

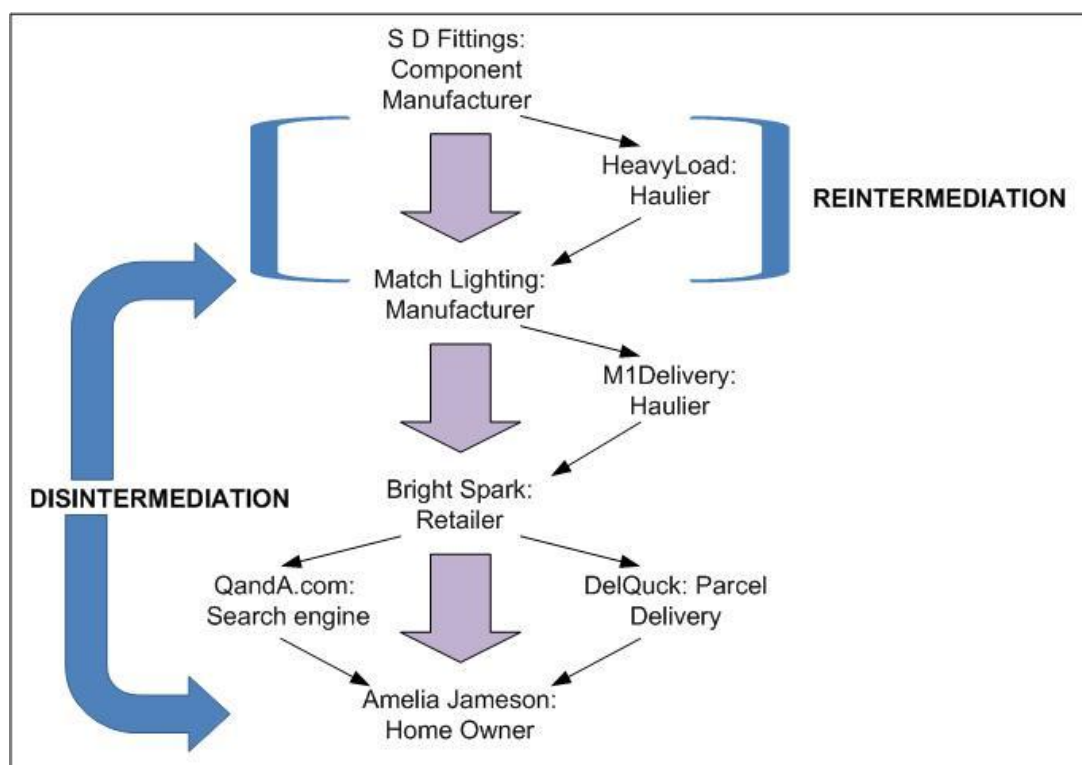
Link 10.1 Levels in the Supply Chain

Enslow & Smith (1998) highlight three segments of supply chain management activities with increasing potential for competitive advantage. These are:

- Market differentiation achieved by product design and promotions.
- Process enhancement through, for example, product catalogues and improved inventory levels.
- Channel reinvention to facilitate structural advantage through disintermediation and reintermediation of phases in the supply chain.

Disintermediation occurs when one or more levels in the supply chain are bypassed. For example, disintermediation would occur if Match Lighting sold its products directly to domestic customers rather than selling its products via retailers such as Match Lighting (Figure 10.1.1). *Reintermediation* occurs when the importance of a level in the supply chain increases. For example, search engines, supplier directories and online comparison sites are an important level in the supply chain providing a means of matching potential suppliers and customers.

Figure 10.1.1: Levels in the Supply Chain



Reference

Enslow, B. & Smith, C., (1998), 'Developing Internet-Enabled Supply Chain Strategies', *GartnerGroup Strategic Analysis Report*, (R-05-9476), 4 September 1998.