**I READ THE TEXT**

**What is supply chain management?**

Supply chain management (SCM) is the process and activitity of sourcing the raw materials or components an enterprise needs to create a product or service and deliver that product or service to customers.

The goal of SCM software is to improve supply chain performance. Timely and accurate supply chain information allows manufacturers to make and ship only as much product as can be sold. Effective supply chain systems help both manufacturers and retailers reduce excess inventory. This decreases the cost of producing, shipping, insuring, and storing product that cannot be sold.

**6 components of SCM**

**Planning**—Enterprises need to plan and manage all resources required to meet customer demand for their product or service. They also need to design their supply chain and then determine which metrics to use in order to ensure the supply chain is efficient, effective, delivers value to customers, and meets enterprise goals.

**Sourcing**—Companies must choose suppliers to provide the goods and services needed to create their product. After suppliers are under contract, supply chain managers use a variety of processes to monitor and manage supplier relationships. Key processes include ordering, receiving, managing inventory, and authorizing supplier payments.

**Making**—Supply chain managers coordinate the activities required to accept raw materials, manufacture the product, test for quality, package for shipping, and schedule for delivery. Most enterprises measure quality, production output, and worker productivity to ensure the enterprise creates products that meet quality standards.

**Delivering**—Often called logistics, this involves coordinating customer orders, scheduling delivery, dispatching loads, invoicing customers, and receiving payments. It relies on a fleet of vehicles to ship product to customers. Many organizations outsource large parts of the delivery process to specialist organizations, particularly if the product requires special handling or is to be delivered to a consumer’s home.

**Returning**—The supplier needs a responsive and flexible network to take back defective, excess, or unwanted products.  If the produce is defective it needs to be reworked or scrapped.  If the product is simply unwanted or excess it needs to be returned to the warehouse for sale.

**Enabling**—To operate efficiently, the supply chain requires a number of support processes to monitor information throughout the supply chain and assure compliance with all regulations. Enabling processes include finance, HR, IT, facilities, portfolio management, product design, sales, and quality assurance.

**II What kind of a role does the road traffic have in a supply chain?**

**III Translate the parts of the text on delivering and returning and create your list of technical terms.**