

# Retail Supply Chain Management

Vinay Kumar Kalakbandi Session 1





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#### **About me**

- Assistant Professor , OM Area
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- http://vkteaching.weebly.com/

#### **Research Interests**

- Behavioral Operations
- Supply Chain Management
- Case Writing

### **Academic Background**

- FPM, IIM Bangalore
- M.Tech, IIT Bombay

### **Professional Journey**

- IMT Hyderabad, Since Dec 2015
  - Taught: RSCM, SOM, OM (Core)
- IIM Raipur
  - Taught: TQM, SOM, OM (Core)

### **Teaching Philosophy**

A course is not a spa, it is a Gym and the faculty is the trainer

Opening questions



...Harnessing Knowledge for Businesses



#### **Question 1**

What is a supply chain?



#### **Question 2**

What flows characterize a supply chain?



#### **Question 3**

What are the key challenges of a SCM Manager?

Supply chain is a network of organizations that are having linkages, both upstream and downstream in different processes and activities that produce and deliver value in the form of products and services in the hands of ultimate consumer.

**Opening questions** 



...Harnessing Knowledge for Businesses



#### **Question 1**

What is a supply chain?



#### **Question 2**

What flows characterize a supply chain?



#### **Question 3**

What are the key challenges of a SCM Manager?

#### Goods

- Raw Material
- Finished Goods
- WIP
- Usually flows forward

#### Money

- Payments from downstream player to upstream player
- Usually flows backward

#### Information

- Forecasts
- Inventory positions
- Flows in both directions

Opening questions



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#### **Question 1**

What is a supply chain?



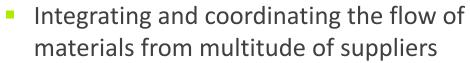
#### **Question 2**

What flows characterize a supply chain?



#### **Question 3**

What are the key challenges of a SCM Manager?



- Managing the distribution of finished product by way of multitude of intermediaries.
- Satisfy the customer by establishing linkages of people at all levels in the organization directly or indirectly to the market place.

Opening questions



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#### **Question 1**

What is a supply chain?



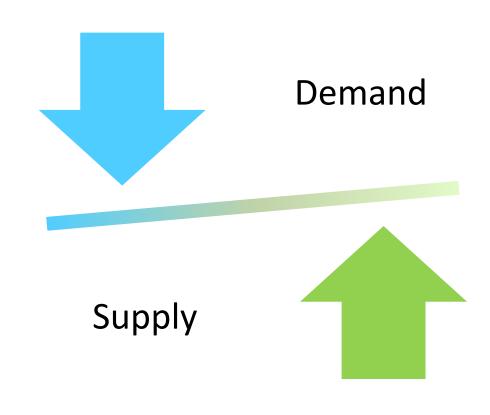
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What flows characterize a supply chain?



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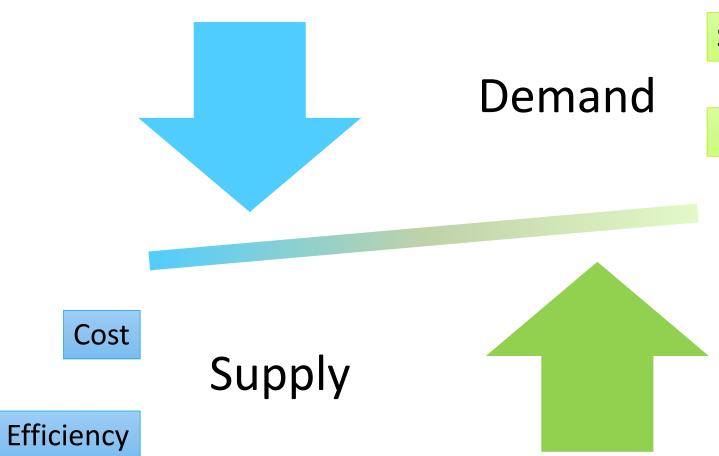
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Challenges of a SCM Manager



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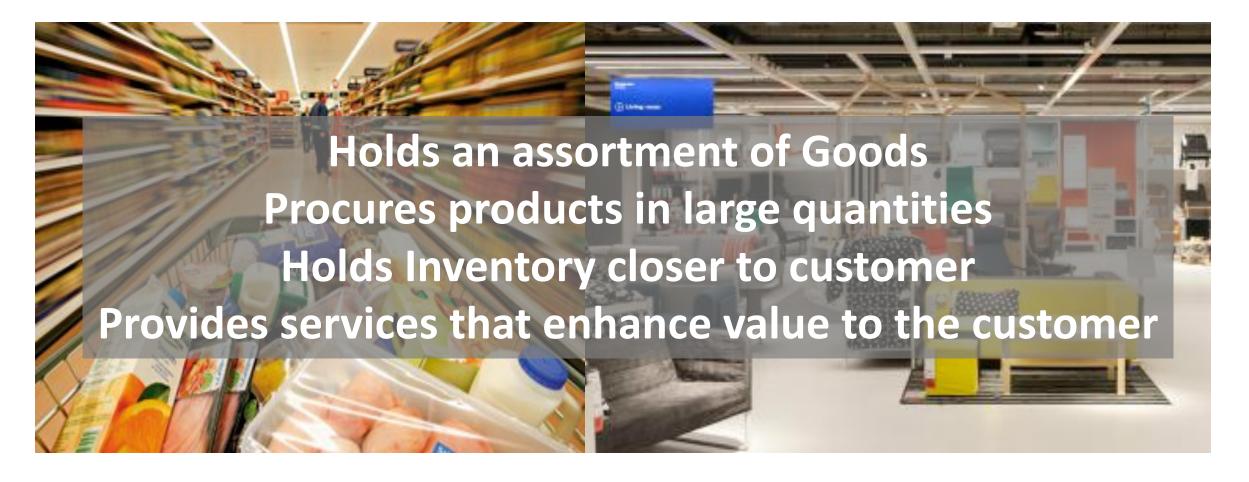
Service Level

Responsiveness

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The Retail Sector

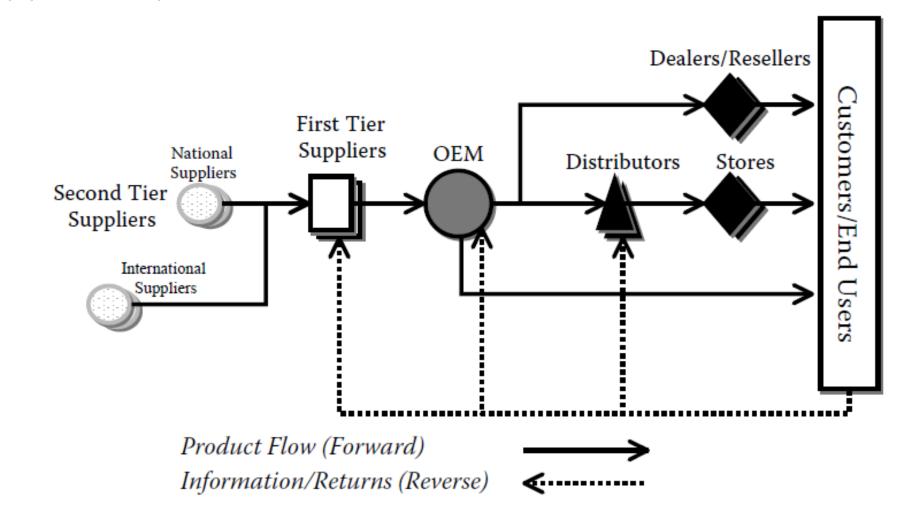
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The Retail Supply Chain - Depicted



### Retail SCM - Challenges



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#### **Product Category Management**

More SKUs implies more problems

- SKU explosion
- Substitutability
- Shelf space allocation.

#### **Promotional Planning**

Aligning with marketing strategy

- Dynamic adjustments are tough
- Responsive supply chains are not efficient

#### Customer is king

More customer involvement

- Linking the customer to the supply chain planning process
- Complicated customer needs

#### **Managing Product lifecycles**

Old is not gold

- Perishability.
- Obsolescence
- Seasonality

#### **External factors**

**Beyond control** 

- Infrastructural issues
- IT systems and their integration

#### **Economic Vulnerability**

**Retail Consumption drives economy** 

- Retail sector is directly linked to development of the economy
- Wafer thin margins

### Retail SCM - Importance

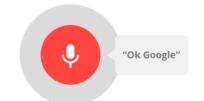
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What's hot in the RSCM sector?

- Magnitude of the Opportunity
  - How big is the Indian Retail Market?
  - What is the penetration of Organized Retail in India?



What is your opinion about the Retail sector in India?
What are the challenges hindering the growth of Retail sector in India?

Sector in India?

PWC Report

### **Course Outline**

Themes in the course



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#### **E-COMMERCE**



#### **SUSTAINABILITY**



#### **TECHNOLOGY**



## RETAIL EXECUTION

#### PRODUCTS AT YOUR FINGERTIP

From tech products to groceries, consumers want everything to be available online

#### **CONSUME BUT DON'T HARM**

Consumers want their products to be ethically sourced while being environment friendly

#### BIG DATA, BLOCKCHAIN, RFID NOW IS THE TIME FOR DOING

Ubiquitous Customer Data, HigherFulfillment challenges, Facilities planning, processing power, Policy planning

### **Evaluation Pattern (Tentative)**



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Mid Term & End Term Exam

- Mid Term 20%
- End Term 40%

Class

**Participation** 

- First 10 sessions 10%
- Last 10 sessions 10%

**Group Project** 



Presentation and Report- 10%

**Assignments** 

Every individual would work on two assignments in the duration of the course - 10%

- Course website: <a href="http://vkteaching.weebly.com/">http://vkteaching.weebly.com/</a>
- Penalties
  - Seeking clarifications on announcements already made will attract penalty. Important announcements will be made at the beginning of the class. Don't miss them.
  - Put your phones away penalty if found using. Repeat offenders will get higher penalty.
  - Plagiarism is a crime and will result in highest penalty