SCM430 Individual Project

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For My supply chain process Improvement proposal I am picking Amazon

**Amazon**

Amazon is an American company. It used to be a bookstore but now it deals with different products. Basic goal of amazon is to provide one stop shop experience where people can find simply everything. They deliver their products through Amazon distribution centers but they are purely internet retailers with no retail stores anywhere in the world. (schiff, 2016)

**Amazon Supply Chain**

The Amazon supply chain management mantra is to embrace the latest trends and technology. The company uses a huge number of automation and robotic solutions, to pick the orders and pack them as well as for stacking and storing.

The reason why I chose this company for my research proposal is that they have a balanced and an effective supply chain strategy. It makes them one of the biggest online retailers in the world. They balance between the distribution cost and quality of services with the help of their huge network. Amazon manages to provide great services because of their efficient approach in supply chain department. There are four elements that help the company deal with high demand and availability of the products i.e. storage facilities, inventory management, efficient transportation, effective support system to help customer regarding their quires.   
 Amazon started as a middleman between the seller and buyer. With the passage of time, company’s growth forced it to have its own warehouses and distribution centers. So their strategy change from Pull to Push-pull. The company also provides choices of delivery methods to balance transportation cost and level of services.

One of the biggest challenges that Amazon faces with its transportation is that if there are a large number of small orders from a customer, there is no large scale benefit for the company. To cater this issue, Amazon used transportation hub to lower the cost of transportation. It acted as cross docking to deliver the parcels to last-mile delivery.

**3 Flows within supply chain management in Amazon.**

**Financial flow**

The financial flow of supply chain managements is considered from two point of views. First, from the cost and investment perspective and second, from flow of funds. In amazon, the company doesn’t need to borrow because of their amazing financial growth. They can just keep spending their own cash to upgrade their services. I would improve financial flow by investing more in setting up transportation in order to avoid external delivery services.

**Information flow**

A great deal of information is involved in supply chain management. From bills of materials to product data, delivery scheduling, delivery status, commercial documents and title of goods etc. It requires a lot of communication with the stakeholders in the company. (Singh, 2018)

Amazon has a huge communication network to avoid any confusion and delay in the delivery of their products. Their support network is active 24/7 to provide an efficient information flow.   
I would suggest setting up an internal communication platform i.e. a chat app in order to smoothen the information flow.

**Product flow**

The flow of physical product from supplier all the way down to the customer is the product flow. It only flows in one direction unless and until the customer returns the product. To ensure its great product flow, amazon has placed its warehouses and product delivery centers closer to metropolitan areas. I would suggest to introduce innovation in products for a better service flow. (schiff, 2016).

References

schiff, j. (2016, February 16). *13 Ways to Improve Your Supply Chain Management*. Retrieved from Enterprise app today: http://www.enterpriseappstoday.com/supply-chain-management/slideshows/13-ways-to-improve-your-supply-chain-management.html

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