

## The Role of Information Technology in Supply Chain Management

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**Abstract :** This paper explaining about the significance of information technology tools and software packages in supply chain management (SCM) in order to manage the entire supply chain. Managing materials flow and financial flow and information flow effectively and efficiently with the aid of information technology tools and packages in order to deliver right quantity with right quality of goods at right time by using right methods and technology. Information technology plays a vital role in streamlining the sales forecasting and demand planning and Inventory control and transportation in supply networks and finally deals with production planning and scheduling. It achieves the objectives by streamlining the business process and integrates within the enterprise and its extended enterprise. SCM starts with customer and it involves sequence of activities from customer, retailer, distributor, manufacturer and supplier within the supply chain framework. It is the process of integrating demand planning and supply network planning and production planning and control. Forecasting indicates the direction for planning raw materials in order to meet the production planning requirements. Inventory control and transportation planning allocate the optimal or economic order quantity by utilizing shortest possible routes to deliver the goods to the customer. Production planning and control utilize the optimal resources mix in order to meet the capacity requirement planning. The above operations can be achieved by using appropriate information technology tools and software packages for the supply chain management.

**Keywords :** supply chain management, information technology, business process, extended enterprise

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