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Supply Chain Management

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Supply Chain Management (SCM), consists of three words: Supply, Chain and Management, in simple terms, it describes applications of management principles to supply of goods and services, from the first supplier(s) to producers to the end users (Customers/ Consumers). It is understood that supply of various inputs done by suppliers, to manufacturers. Manufacturers produces Goods and supplies to wholesalers, distributors, agents and retailers. Supply chain comprises of different members of set of organisations, which adds value by movement of goods accompanied by services. In this Logistics management emphasizes planning of processes and controlling of costs. SCM implies flow of Material, Forward, (conversion of raw material from suppliers into Finished goods produced by manufacturers), flow of funds, backward (from consumers to suppliers (Seller, producers, suppliers etc.), this term has evolved from Logistics to Supply chain management, by absorbing value addition in each stage of supply chain.