

Project Report

Inventory effect on Supply Chain In ATC India

Name: ***

Roll Number: ***

Year

TABLE OF CONTENTS

S. No.	Chapters	Particulars	Page No.
1	-	Acknowledgement	3
2	1	Objectives of the Project	4
3	2	Scope of the Project	5
4	3	Executive Summary	6
5	4	Methodology	8
6	5	Data Collection and Analysis	28
7	6	Finding	32
8	7	Conclusion	37
9	8	Recommendations	39
10	-	Appendices	40
11	-	Bibliography	42

Acknowledgement

In perusing and completion of my PGDSCM and other commitments, I undertook the task of completing my project on "**Inventory effect on Supply Chain in ATC India**". To this and I would like to thank and convey my gratitude to the Top management of "**ATC India**" who allowed me to conduct my project and gave me their whole hearted support.

I also record my thanks to all the employees, ex-employees, and customers of ATC India some of whom were frank and forthright and a few who were slightly apprehensive but nevertheless gave me their full co-operation. To all those I owe a debt of gratitude.

Finally, I also acknowledge with deep gratitude, the immense support I received from my family members who have always enhanced me and have been a source of inspiration and help in continuing my effort.

Last but not the least my special thanks to all those who have given all the secretarial support – despite all other commitments.

*****Student Name*****

Chapter 1: Objective

- To analyze the impact of inventory management on supply chain management.
- To find out the way firms use supply chain management to gain a competitive advantage and increase business success.
- To evaluate the effectiveness of the various processes associated with inventory and supply chain management in the company.
- To recommend the possible ways to reduce the inventories and hence improve the supply chain management of the company.

Chapter 2: Scope

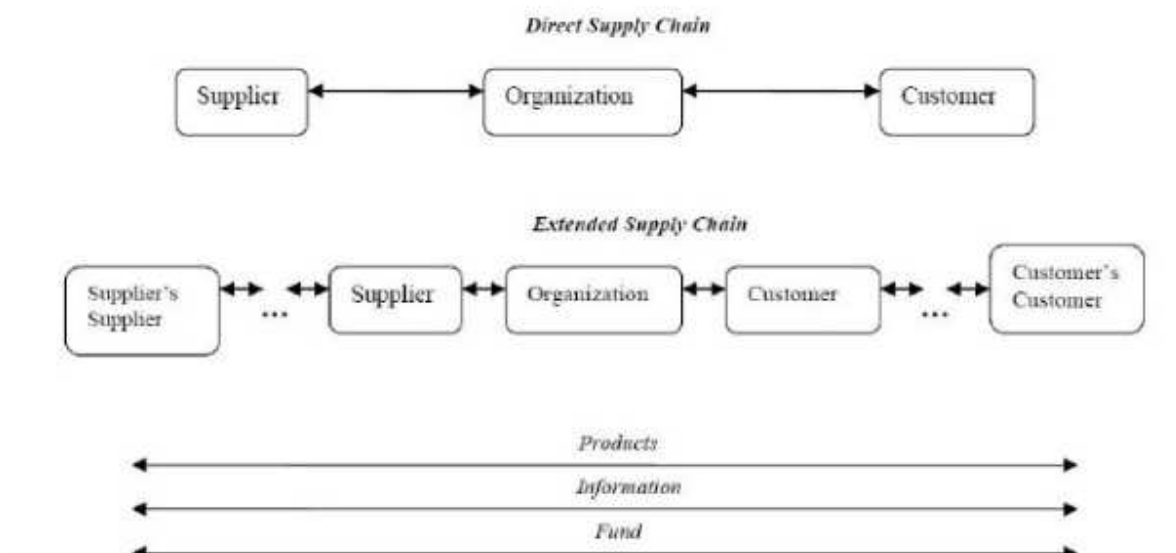
The scope of inventory management relates the fine lines between managing assets, carrying inventory costs, inventory price forecasting the inventories. These needs are to be balanced to meet optimum inventory levels which are a smooth procedure as the business needs change and react to the fluctuating environment. A study on the effects of inventory management on the supply chain of company can help them to achieve procurement goal quickly and reduce the inventories and thereby improve the whole supply chain process.

DistPur

Chapter 3: Executive Summary

In this study, the literature related to the research issue and the research objectives was discussed that can help the readers in their further reading.

According to Leong et al (2008), a **supply chain** consists of all the parties that are involved in fulfilling a customer request. In other words, a supply chain includes all the organizations that collaborate for producing and delivering a finished product to the final customer, even the customer himself. There are two types of supply chains. The first one is direct where the supply chain includes just one supplier and a customer of the organization. Another one is extended that includes a supplier, supplier's supplier, and the customers. So supply chains are dynamic and involve the flow of information and products between many stages as shown in the figure.



It existed in the early 1980s. It has also been viewed as an organizational response by firms to pressures and demand changes in their organizational environment. SCM is also defined as a long term oriented, inter-firm arrangement or alliance, involving intermediate or hybrid cooperative relationships (Grant et al., 2011).

In the business world, the supply chain is having its own necessity. Organizations started competing through supply chains since the market has become more demanding compared to the past. According to Shah (2009), all the decisions related to logistics are having a greater influence on time and can play a crucial role in a company's competitive advantage. Companies have gradually realized the requirement for supply chain cooperation and its success. After all, a firm's success

By this, the firm can concentrate on its core competencies and outsource the processes that don't come under the core competencies of the company (Soverign, 2008). A company can survive by considering the current market.

Dist

Chapter 4: Methodology

Supply chain management may need different actors at all stages of hierarchy in multiple organizations to work jointly to achieve a common objective. Organizational integration can become a catalyst by facilitating information sharing within and among firms.

Continue....

DistPub.co

Chapter 5: Data Collection and Analysis

The research methodology implemented in doing the primary study was explained in the previous chapter. A very detailed analysis of the primary data is done here and is mainly focused on consideration, evaluation, and interpretation of the data and results obtained from the primary research. This chapter also includes the various methods employed by the researcher to collect the primary data. Data from experts of the organization were collected based on the personal and professional contact of the researcher. The recorded interview is interpreted in a report format and then analyzed for the findings. The analysis has got various stages where the collected data is interpreted and then related to the literature for valuation.

DistPub.

Chapter 6: Finding

Findings and Discussions

- i) Maintaining low inventory Key Findings:-**Low inventory can help in an improved supply chain.

Discussion:-

Today, maintaining the right inventory levels is a tough challenge. The cost of carrying too much inventory can affect profitability. Any reduction in inventories, whether it is raw material, work-in-process, finished goods or supplies, can have a dramatic impact on the bottom line and ultimately help in an improved supply chain. Companies like to have very little inventory. When a firm relocates its inventory to another location because of poor space utilization or handles the inventory multiple times; it results in very high labor costs. Effectively managed inventory minimizes these incidents and minimizes the labor cost dealt with the inventory. The literature says that maintaining a balance in the demand and supply and having a little extra inventory can help in running the production run smoother. The researcher found a gap here when compared with the respondent's views. The reason for this is that maintain low inventory is ATC India's strategy and they have been successful in this and it increases their profitability. So to be precise ATC follows the "zero inventory" strategy and this has a greater positive impact on their supply chain and organizational success.

- ii) Impact of Inventory management on ATC India's success**

Key findings: - Effective inventory management gave ATC an economic advantage and enhanced the entire supply chain.

Discussion:-

Effective inventory control minimizes the costs because it minimizes the total amount of inventory needed to manage the business. The proper method to inventory control can bring out great benefits in customer service with very little inventory, even if the network is very complex. The researcher interpreted that inventory management of ATC makes their supply chain efficient by lowering their inventory cost and by proper customer service thereby giving them an economic advantage based upon the respondent's views. The theory says that in large manufacturing industries the chances of material shortages and excessive inventories may be high, but effective inventory control can give an economic edge to the firm. The researcher couldn't find any gap here when a comparison was done with the respondent's view and the relevant literature.

iii) Competitive Advantage using Inventory and Supply chain management

Key Findings:-

The direct sales approach and Just in Time model provided ATC India a competitive advantage over the competitors.

Discussion:-

As such, companies like ATC India view their supply networks as a competitive weapon that can not only deliver low costs but impact top-line growth through superior responsiveness and best-in-class customer service. ATC India matches supply and demand because its customers order tower

configurations over the phone or online (Internet). These tower configurations are built up from components that are available. ATC successfully implemented this strategy through its efficient manufacturing operations, better supply chain management, and direct sales model. Thus, ATC reduces the cost of intermediaries that would otherwise add up to the total cost of the tower for the customer. ATC also saves time on processing orders that other companies normally incur in their sales and distribution system. Moreover, by directly dealing with the customer ATC gets a clearer indication of market trends. By eliminating the need for a tower support engineer to load software, the customers gain both in time and cost. Thus a direct relationship with each and every customer is made and this serves as a great source of competitive advantage and finally in the organizational success. In the current global market, supply chain management plays a vital role in business performance and the performance evaluation remains one of the biggest challenges for today's companies. This holds true for many individual companies as well as for the extended supply chain in which they participate. The researcher interpreted that the direct relationship with suppliers and customers and virtual integration serves as the main competitive advantage of ATC. When the respondent's views were compared with the literature, the researcher cannot find a gap. The theory says that an enterprise gains a competitive advantage when it is able to create economic value. ATC could lower their production cost, the direct relationship with customers and suppliers, and the use of technology helped in achieving an economic edge. Multi-national firms now realize the impacts that an organization's plan is having on different supply chain areas. ATC has executed its supply chain strategies effectively and hence the business success.

iv) Effectiveness of various processes

Key findings:-

The various processes in supply chain and inventory have a greater effect on product pricing and in reducing inventory costs.

Discussions:-

ATC is popular for its customized tower and communication services and it is quite cost-intensive because each and every tower has various built-in parts and this needs storage and inventory costs. ATC efficiently dealt with this problem and succeeded in overcoming it. ATC doesn't own any inventory because their suppliers take care of it and the related costs and risks. ATC supply chain is not complex because of the direct relation with the customer. The production of a part is initiated without getting an order. Once the customer places an order, suppliers get the purchasing order and the parts are dispatched to the manufacturing parts in every two hours. The parts are then handed over to the production process without delay. The production is spread globally in strategic relevant places. These production facilities are standardized which facilitates best practice approaches. The production of the ordered product is in the then earliest possible facility to the shipment location.

The researcher interpreted that ATC's various processes help them in product pricing, reducing inventory costs and in the process of ordering decisions. According to the literature, the inventory management process in manufacturing industries is much more complex and the functions may not be effective. Moreover, the theory states that effective control over inventory stock alone cannot help in giving comparative pricing over the products because it mostly depends on the demand and supply. So the researcher could find a gap here. The reason for this is that ATC has been

doing comparative pricing based on their inventory costs and this has been their strategy. This strategy has helped ATC in achieving customer satisfaction and increasing their profitability.

The findings that were derived from the analysis were justified in this chapter in alignment with the objectives. The findings were related to the proper literature review and a detailed discussion is being done. The final objective is related to their commendation and is being done in the next section.

Chapter 7: Conclusion

In general, the research was completed successfully. The researcher was able to explain ATC's supply chain and the effects of inventory management on it and to correspond to reality. In this research, the researcher got an insight into the effects of inventory management on the supply chain of ATC by going through different stages which are explained through the different chapters in this research. The main aim of this research was to understand the effects of inventory management on the supply chain of ATC and to know how far the inventory management has been successful. For this, the literature review has acted as a strong background since the researcher was able to review different kinds of literature related to the issue. This helped during analysis state where the strategies, theories, steps or procedures are mapped with those discussed in the Literature review to find the gap and to evaluate why the obstacles or hindrances occurred in the way of success by making possible assumptions **Continue....**

Chapter 8: Recommendations

The supply chain and inventory system at ATC are properly designed and are very successful in reducing (or even eliminating) inventory. Moreover, some recommendations are given for the company to enhance its inventory management system.

Accuracy of the inventory is a crucial part of an organization's attitude and Maintaining this accuracy is necessary. ATC should give accuracy equal significance and made everyone's responsibility and promoted throughout the firm like quality and customer service. This should start at the top level. Moreover having a little inventory at hand may help ATC when a large order comes in. This, in turn, will have a positive impact on the inventory process and will enhance the supply chain and ultimately result in the organizational success of ATC.

FUTURE RESEARCH

This research represents an initial study of the supply chain and inventory management practices of ATC. Had the researcher given more time and flexibility, the research could have been done on a large scale. However, this research seems to be very fruitful for future research since this research has thrown up many questions in need of further investigation. It is recommended that further research be undertaken in the use of just in time model and lean manufacturing and its effects on various stages of the supply chain.

APPENDIX

PERSONAL DEVELOPMENT PLAN

Before starting the research

At the time of research topic selection, I had already inculcated some skills. The assignment completions were very challenging and that motivated me to improve my skills in different manners. But deep in my mind, I was aware that I need to improve them more. I had a pragmatic approach and always follow theory than the practical. I never had an idea of how to design questionnaires but was quite good at interviewing people and was completely aware that I need to improve more.

Before Dissertation:

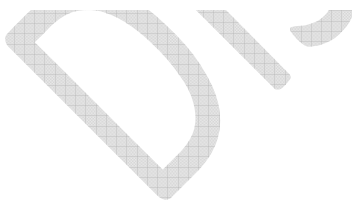
Skills	Low	Medium	High
Analytical		✓	
Time Management skill		✓	
Finding of relevant literature	✓		
Research Methodology selection	✓		
Questionnaire Design	✓		
Interview		✓	
Presentation Skill		✓	

The table above shows the key areas which I focused at the beginning to successfully achieve by the end of the MBA program.

After the completion of research

Skills	Low	Medium	High
Analytical			✓
Time Management skill			✓
Finding of relevant literature			✓
Research Methodology selection			✓
Questionnaire Design			✓
Interview			✓
Presentation Skill			✓

Once the research was done, I realized that my analytical and time management skills are improved. I was able to prioritize the research and could complete it before the deadline. I realized the significance of data collection and the analysis of the right data by relating to the relevant literature. I was also able to improve my interviewing skills by some practice sessions and after the interview with the managers. The well-designed questionnaires helped me to ask proper and accurate questions which in turn motivated the interviewees to provide accurate and precise information. The research also helped me in having a pure understanding of the supply chain and inventory management practices of organizations through the study of one of the top supply chain firms in the world, ATC.



BIBLIOGRAPHY

- Accounting For Management, 2010. JIT Manufacturing and Inventory control system [Online] Available at accountingformanagement.com/just_in_time.htm.
- Accounting Tutorial, 2011. What is the inventory? [Online] Available at: accounting-tutorial.com/what-is-inventory-accounting.
- Anderson, D.M., 2004. Build to order & Mass communication: The ultimate supply chain management California: CIM Press.
- AQR, 2011. Sample: Qualitative Research Definition. [Online] Available at: aqr.org.uk/glossary/?term=sample.
- Banyard, P. & Flanagan, C., 2005. Ethical Issues and Guidelines in Psychology. Sussex: Routledge.
- Barcodes Inc, 2010. What is Inventory Management? [Online] Available at: barcodesinc.com/articles/what-is-inventory-mangement.htm.
- Beims, J., Bergman, M., Broyles, D. & Franko, J., 2005. Just-In-Time Inventory Management Strategy& Lean Manufacturing. Operations Management
- Belcher, L.M., 2011. What effects does a bad inventory have on a business? [Online] Available at: smallbusiness.chron.com/effects-bad-inventory-business-20374.html.
- Bensoussan, B.E. & Fleisher, C.S., 2007. Business and competitive analysis. New York: Pearson Education.
- Bose, D.C., 2006. Inventory Management. New Delhi: Prentice-Hall.
- Buddenbaum, J.M. & Novak, K.B., 2001. Applied communication research. USA: Blackwell.
- Charmaz, K., 2006. Constructing Grounded Theory; A practical guide through qualitative analysis. London: SAGE Publications.