

## Week 1 Memo

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To: Students of Operations and Supply Chain Management (OP300)

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### OPSCM strategy

Different companies have different strategies implemented to achieve their goal, which is why we have differences in company performance despite them producing a similar product. A good strategy enables companies to identify what they should and not do and what they should and not picture in their operation to meet their goals. It is always good to choose a strategy that will improve your business, as not all strategies make a business grow. For example, a company might have the best product ever but lack a supply chain, or the cost of production might be too high. If such a company is located in a competitive environment, it will have to adopt a business strategy. I chose the “Pepsi Company’s Supply Chain Strategies” article.

“Pepsi Company’s Supply Chain Strategies” article focuses on the strategic plan of Pepsi company and how it has managed to survive the stiff competition through these strategies. As known to us, Pepsi is among the leading companies in food and beverages across the globe, with its outstanding performance allows it to grow every day. This paper states that Pepsi uses a perfect demand-driven supply chain strategy that matches the current market.

Pepsi faces stiff competition from other companies in the same industry, which includes Coca-Cola. With this kind of competition, Pepsi company decided to develop a better strategy that ensures that their consumers get the best products and work in their stores to prevent running out of stock. The increased need for customers to get goods at the right time and location had Pepsi formulating its supply chain tactics and strategies to deliver as requested.

According to this article, Pepsi company has thrived in different areas of performance, which might be the main reason why it is the leader in the world. Pepsi has perfected purchasing, which has been achieved through the adoption of a decentralized purchasing strategy. This strategy was adopted after the company realized that getting the raw materials at the right time was the key to success. Another area that the company has perfected is supplier relationships. The company has maintained a positive supplier relationship by extending some of its benefits to its suppliers, which makes them feel like partners and not just mere suppliers. The company also organizes end-year parties and sports events for its suppliers. It is also noted that this company has been able to perfect its operation even though it has been fighting stiff competition from other food and beverage companies. To achieve this, Pepsi employed strategies such as collaborative planning, forecasting, and replenishment model, establishing an effective resource planning system, and working on inventory management. Pepsi company’s supply chain has always emphasized maintaining the quality of its products at all stages by using tools such as Total Quality Management. Additionally, the company has been ranked first among the companies that implement modern supply chain management methods.

### References

“Pepsi Company Supply Chain Strategies” Retrieved from  
<https://business-essay.com/pepsi-companys-supply-chain-strategies/>