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Supply Chain Management Strategy to Increase Product Availability

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Keywords

Strategy, Supply Chain Management, Product Availability

Abstract. Optimal product availability is the key to success in meeting market demand and maintaining customer satisfaction. This research aims to analyze and develop effective supply chain management strategies to increase product availability in an organization. This research uses a qualitative approach with descriptive methods. The research results show that implementing supply chain management strategies, such as building strong partnerships with suppliers, implementing information technology and automation, and careful risk management, has a positive impact on product availability and on-time delivery. Companies that successfully adopt this combination of strategies are able to increase supply chain operational efficiency, reduce the risk of delays, and respond more adaptively to market changes. By focusing on effective inventory management and data analysis for demand prediction, the company was also able to increase precision in product planning and deployment, providing a strong foundation for increased responsiveness to changing market conditions.

1. INTRODUCTION

In an increasingly competitive business era, two key factors that dominate stakeholder attention are good product availability and on-time delivery (Sedjati, 2015). Adequate product availability is no longer just an indicator of operational performance, but an integral element that can differentiate a successful business from its competitors. In line with this, on-time delivery is the main determinant in meeting increasingly high customer expectations (Ardiansyah et al, 2015).

Customer dependence on good product availability and on-time delivery not only creates customer satisfaction, but also becomes the foundation for building a strong company reputation (Aqmi et al, 2023). Businesses that are able to provide a smooth and efficient transaction experience tend to attract more customers and retain their existing customer base (Nahak & Nurwulandari, 2022). Additionally, a good reputation in terms of product availability and reliable delivery can act as a powerful marketing tool, attracting potential customers looking for reliability and quality of service (Setiajatnika & Gunadi, 2021).

Businesses that can maintain product availability well will be better able to respond to fluctuations in market demand and take advantage of emerging business opportunities (Khumayah, 2021). In addition, on-time delivery builds customer trust, which in turn can create long-term customer loyalty (Rizal, 2020). Therefore, to answer increasingly stringent market demands, companies are required to develop holistic and integrated strategies in managing their supply chains. Focusing on product availability and on-time delivery is not only the ultimate goal, but also the foundation for building sustainable competitive advantages in a dynamic business world (Wujarso & Susilawati, 2022).

Effectiveness in managing the supply chain is crucial in maintaining optimal product availability. The supply chain, or supply chain, includes a series of strategic steps that include planning, implementation and supervision in managing the movement of goods, information and services throughout the company (Suwandi et al, 2023). This process stretches from start to finish, navigating the complexity of business activities which include raw material procurement, production processes, distribution, to product delivery to end customers (Arif, 2018).

The importance of managing a supply chain effectively lies in the ability to optimize each stage. Starting from selecting reliable supplier partners to ensure the availability of quality raw materials, to designing production processes that are efficient and responsive to changes in market demand. Effective distribution is also key, ensuring products can reach consumers quickly and without obstacles (Faiz et al, 2022).

Managing the supply chain has the main goal of achieving efficiency and effectiveness in business operations (Munizu, 2017). This process involves careful coordination between the various parties involved, from suppliers who provide raw materials to end customers who receive the product or service. Good coordination between these elements is the foundation for achieving smooth operations and creating added value (Anwar, 2013).

In an effort to achieve this efficiency, companies must pay attention to various aspects involving demand planning, inventory management, quality control, supplier selection, production arrangements, transportation, and risk management. Accurate demand planning allows companies to anticipate market fluctuations, while effective inventory management helps prevent excess or shortage of stock which can impact operational costs and customer satisfaction (Rusdiana, 2014). Selecting the right supplier and good quality control ensures that the raw materials used in the production process meet the desired quality standards. In addition, efficient production arrangements will provide flexibility in adjusting production volumes to market demand, reduce the potential for waste, and increase responsiveness to changing consumer needs (Julyanthry et al, 2020).

Thus, this research aims to provide an in-depth view of how organizations can utilize supply chain management as a strategic instrument to increase product availability. The benefits of this research are expected to provide practical guidance for companies in optimizing their supply chain operations, increasing customer satisfaction, and achieving competitive advantage in a dynamic market. In addition, the findings of this research can also contribute to the supply chain management literature by providing new insights regarding supply chain management strategies that focus on increasing product availability.

2. METHOD

This article was prepared using qualitative research methods, an approach which according to Yulianah (2022) is carried out by collecting, analyzing and interpreting data without conducting field observations. In this context, qualitative research allows researchers to gain an in-depth understanding of the phenomenon being studied. The sampling process was carried out carefully, allowing researchers to interpret the results personally and gain deeper insights. The data collection method is carried out through literature studies, specifically by searching, collecting and processing documents from various literature sources and scientific writings of previous researchers. The data used by the author is secondary data sourced from various books, scientific articles and reliable literature found in online media. The qualitative approach in this research provides a solid framework for gaining an in-depth understanding of supply chain management strategies in increasing product availability without involving direct observation in the field.

3. RESULTS AND DISCUSSION

Efforts to improve supply chains are a critical step in increasing product availability and on-time delivery. A deep understanding of each process stage, from suppliers to end customers, allows companies to identify potential leaks or obstacles that could slow down the supply flow (Efendi et al., 2019). By focusing on close collaboration with suppliers, companies can ensure a consistent and quality supply of raw materials. Strengthening long-term business relationships with suppliers is key, creating mutually beneficial partnerships and building solid trust. This not only provides better supply reliability, but also opens the door to better price negotiations, joint innovation, and increased operational effectiveness along the supply chain (Irawan, 2020).

Adoption of technology solutions such as supply chain management (SCM) can have a significant positive impact in efforts to increase product availability. SCM simplifies the procurement process by automating transactions with suppliers, reducing the time required for the ordering and payment process (Zai et al, 2022). An integrated supply chain management system provides better visibility of the entire supply flow, enabling better coordination between all stages of the process. By increasing precision in planning and monitoring, companies can reduce lead times and increase responsiveness to changes in market conditions or consumer demand. Thus, implementing this

technological solution not only speeds up workflow, but also provides a basis for avoiding delivery delays, increasing operational efficiency, and ensuring optimal product availability (Wibowo, 2019).

The emergence of Supply Chain Management (SCM) can be understood as a response to two main factors influencing the business management paradigm. First of all, traditional logistics management practices are no longer considered relevant in facing contemporary business dynamics. Isolated and linear logistics practices are unable to provide the desired competitive advantage amidst increasingly fierce global competition. Integrated supply chain management is a necessity to ensure operational efficiency, responsiveness to changes in market demand, and alignment with long-term business goals (Sucahyowati, 2011).

Apart from that, the emergence of SCM was also triggered by rapid changes in the business environment. A dynamic and challenging business environment requires companies to have adaptive strategies in order to compete effectively. SCM provides a foundation for overcoming this complexity by creating close connectivity between various elements in the supply chain, from suppliers to customers (Ama et al., 2014). By integrating various stages of business processes, SCM allows companies to be more responsive to market changes, increase operational efficiency, and provide added value to customers. Therefore, the emergence of SCM is not only an evolution of logistics management practices, but also a strategic imperative to answer the demands of an ever-changing business environment (Mutakin & Hubeis, 2011).

Supply chain management (SCM) strategies can include various approaches aimed at increasing product availability. Some strategies that are commonly used include:

a) Efficient Supply Network:

Building an efficient supply network is the main key in a supply chain management strategy to increase product availability. It involves strong integration between various elements in the supply chain, including suppliers, manufacturers, distributors, and retailers. By building close collaboration with suppliers, companies can ensure a consistent and quality supply of raw materials. Furthermore, solid collaboration with manufacturers and distributors enables a faster and more efficient flow of goods, from production to the final point in the hands of consumers. Through the application of information technology that enables real-time visibility into the supply chain, companies can respond quickly to changes and optimize delivery routes to minimize lead times. Effective integration in the supply network also allows companies to be more responsive to fluctuations in demand, ensuring that products are always available according to market needs.

In addition, building an efficient supply network also provides benefits in identifying potential risks and mitigating them quickly. With open communication between stakeholders in the supply chain, companies can more easily detect possible disruptions, such as production problems or changes in market conditions. This allows for more proactive planning to maintain smooth supply flows and prevent obstacles that could impact product availability. Thus, a focus on building efficient supply networks not only improves operational workflows, but also provides the adaptability advantage necessary to compete in an ever-changing business environment.

b) Information Technology and Automation

The application of information technology and automation is a key element in supply chain management strategies to increase product availability. Integrated supply chain management systems, such as Enterprise Resource Planning (ERP) or predictive analytics software, enable companies to efficiently manage information from across the supply chain. With this system, companies can monitor inventory, manage orders, and optimize resource allocation more accurately and quickly. In addition, the use of Radio Frequency Identification (RFID) allows real-time tracking of goods movement, reducing the risk of stock loss or mismatch.

Business process automation also plays an important role in increasing operational efficiency. For example, the use of automation in inventory management with models such as Just-In-Time (JIT) can reduce carrying costs and ensure that stock is available on time. Logistics processes, such as order processing and shipping, can be increased in speed through automation, minimizing cycle times and improving on-time delivery. The implementation of information technology and automation not only

speeds up business processes, but also increases data accuracy, allowing companies to make more timely and accurate decisions.

c) Effective Inventory Management

Effective inventory management is a key element in a supply chain management strategy to increase product availability. Implementing approaches such as Just-In-Time (JIT) or Economic Order Quantity (EOQ) can help companies optimize inventory levels by minimizing unnecessary carrying costs. With JIT, inventory is only purchased or produced when needed, reducing the risk of stock becoming obsolete or mismatching actual demand. Meanwhile, EOQ helps determine the optimal number of units to be purchased or produced to minimize total inventory costs, including ordering costs and holding costs.

Responsive inventory planning is an important aspect in ensuring optimal product availability. By leveraging historical data, market trends, and customer demand information, companies can develop accurate and adaptive planning models. This allows companies to respond quickly to fluctuations in demand or changes in the business environment. In addition, implementing an inventory management system integrated with information technology can increase visibility over the entire supply chain, enabling real-time monitoring of inventory levels at various locations or process stages. With a deep understanding of available inventory, companies can make faster and more accurate decisions in organizing production, distribution and delivery, thereby increasing product availability according to market needs.

d) Collaboration with Suppliers

Building solid partnerships with suppliers is an important strategy in managing the supply chain to increase supply reliability and obtain more accurate information about raw material availability. Close collaboration with suppliers not only strengthens business relationships, but also creates profitable interdependence. By understanding supplier needs and production processes, companies can plan inventory more effectively and respond quickly to changes in market demand. Building long-term relationships can also open up opportunities for negotiating more favorable prices, discounts, or even innovative joint product development.

Open and collaborative communication with suppliers is a key element in building strong partnerships. By establishing effective communication, companies can proactively obtain information about supplier operational conditions, such as changes in production capacity, quality problems, or logistics constraints. This allows companies to quickly identify potential risks or operational difficulties that could impact raw material availability. Additionally, open communication can also create an environment where suppliers feel more comfortable sharing information about industry trends, the latest innovations, or regulatory changes that may affect the supply chain. Through mutually beneficial collaboration, suppliers can become more responsive and flexible partners, helping companies navigate market changes more easily.

e) Risk management

Risk management in a supply chain management strategy has a crucial role in identifying, evaluating and managing potential risks that can affect product availability. In the context of a complex and dynamic supply chain, companies need to understand and respond to various potential risks, such as regulatory changes, raw material supply disruptions, or even weather changes that can affect production and distribution processes. Through careful risk analysis, companies can identify vulnerable points in their supply chains and develop effective mitigation strategies.

Implementing risk mitigation strategies is a proactive step in minimizing the potential impact of unexpected disruptions. This may involve diversifying suppliers to reduce reliance on a single source, holding strategic reserves to address operational disruptions, or even developing coordinated contingency plans. Responsibility for risk also includes continuous monitoring of changes in the business environment, including regular risk evaluation and updating of risk management strategies. With this approach, companies can respond more adaptively to unexpected situations and ensure product availability is maintained even in unstable environmental conditions. By understanding and

managing risk wisely, companies can achieve supply chain resilience that can survive amidst uncertainty and continuous change .

f) Data Analysis and Demand Prediction

The application of data analysis and demand prediction is an important basis in supply chain management strategies to increase product availability. Through the use of sophisticated analytical technology, companies can collect, analyze and interpret big data to understand consumer demand patterns and trends. This data analysis provides deep insight into customer preferences, seasonal changes, and other factors that influence demand. By leveraging algorithms and predictive models, companies can forecast future demand with a greater degree of accuracy, allowing them to develop more precise and efficient production and inventory plans.

Data-driven decisions resulting from data analysis and demand predictions enable companies to respond more quickly to changing market conditions. With a better understanding of demand dynamics, companies can devise more adaptive inventory strategies, streamline production and optimize distribution. Additionally, continuous data analysis allows companies to identify long-term trends, understand evolving consumer preferences, and respond innovatively to market changes. Thus, the application of data analysis and demand prediction not only increases operational efficiency, but also provides critical adaptability in responding to rapidly changing market dynamics.

The strategies mentioned above are flexible and can be adapted according to the specific characteristics and needs of each company. Proper implementation of this combination of strategies can provide significant benefits in improving supply chain efficiency. By understanding operational dynamics and complexity, companies can design appropriate approaches to optimize workflows and respond quickly to changes in the business environment. A combination of strategies, from building strong partnerships with suppliers, implementing information technology and automation, to careful risk management, provides a solid foundation for reducing the risk of delays, improving on-time delivery, and ultimately, increasing overall product availability. With a holistic approach to supply chain management, companies can achieve smooth operations, increase customer satisfaction, and gain a competitive advantage in a dynamic marketplace.

4. CONCLUSION

Supply chain management is a key element in ensuring product availability and efficient delivery in a competitive business environment. Strategies such as building strong partnerships with suppliers, implementing information technology and automation, effective inventory management, and careful risk management all play an important role in establishing a resilient supply chain. Responsive inventory planning and data analysis for demand prediction provide a strong foundation for the company's adaptation to rapid market changes. In addition, the success of such strategies is highly dependent on proper implementation and adjustments according to the unique characteristics of each company. By optimizing the supply chain, companies can reduce lead times, increase responsiveness to market changes, and avoid delivery delays. The application of information technology, effective collaboration with suppliers, and careful risk management are the keys to achieving operational efficiency and optimal product availability. Therefore, these steps not only contribute to smooth operations, but also provide opportunities for companies to compete more adaptively and responsively in an ever-changing market. Thus, understanding and implementing effective supply chain management strategies can lead companies towards increased performance, customer satisfaction and competitive advantage.

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