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Supply Chain Management

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Consumers abundantly enjoy many products scarcely available or even thought of 20 years ago. How those products get from manufacturers to the shelves of Wal-Mart and other retailers, much less to other countries, is a complex, sophisticated operation. It boils down to supply chain management.

This rapidly growing field involves people and businesses working in combination to deliver products and services to consumers at home and abroad. The hallmark of supply chain management is planning and communication. From there, the stages of the supply chain progress from acquiring raw materials to manufacturing products to warehousing goods to retailers selling to customers. Each stage relies heavily on computers.

Formerly, it was customary for one company to perform all the stages of supply chain management. Today, many companies are involved, each performing a specialized task. It actually resembles an assembly line, the end result being more efficiency in terms of controlling costs and speeding up delivery times. Achieving this requires an impressive coordination of operations.

Furthermore, maximum efficiency depends on each link in the supply chain doing its job well. Since each player's success depends on the others' performance, it is increasingly important that the tasks of all partners be coordinated and synchronized—hence the rapid growth of supply chain management.

Tennessee has become pivotal to supply chain management, largely because of its location. Quoting from Cliff Welborn (p. 4):

Many logistics and distribution firms choose to locate in Tennessee due to our transportation infrastructure (roads, rail systems, interstates, and airports) and proximity to a major portion of the U.S. population . . . Fifty percent of the U.S. population lives within 600 miles of Nashville. Tennessee has 1,105 miles of interstate system. Nashville is one of only four U.S. cities to have six legs of interstates converging within its limits . . . In addition, Tennessee has six major rail lines operating on 2,340 miles of track and 888 miles of navigable river channels. Tennessee has six commercial and 75 general aviation airports.

According to Holly Sears, Rutherford County Chamber of Commerce economic development director, Rutherford County—especially La Vergne and Smyrna—has become a center for warehousing and distribution, with Ingram Books, Hollywood Video, and Waldenbooks establishing hubs here.

In addition, Smyrna's Nissan plant sees Tennessee's location as its primary logistics advantage, citing 72 percent of the U.S. population within 800 miles of Smyrna; Interstates 24, 65, and 40; and CSX railroad connecting the plant to all rail ramps east of the Mississippi River. Finally, Nissan cited Tennessee's central location as a factor in the company's decision to reallocate its corporate headquarters from California to Brentwood.

No wonder the Nashville area is becoming a leader in logistics, distribution, and supply chain management.

—Horace Johns, executive editor

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