

Supply Chain Management

Customer's name:

Institution:

Customer's Course

Tutor's Name

27th June, 2014

### Introduction

A supply chain is commonly termed as the system that comprises of activities, organizations, resources and information that is involved in the movement of a service or at times a product from the a supplier to the consumer (Hooley, Piercy & Nicoulaud, 2008). The supply chain activities change the natural resources, components and raw materials into finished products that can be delivered to the consumer for use.

Apple is seen as a leader when it comes to offering innovative products to its users, this is usually as a result of the advanced functionality, attention placed on design as well as the exceptional user experience (Ellinor, 2013). Most cutting edge products in a way calls for innovative approaches in regard to manufacturing, and thus Apple is widely termed as being an industry leader in filed and this is best manifested by its financial might.

### How Apple manages its suppliers

Apple has a wide range of suppliers and some are even based overseas. Apple has over time been applying steps that are aimed at managing their supply chain as well as the suppliers within the supply chain. In regard to this Apple formulated a list of expectations that suppliers need to have and hastily made exclusive agreements for guarantees. As an international company Apple is usually committed to the highest standards when it comes to environmental and social responsibility and also in issues related to ethics. In relation to this all Apple suppliers are therefore required to offer safe working areas, act ethically and fairly, treat workers with a lot of respect and dignity, and make good use of practices that are environmentally responsible in instances when they are making products or performing services for the company (Ellinor, 2013). Thus, Apple requires its suppliers to operate in accordance with the principles outlined in supplier code of conduct and at the same time comply with the laws and regulations. The code also calls for standards that are internationally recognized so as to aid in environmental and social responsibility (Ellinor, 2013).

Apple has a great number of suppliers who are over two hundred. The relationship between Apple and its suppliers has also improved and this has in a way helped Apple in scaling its operations to consumer demand for new and existing products. By working with its suppliers, Apple has been able to come upon with new manufacturing processes.

### How Apple manages its distributors

Distributors also play a major and leading role when it comes to making the product available to the consumer. Through distribution customers are offered with products which have been manufactured in other countries and they can even purchase them in stores near them (Joshi, 2005). Based on these Apple distributes its products through a number of ways, such as online store, retail store, direct sales forces, wholesalers, retailers and also using the network carriers. Some people who are more conversant with the modern technology seem to make good use of the online platform in making their purchases.

Apple usually stores their products in Elk Grove in California and it is in this place that they supply their products from to the resellers (Ellinor, 2013). The direct sales forces usually sell on behalf of Apple Inc. since people fear that they may buy counterfeit products from the retailers they usually prefer buying their products from direct sales forces. In addition the wholesaler's are also tasked with the duty of selling the Apple products to other retailers and the retailers are the ones who make the product available to the end user of the products. Based on this Apple is able to manage its product distribution all over the globe, thus enhancing sales and reach-ability of the product.

The distribution chain flows from Apple to the wholesalers and then to the retailers who sell the product to the end user. Through a centralized platform Apple is able to manage the distributors in that the distributors are able to make an order and in the order they are able to specify when they need the product. This ensures that there exists no time

when the distributors does not have products to sell. This clearly shows that through the centralized system Apple is able to effectively manage the distribution of their products from the time they are manufactured to when they are sold to the consumers (Ellinor, 2013). Literature shows that with effective distribution company sales usually increases since the product is always available and thus consumers do not have to make other choices.

#### How Apple supply chain react to customer orders and satisfaction

A supply chain ought to be effective for it to meet the customer orders and satisfy the customer's needs. By this the deliver will be made at the appropriate time thus enhancing the availability of the product when the customer needs it. Based on these Apple usually manufactures their products in advance and they are stored in warehouses awaiting distribution. This ensures that the consumers are able to get the product when they need them. For example, Apple usually manufactures their products and they are transported to various retail stores over the world. In instances a product is not available in the retail store customers are also offered with the ability to purchase the product online. Products purchased online are later shipped to the exact location of the customer who ordered it. This shows that the supply chain of Apple seems to be flexible enough that thus they are able to meet the needs of the customers irrespective of their location from the manufacturing plants.

The supply chain also reacts to the order of the customers in that they are able to collect information and data of the number of computers needed and when they ought to be delivered (Joshi, 2005). By this, the products are manufactured in advance and delivered on time and thus the needs of the customers are satisfied. Also, through the supply chain employees of Apple are able to collect data on areas that need improvement this ensures that the products manufactured are in line with the needs of the customers in that they are technologically advanced.

#### Does Apple use push or pull

There are two dominant marketing strategies that in use in the business arena and that is the pull and push based marketing. The rationale behind the two is that in push based marketing the businesses tend to push its services and products to the customer and this is usually done through promotional campaigns (Hooley, Piercy & Nicoulaud, 2008). On the other hand, the pull marketing strategies, the customer is the one that pulls the product or service towards themselves since they tend to be more interested in knowing more about the product.

At first, Apple was using push marketing. After they had built brand awareness they had to turn to pull strategy. In relation to Apple Inc., when Mac was manufactured, Apple places a lot of emphasis on its value to the customers and mostly in terms of the physical components it had. After some time, this began to shift to pull marketing and this was more related to the introduction iPod. By buying an Apple product, it became more about adapting certain ethos rather than going for the improved and advanced quality of the Mac products. Apple was now able to offer its expensive computer in a range of sleek custom colored design. Recently a great number of people buying iPad tend to have little idea or knowledge of what the device can add to their computing experience, but they purchase it since they want to be part and parcel of the next new device that has been created by Apple (Joshi, 2005).

#### Conclusion

Based on the above discussion, it is evident that apple has a very effective supply chain management. Apple is able to manage its distributors, suppliers as well as their customers and this leads to an effective supply chain. An effective supply chain also means that customers are able to purchase products from various locations and they are able to get them in time. This acts as an advantage that Apple has over its close competitors in the market. Also based on the fact that they have created brand awareness for the product the pull strategy seems to be effective since most customers want to be associated with the brand.

#### References

- Ellinor, R. (2013). Apple named world's best supply chain. Retrieved from <http://www.supplymanagement.com/news/2013/apple-named-worlds-best-supply-chain>
- Hooley, G., Piercy, N. & Nicoulaud, B. (2008). Marketing strategy and competitive positioning. London: Prentice Hall.
- Joshi, R. (2005). International Marketing. New Delhi and New York: Oxford University Press.