SCM430 Individual Project Final

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**Summary**

The report is about the supply chain improvement proposal for Amazon in which all aspect of the supply chain of Amazon have been analyzed and reported. The first phase of the report includes the overall view of the supply chain of Amazon as well as the solid reason behind choosing the company instead of others. The main reason for choosing Amazon is its sustainable and well-balanced supply chain strategy and the quality of services. In addition, Amazon is one which provides greater and best quality services because of its efficient and well-organized supply chain structure and department (Prachi, 2019.

For the purpose to improve the supply chain operations and process, the company has taken several steps and developed and utilized a number of strategies and tactics. The first act is they have started as the middleman between buyer and seller and then focused on the development of their own supply chain and warehouse. Amazon has used transportation hub to decrease the cost of transportation.

In the functions of the supply chain of Amazon, the involved bodies are producers, distributors, retailer, and customers or end users who avail the products for final use. While in the 3PL, the processes are transportation, warehousing, distribution and shipping and receiving (Prachi, 2019. In terms of finance, the company spends enough funds on improving the existing supply chain as well as invest more amounts for enhancement purposes.

For further improvement, the company works on reduction of overall labor cost, enhances accurate and efficient fulfillment as well as to decrease the usage of time and save time to the possible extent. To support an efficient supply chain operation, Amazon expands the business to the areas where they have cheaper labor and material costs as well as develop related strategies and tactics with changes in trends, process, and markets. The impact of customers and social elements is very high on Amazon because Amazon is a customer oriented and socially and environmentally associated company where the customers' satisfaction and society and environmental well-being are considered as the core objectives (Kuglin, 2009). Beyond that, the risk management approaches are also much appreciable in terms of effectiveness. Company has established RMS all over the world and ensure trust and safety to the communities and people or customers (Banker, & Cunnane, 2018). Amazon is the company which success and growth have been found as the result of corporate governance and their contribution in the company's success where every single decision and strategies are designed by the higher level and control the entire operation of the company around the globe.

**Recommendations for Improvement**

It is a fact that the supply chain process of Amazon is enough efficient from every perspective especially in terms of management (Prachi, 2019. But some strategic recommendations would be positive and effective if implemented well. Some strong and effective recommendation for Amazon to improve its supply chain are listed below.

* Amazon needs to develop an adaptive and highly responsive supply chain process with paced and quick planning and cohesive execution.
* The company has to develop the processes of automatic purchasing. In which the company should develop and adopt a new ERP system which will be used automatic purchases. In this way, the ERP system needs to be programmed that automatically place orders with sellers in case the inventory level goes down from a specified level (Meindl, & Chopra, 2011).
* The standardization process is the key to the success of the supply chain of any company or business but Amazon has not used such a concept. So they need to implement a standardized ERP system which would help the company to increase the level of efficiency and to save money and time (Kuglin, 2009).
* Another thing that Amazon should do for improving their supply chain process is they must monitor and properly check the performance and efforts of their key vendors because according to (Hale, & Moberg, 2005), an effective supply chain process is much dependent on the performance of key vendors or sellers.

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