SCM310 Discussion Board 4

Student’s Name

Institution

Date

**Key performance indicators**

1. The key performance indicators which supply chain manager would check is several and in this case the performance indicators are:
* **Profit**

The profit is obtained based on total sales minus the expenses incurred. The details regarding sales are obtained from, the financial transaction and it is calculated by subtracting expenses from sales (Sales – Expenses).

* **Day sales Outstanding**

It is obtained by dividing the account receivable by the number of total credit sales. However, the lower the number indicates that the organization is doing better in the market. The information can be found from the sales record of the company.

* Sales by region

The information by sales by region is obtained from sales records of every region. And the total sale is determined based on income or total revenue received in a given period.

* **LOB Revenue Vs. Target**

It is a comparison between the actual revenue and the projected revenue of the company.

1. **Reasons for choosing these indicators**
* These indicators are chosen because they are efficient in determination of the result and can be faster and easier to calculate.
* Calculation can be faster and show detailed performance.
* They can help in provide detailed score metrics, which are essential for determination of the production of the organization.
1. **SCM system would you look at for possible remedies**
* Logistic and warehouses to determine where the delay or the root cause of the problem.
1. **Describe what would happen is the capacity is 1100 and the projection is above.**

The company would have to increase production when the projected supply increases. Although the capacity is less than the projection, the company would have to increase the working hours so that it can meet the demand in the market. It would also be important to improve logistic and also increase stock as well. In this case, he stock will have to change for the company to meet the demand.

**Part 1 of Key Assignment**

1. **How would you determine the ideal warehouse location? What factors would go into your choice of locations? Describe at least 3 factors**.

The ideal where is determine based on its location to the consumer based and the logistic to reach customers. Therefore, the factors to consider when deciding on the location of the warehouse are proximity to the carrier services, workforce availability, longevity, desired consumer base, and storage requirement.

* **Proximity to Carrier Services**

Having a warehouse close the carrier services ensures that delivery of products is done faster and efficient to customers. The process of delivery become faster and easier and this can improve the productivity of the company.

* Storage Requirements
* Workforce Availability
* Longevity
* Desired Consumer Base
1. Describe the pros and cons of setting up your own trucking fleet to take product from your factory to the new warehouse vs. using common carriers
* Setting up company’s own fleet to take products to the factory and warehouse help a company to lower the cost of logistic. It makes the transportation of products to the warehouse faster and efficient (Michael, 2014).
1. Given the high dollar value of your inventory, how can you ensure accuracy of both purchased raw material inventory (in your factory) as well as of the finished product itself in your factory and at the new warehouse?

The accuracy of both purchase and inventory can be maintained by establishing inventory naming and labeling practice and using cycle counting. It could also be done by ensuring that access to inventory is limited and trucked (Rohm & Muir, 2016).

# References

Michael, I. (2014). Factors to Consider when Choosing Warehouse Location. *Supply and Chain and Logistic Management* , 2-14.

Rohm, T., & Muir, C. (2016). Improve Inventory Accuracy. *Journal of Supply Chain And management* , 2-15.