



BASICS OF SUPPLY CHAIN MANAGEMENT

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Lesson No 3- Part 3 – – Changing Environments

We discuss why strategies has to change One of the most important reasons of change of strategy is that our environment is not stable, it's changing. It can change due to the the fact that there are elements in the industry. What makes that change happen. But also as discussed, the market size. Also economic changes can force me to go to other strategies. And last but not least there are trends in the market which I need to follow. In every changing environment we have the different elements. What influence that change? That change can be at our supply side where partners are important to support the change I have to go on. It can also be at the customer side where elements like customer relationship management can focus me on what that customer wants and make the right value proposition. Also at our cost side and looking at key resources there can be changes. So if oil prices are going up then my product, my material cost is most likely to follow. So costs are related to our resources and if there are changes in that market it will impact the environment and therefore impact my strategies. On the right side. On the customer side there can be impacts on revenue so there can be higher revenues due to the fact that the competition is no longer there or did not enter that market or that we are in the introduction stage or that my distribution channels are more efficient. All elements what will impact that environment and make a change of my strategy necessary.
