

COMPLETE WITH THE CORRECT NOUNS OR VERBS THE NEXT READING

Noun: issue, factor, costs, expenses, tariff, rate, labour, conditions, productivity, employer, employee, research.

Verbs: to involve, to consider, to address, to deal with, to vary, to impact, to affect, to expect, to face.

With increased globalization, global supply chain management is becoming an important issue for many businesses. The main factors influencing global supply chain management are the following: a) reducing the costs of procurement; b) decreasing the risks related to purchasing activities (Matulewska, 2010).

It should be noted that global supply chain management involves a company's worldwide interests and suppliers rather than simply a local or national orientation. Thus, it comes with a number of new issues. For example, companies have to consider the overall costs. Although local labour costs may be significantly lower, companies must also focus on the costs of space, tariffs, and other expenses that are related to doing business overseas. Additionally, companies need to consider the exchange rates.

Time is another big issue that should be addressed when dealing with global supply chain management. The productivity of the overseas employees and the extended shipping times can either positively or negatively affect business.

Besides, the weather conditions vary greatly in different parts of the globe; they can impact production and shipping too. Customs clearance time and other governmental red tape can add further delays that need to be planned.

Another issue that must be integrated into a global supply chain management strategy is supplier selection. This is one of the first decisions companies must make; such decisions must be based on research. Companies should make decisions about the number of suppliers. Fewer suppliers may be easier to manage, but it could also lead to potential problems if one seller is unable to deliver goods as expected. Finally, companies, which choose to move their manufacturing overseas, may face some additional considerations: the number of plants that are needed, the locations for those plants, etc (Matulewska, 2010).