



APPLIED BUSINESS RESEARCH (ABR 795)

**SUPPLY CHAIN STRATEGIES AND INVENTORY
MANAGEMENT AT SYARIKAT AIDRA JAYA (KEDAI
MESRA): A CASE STUDY**

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LETTER OF TRANSMITTAL

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Dear Associate Professor Dr. Siti Halijjah Shariff,

APPLIED BUSINESS RESEARCH

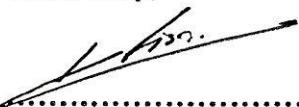
With great pleasure, we would like to submit our project paper entitled “**Supply Chain Strategies and Inventory Management at Syarikat Aidra Jaya (Kedai Mesra): A case study**”.

With this submission, we fulfill the requirement for the completion of Executive Master in Business Administration (EMBA) program.

We would like to take this opportunity to express our sincere gratitude and appreciation for your guidance and constructive comments rendered to us throughout the preparation on this paper.

Thank you.

Yours truly,



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ABSTRACT

This paper is to determine what kind of supply chain strategies and inventory management that a retail company has been practiced. Specifically, it addresses issues such as implementation of suitable supply chain strategy and using effective technique in managing inventory of a PETRONAS's *Kedai Mesra* namely Syarikat Aidra Jaya. The finding of issues on supply chain strategy that firm has, ABC analysis implementation, shrinkage and pilferage, and effect of supply chain strategy on inventory management are discussed in this paper.

The comparison of supply chain strategies between academic and company's practiced needs to be implemented in order to determine the gap. Observation had been made that the firm is comfortable with the current supply chain strategy that they have. Not all the academic suggestions are being practiced. A good inventory management is when a firm using proper and effective tool to manage its inventory. Thus, this paper recommends the firm to practice a proper technique in managing its inventory. ABC analysis is recommended technique where the firm would be able to classify goods on the basis of dollar-volume, simultaneously records accuracy can be maintained.

1.0 INTRODUCTION

1.1 Background of the study

Supply chain management (SCM) is a management of activities that procure materials and services, transforming them into intermediate goods and final products, and delivering the products through a distribution system (Heizer & Render, 2009). Indeed, the management of a network of interrelated businesses involved in the ultimate provision of product and service packages required by end customers is called supply chain management (Harland, 1996).

Effective SCM makes suppliers “partner” in the firm’s strategy to satisfy an ever-changing marketplace. A competitive advantage may depend on a close long-term strategic relationship with a few suppliers. Supply chain strategies according to Heizer & Render (2009), is the strategies to be implemented in order to acquire goods and services outside.

Good supply chain strategies are complimented with good inventory management. Inventory management is important where a firm can reduce costs by reducing inventory (Heizer & Render, 2009). On the other hand, production may stop and customers become dissatisfied when an item is out of stock. Inventory management represents a key success factor for many companies, where a company’s fate depends on how it manages its inventory (Silver, Pyke & Peterson, 1998).

All organizations have some type of inventory planning and control system. In cases of physical products, the organization must determine whether to produce goods or to purchase them. Once the decision is made, the demand can be forecasted by determining the inventory necessary to service the demand. In