

REVIEWING THE ROLE OF ELECTRONIC COMMERCE (EC) ON SUPPLY CHAIN MANAGEMENT (SCM) OF CORPORATIONS

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Abstract

In the present era of global competition on the different products should be available to customers based on customers' requests. High Quality and fast service increased customer demand pressures that already hasn't existed, thus, cannot alone companies over the outcome of all things, In the competitive world of e-commerce, speed and response time is very important in gaining market share. Adaptability and flexibility in ensuring the survival of the company and customer satisfaction plays a major role. these two characteristics of the outer and inner change enabling organizations to better respond to the dynamic and brings attention to the fact that supply chain management is built on a client-centered approach by using e-commerce supply chain can be based on B2C and B2B models to describe the operations of buying, selling and exchanging goods, services, information, computer networks and the Internet can be utilized. This article, have been studied outlines the basics of E-commerce and supply chain management, and the impact of electronic commerce on supply chain management company.

Keywords: E-Commerce, B2B, B2C, SCM

1. Introduction

Contest in 21century has changed from individual corporations to vast supply chain. Supply chain is the number of spread subjects for some corporations that want to have partnership in designing, production, delivery and services with each other. At last corporation concentrated on producing cost (before 70 decade), improving quality (in70 decade), delivery time (in80 decade), services (in90 decade) and environmental agreements after 90 decade. But now days they attempt for gaining effectiveness in all level of corporation and for achieving this we need the "supply chain" based on deep business knowledge (Radman, 2004).

In the now world of contest, corporations and organizations that have powerfull contest vantage can exist and actually SCM is the key (Ince, 2013), that makes all processes from producing to

spread in website and accepting users, need less time. And also with improving the service quality decrease the huge costs for users and corporations (Ghahramani, 2010).

Supply chain became an important constant focus for trading SCM emphasis on increasing the overall value of organization by better using and improving the sources of corporation.

Nowadays, wide markets, only way to survive the corporation is increasing the contest value. For gaining contest value the supply chain must concentrate on giving service to customer. At now contest between single, corporation changed to contest between supply chains (Baha, 2012).

In this contest world, we have to provide customers with different kinds of productions according to their needs. Customers want qualification and fast service that making some tensions, in result the corporation couldn't do all things singularly (Naghade, 2012).

By planing worldwide economic and expanding between the pioneer countries, the normal limitations have been deleted and trading became worldwide and the new communication way named internet has the most impact on this. This new type of trading is a powerful tool for the managers of corporations that they can use it for improving their organizations (Hosseinian and Ranjbar, 2007).

Electronic commerce makes the supplier net in supply chain to recognize each other and answer the Customers needs by using internet (Mehdikhani and Karnema, 2013).

In this review, we will study the influence of e-commerce on supply chain management and also describe the bases of e-trade and SCM.

2. Literature Review

2.1. Meaning of Electronic Trade

Transactions that occur between different parts (organizations or individuals) by vehicle-technology exchanging, plus all actions for easing this transactions in organization, named e-commerce (Sukati et al, 2012).

The word electronic commerce EC is for explaining the buy, sell and transit service, productions and informations functions by computer nets specially internet. EC is not only for buy and sell but also contains giving service to customers, cooperation with other corporations and facing individuals through electronic nets (Hosseinian and Ranjbar, 2007). EC is a new way for doing trading actions. Increasing the access of internet and also low cost trade actions by using EC, make this to be the best way of trading (Radman, 2004).

2.2. Classification the EC

EC is improving fast. At now regard to the bazar tie, EC divide in to for branches; 1. business-to business (B2B) 2. business to consumer (B2C) 3. peer to peer or consumer to consumer (P2P or C2C) 4. consumer to business (C2B), that actually most of the trade functions are concentrate in B2B or B2C (Nikbakhsh and Saberi, 2001).

2.3. Factors for success in EC

Rapid action, flexibility and quality are the major factors in EC. In now contest world, fast answering playing an important role in catching the market. Also flexibility is very essential for existing the corporation and gaining satisfaction of the consumer. Because of the internet we can do comparison different production and services of corporations in a little time and among this the corporation that gives the best qualitative productions with low cost is the winner.

2.4. Profits of EC

Profits of EC divided into three groups; corporation, price and beneficiary (Terzia, 2011).

Also we summarize them like this;

- Increasing trade growth
- Increasing funding
- Increasing sell
- Increasing revenue
- Increasing welfare of life level
- Making new business chances for trading units
- Omission the middleman
- Decreasing the final cost
- Getting the market information easily
- Decreasing lateral costs of buy-sell (Moertini, 2012).

3. Supply Chain Management (ECM)

ECM is the result of improved storekeeping. In the 60 decade the experts by studying the internal respect between storekeeping and transition and enclosing them could decrease their supply, and the result of these studies named spread management. SCM means coordination, planning and controlling the munition, produce, store and deliver the productions and services to costumers. In other compliment, supply chain is an enbloe system that coordinate the trading process for 1- producing materials and pieces 2- changing these materials to final production 3-increasing the value of productions 4-spread these productions to costumers 5-make the transition of informations between trading units more easier (Saveli and cheharsoghi, 2004).

The topic dictionary mention the word supply chain as below; “supply chain contains all process that linked the producing institutes to consumers this process began from the raw materials and ended to consumers that receive the products” (poya, 2005).

In now days SCM has two stages; before internet and after internet. In the middle of 1990 decade fax machines, computer, electronic data transition, radio and satellite frequencies are very advanced so they used to improving the output and decreasing time in purvey, produce, storekeeping and sending process. Approximately in 1995, we could send data with satellite. This procedure was harder than internet but it was an effective and fast method. In 1998 some discussions were made for describing the important ingredients of SCM and at that time the data technology (IT) role became more obvious (Radman, 2004).

A Supply chain contains all the stages that directly or indirectly answer costumer needs. Supply chain contains all subjects related to munitionette, inclusive producing units, stores, spread units and retailer market (Hosseinian and Ranjbar, 2007). This chain is an active process that contains simultaneous actions, Continuum evaluation of both sides hired technology and organization structure (Mianabadi, 2010).

Generally, supply chain is a chain that include all actions related with transition of goods and services from first material to the last stage, production, and at last for acheiving better contest situation, SCM is an strategy that decrease costs and better combination of producing and spreading systems for satisfying the costumer (Ghahramani, 2010).

3.1. SCM Methods

SCM methods have 4 dimension; strategic cooperation with purveyors, relation with costumer, data loading level and loaded data quality. SCM methods have positive influence on organization function and contest vantage. These things have mentioned by Lee and his coworkers (Saveli and cheharsoghi, 2004).

3.2. Five major parts of SCM

- 1) Plan; plan is the strategic part of SCM. You will need strategy for managing all the sources for answering the costumer needs. making some parameters for supervision on efficiency, reducing cost and delivery with high quality of Supply chain, have included most part of planning.
- 2) Source; selecting some purveyors that give your materials and services for producing.
- 3) Producing; in this stage you do actions for produce, test, pack and preparation for delivery.
- 4) Delivery; consonance of receiving orders, making nets of stores and operate system for payment bills, are making this stage.
- 5) Return; disastrous part of supply chain. Make a net for recieving skimpies and return production from costumers and patronage of costumers that have problem with product (Baha, 2012).

3.3. Goals of SCM

- Reducing costs or stores.
- Increasing responsibility toward costumers.
- Improvement relation of supply chain.
- Decreasing the producing time.
- Improvement of coordination.
- Increasing function efficiency.
- Increasing profit.
- Increasing the ability of contest of organization and other partners in chain (Mianabadi, 2010).

Slack and his coworkers (1998) showed SCM the combination of three goals;

1. Attention to the last costumer, because the last consumer operates in total supply chain like trigger. Corporations that make break in buying along the chain, get benefit from holding productions plus its value. Last costumer needs must answered through SCM.
2. Planning and strategic implementation that makes more costumers and holding them.
3. Consider the en bloc complete SCM

3.4. Advantages of SCM

- Reducing storing costs.
- Reducing Personnel.
- Improving efficiency
- Improving financial cycle.
- On time delivery.
- Clarity of data and flexibility.
- Standardize.
- Became worldwide.
- Providence in scale.
- Increasing the Consumer power of choosing and close them to purveyores.

- Decreasing time interval.

3.5. SCM problems

quality; one of the major source of quality in SCM is foresight of demand. Foresight of demand influenced from many factors like cost, prices, now situation and technological improvement. Another element of quality is the delivery time, and also this element depends on machine wreckage along the production line, traffic jam in transition and the quality of materials. non-coordination; this kind of problems happen when one part of the corporation has not a good relation with other parts. When the message for trading partner isn't considerable and when some parts of the corporation have no idea about some accidents.

3.6. Solution for SCM problems

Every year organizations find solutions for supply chain. For solving the problems we have three kinds of methods; the first is, methods in relation with designing and offering the pieces, suppliers, managing the relations between suppliers and the relation of organization with suppliers. The second is, methods in relation with production systems, managing the supply and inner subjects of organization for solving the problems. And the third are set of ideas about purveyors, buyers, loyalty of buyers and coordination of them with the organization, must consider. We mentioned some of them below;

1. Vertical merger.
2. Store control.
3. Good techniques for planning production.
 - a. Producing in time techniques
 - b. Planning techniques for first materials.
 - c. simultaneous function.
4. Decreasing quality strategies.

3.7. Principles of SCM

Yet customer satisfaction, reducing cost, managing store supply, right and efficient transition of data and sending on time is in evolution in world with powerful tools such as internet. Even if all of the merchandises do through internet (B2B), again corporations have to store and send their products. Of course managing orders, preparing bills and other financial subjects have their own position. But who are at the prior stage of internet world, don't talk about supply chain but they conversation about supply net, trade coordination groups and valuation nets. It means the worlds of supply chain and electronic commerce (EC) are merged together and representing new method for trading and new vision to supply chain (Baha, 2012).

4. EC and SCM

SCM is based on customer. According to this, on-time and complete relation between all elements of chain is very urgent to consider customer needs. In order to easing the data management in chain, we some kind of software. This software according to relations that they would create divided in to three groups;

1. Software that create the inner relations of organization.
2. Software that join the customers to organization.
3. Software that join the purveyors to organization (poya, 2005).

5. Conclusion

SCM has become a major element in contest vantage so for contest in level of supply chain, corporations have to take an appropriate strategy for SCM, and by considering that one of the urgent elements of SCM is the ontime and complete relation between chain parts, so, the EC has high influence on SCM and by promoting it the SCM became more efficient and answer customer needs better. This subject that, EC among the institutes mostly happen where there is SCM shows the effect of EC on SCM.

By using EC in supply chain based on B2B and B2C models we can describe the buying, selling and exchanging production, services and data in internet.

Over the all researches showed, supply managing even in chain mode or in net, is a good place for improving EC. Because according to little America Corporation, EC has the most growth among the other new technologies and this corporations want to create big trading teams by EC and it means that the vertical enbloc model is on the wane. In addition SCM is one of the basis for creating EC. From the industrial vision, EC among the institute mostly happened where there is a supply chain.

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