

1. Supply Chain

Definition:

The *supply chain* refers to the **entire network** of organizations, people, activities, information, and resources involved in moving a product or service from raw materials to the end customer.

Scope:

It covers everything — from **sourcing raw materials** to **manufacturing, storage, transportation**, and **delivery**.

Key activities include:

- Procurement of raw materials
- Production planning and manufacturing
- Inventory management
- Logistics coordination
- Supplier and customer relationship management
- Demand forecasting

Example:

For a smartphone:

- Mining metals → shipping to the factory → assembly in China → global distribution → retail → customer.

2. Logistics

Definition:

Logistics is a **subset of the supply chain** that deals specifically with the **movement and storage of goods**.

Focus:

It's about getting the right product, in the right quantity, to the right place, at the right time, and at the right cost.

Key activities include:

- Transportation (inbound and outbound)
- Warehousing and storage
- Order fulfillment
- Packaging
- Inventory control

Example:

The logistics team ensures the assembled smartphones are:

- Stored safely in warehouses,
- Shipped efficiently to distribution centers or retailers, and
- Delivered on schedule.



3. Channels of Distribution

Definition:

Channels of distribution refer to the **path or route a product takes to reach the final consumer**.

Focus:

They are about **who** handles and sells the product on its way from the producer to the consumer.

Key types:

- **Direct channel:** Producer → Consumer
- **Indirect channel:** Producer → Wholesaler → Retailer → Consumer

Example:

A smartphone can be sold:

- **Directly** through the manufacturer's website (Apple Store).
- **Indirectly** through resellers like Best Buy or online platforms like Amazon.

**In Summary:**

Aspect	Supply Chain	Logistics	Channels of Distribution
Scope	Entire flow from raw materials to customer	Movement, storage, and delivery	Path from producer to consumer
Focus	Strategic, broad view of materials and information flow	Physical transfer and storage	Selling and intermediaries
Includes	Procurement, production, logistics, coordination	Transportation, warehousing, delivery	Wholesalers, retailers, e-commerce
Goal	End-to-end efficiency	Timely and cost-effective delivery	Customer accessibility and sales reach

