

Published based on [Crafting Your Supply Chain to Maximize Profitability](#)

# **Crafting Your Supply Chain to Maximize Profitability**

Supply chain management is the process that oversees and manages the journey of products and services as they make their way from conception, through manufacturing and distribution, and on to the end user. A skillfully developed supply chain will guarantee unbroken continuity of supply, and quality of product and/or service; it can reduce stock holding to a minimum, (or even eliminate it altogether); it can reduce lead times to a minimum, and it can improve profitability by lowering the costs within the supply chain process.

For many wannabe online entrepreneurs, one of the most difficult problems is managing inventory. Holding an inventory of products can be bulky and can take up a lot of space, and if space is at a premium, (especially for those of you using your homes as a base for your business), this can pose serious difficulties.

One solution is to hire external storage space, but the problem with that is that it is an extra expense, and one which has to be covered by being built in to your costs. This will of course mean that your selling price will inevitably increase, and this can cause problems for your product sales, especially if you are operating in a competitive marketplace.

Bigger wholesale companies put a lot of time and effort into developing their supply chain management policies so they can deal effectively with the problems that acquiring and distributing inventory pose. Smaller retail and sole proprietor businesses may find that drop shipping is the best solution for them.

Drop shipping is a service that may be offered directly from a manufacturer or it might be offered from a wholesale distributor. They deliver orders directly to your customers rather than shipping everything to you to redistribute. There is usually a fee required for the drop shipping service but it will still be less expensive than renting a warehouse and will save you a lot of trouble too.

When a wholesale provider agrees to drop shipping, they will deliver your customer orders directly to each customer. You can arrange to have this done in generic packaging or sometimes they will create packaging with your logo and information on it. Either way, your customers do not know you are drop shipping orders. As far as they are concerned their products come straight from your own warehouse.

Drop shipping allows you to run a business from your own home without having to handle a single piece of inventory. There is no worry about finding storage space or hiring staff to receive, inspect, and redistribute the products.

Another advantage that drop shipping can give you is product freshness. If your product is susceptible to degradation, either through the passage of time, or the conditions of storage, direct drop shipping is the perfect solution as it goes direct from source to end user. Providing the product is properly packaged, it will arrive safe and sound, and in perfect condition.

By utilizing the right elements of good supply chain management, you can maximize the efficiency of your business. In order to find out more about best practice and the options that are open to you, log on to a quality supply chain service provider and study the different service packages that they can provide. You will be certain to find the right solution for your business needs.

Jake Sabey is a Marketing Specialist for DropShip-Review.com, a site that offers [dropshipping reviews](#) to help you find the best [dropshipper](#) for your needs.

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