as well as address up-to-the-minute data on all aspects of the supply chain



THE SUPPLY CHAIN



Advantages

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- Easier global integration (barriers of currency exchange rates, language, and culture can be broken automatically)
- Centralized updates of data
- Real-time information, reduced possibility of redundancy errors
- Possibility to create a more efficient work environment for employees
- Inventory optimization using sales forecasting
- Order tracking from acceptance through fulfillment
- Chronological history of every transaction through relevant data compilation in every area of operation
- Revenue tracking from invoice through cash receipt

Disdvantages

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- Cost can be higher than less integrated and/or less comprehensive solutions
- Locked into relationship by contract and manageability with vendor
- Inflexibility - vendor packages may not fit a company's business model well
- Re-engineering business processes to fit the ERP system may damage competitiveness and/or divert focus from other critical activities
- Extensive training requirements take resources from daily operations
- Return on investment may take too long to be profitable
- Implementations have risk of project failure