

AGENDA

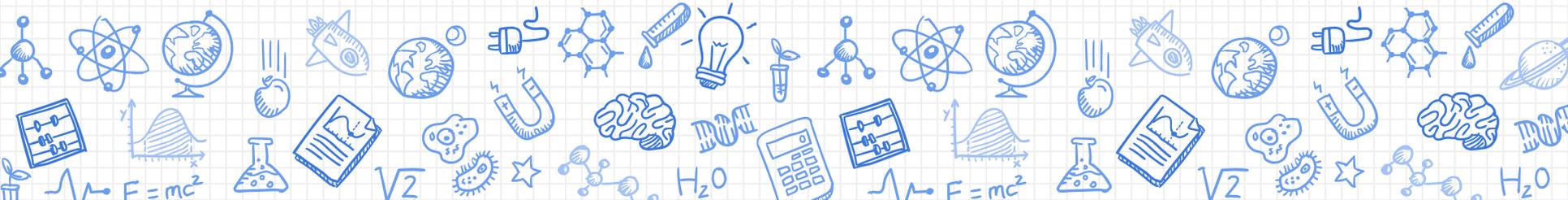
Supply Chain Management

Halal Supply Chain

Halal Product

Halal Standard and Certification

Supply Chain Management



Supply Chain Management Definition



Supply Chain Management (SCM) is the integrated planning, co-ordination and control of all business processes and activities in the supply chain to deliver superior consumer value at less cost to the supply chain as a whole whilst satisfying requirements of other stakeholders in the supply chain (e.g. government and NGO's) (van der Vorst and Beulens, 2002).

The term 'Supply Chain Management' first appeared as an inventory management approach with an emphasis on the supply raw materials (Oliver and Webber, 1982).

Literature on SCM stresses the need for collaboration among successive actors, from primary producer to final consumers, to better satisfy consumer demand at lower costs (Bechtel and Jayaram, 1997; Lambert and Cooper, 2000).

Halal Supply Chain Definition

Halal Supply Chain

- **Halal supply chain** starting from the point of origin to the point of consumption, including warehousing, sourcing, transportation, handling of products, inventory management, procurement, and order management which must follow the Sharia Islamic perspectives (Omar and Jaafar, 2011).

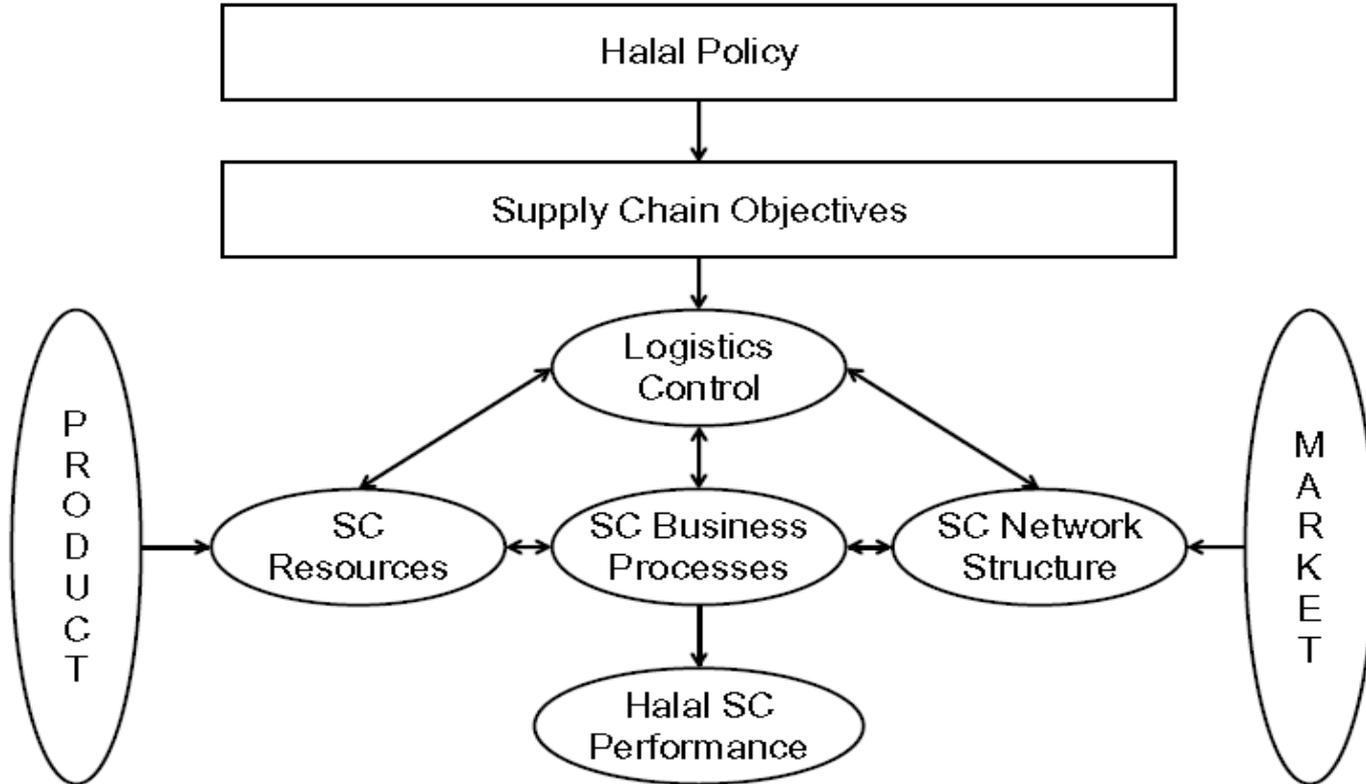
Halal Supply Chain Management

- **Halal Supply Chain Management** can be defined as the management of a halal network with the objective to extend the halal integrity from source to the point of consumer purchase (Tieman et al., 2012).

3 Halal SC Foundation

- Direct contact with haraam (prohibited)
- Risk of contamination
- Perception of the Muslim consumer (Tieman, 2011)

Halal Supply Chain Model



Tieman, et al.
2012.
*Principles in
Halal Supply
Chain
Management.*
*Journal of
Islamic
Marketing,*
Vol. 3 Iss 3
pp. 217-243

Halal Supply Chain Model

Halal policy and supply chain objectives

- Halal policy → protecting halal integrity along the SC, scope of halal certification of the organization, the assurance to consumer or customer, method of assurance
- Supply chain objectives → the design parameters of halal food SC

Logistics control

- Provides the foundation for effective decision-making and a management of a supply chain

Supply chain resources

- Organization and information management
- Requires a halal committee

Halal Supply Chain Model

Supply chain network structure

- A network of connected and interdependent organizations mutually and co-operatively working together to manage, control, and improve the flow of materials and information (Aitken, 1998).

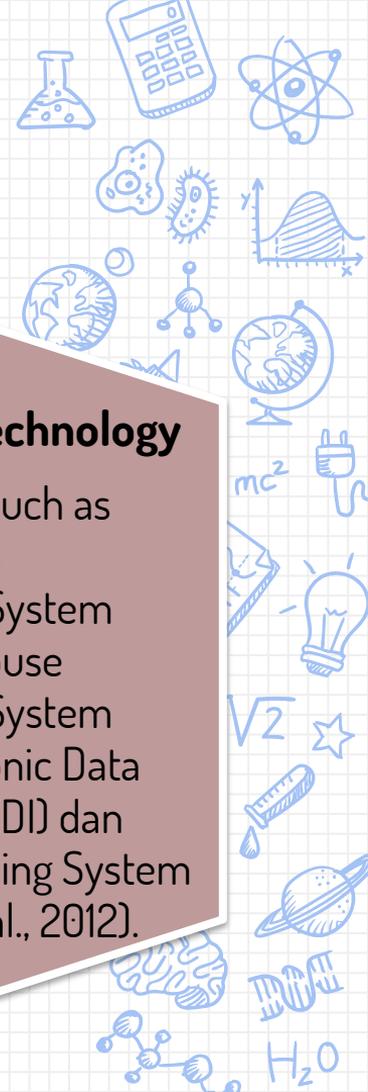
Supply chain business process

- For halal food SC → customer order fulfilment, manufacturing flow management, procurement

Halal supply chain performance

- Measure the effectiveness perspective of a SC → *process quality* and *waste*.
- Process quality: strength/trust of a brand, credibility of a halal certificate, consumer complaints received regarding the halal status of product.
- Waste: minimized by using re-usable transport packaging, environment control

Halal SCM Critical Success Factor



Government Support

- Involves planning, developing, implementing, regulating, promoting and educating Halal industrial players and Halal consumers (Samsi et al., 2011).

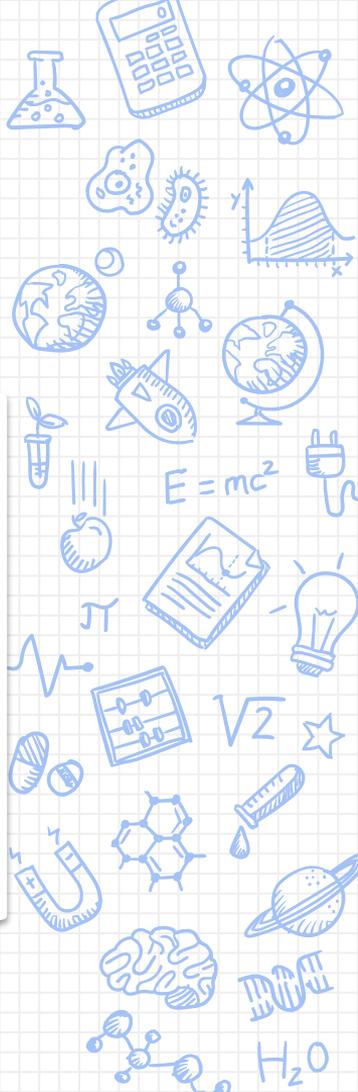
Dedicated Assets

- Complete segregation between Halal and non-Halal products during distribution, and assets vary from transportation, warehousing or equipment (Talib et al., 2015).

Information Technology

- Technologies such as Transportation Management System (TMS), Warehouse Management System (WMS), Electronic Data Interchange (EDI) dan Global Positioning System (GPS) (Tan et al., 2012).

Halal SCM Critical Success Factor



Human Resource Management

- The need for training in Halal logistics industry is undeniable as it is important to ensure that customers experience a total Halal supply chain (Pahim et al., 2012).

Collaborative Relationship

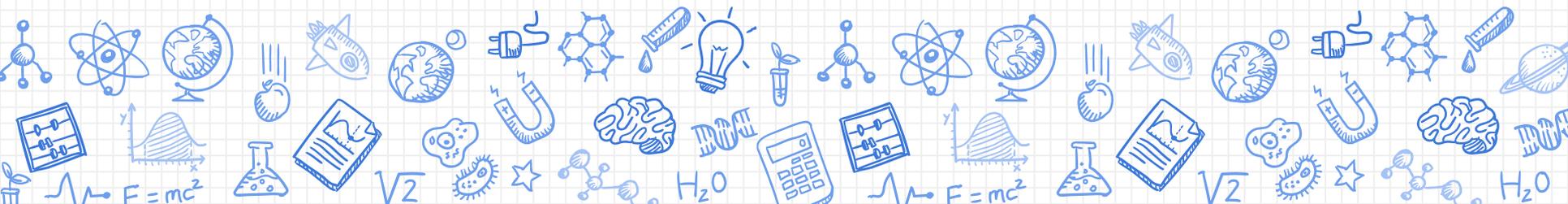
- Divided into 2 categories Barratt (2004)
- **Vertical:** external collaboration with suppliers and customers.
- **Horizontal:** external collaboration with competitors or non-competitors from other organizations.

Example: Halal SC in Malaysia's Food Industry

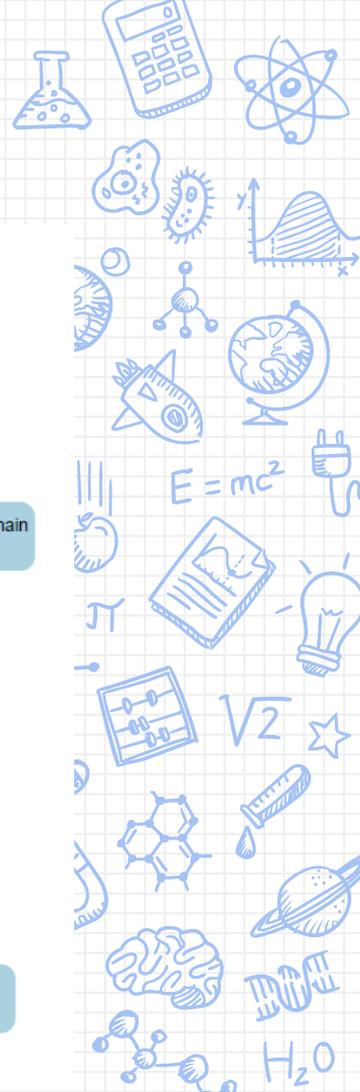
✘ From that model, the Halal SC will start from the farm, and the slaughter house, to transporting and storing of the poultry products before they reach customers (Omar and Jaafar, 2011). The 3 aspects from the model are:

1. **Halal Animal Feed**; anything that is fed to the poultry, cattle, and sheep must be halal and the feed mill should not contain animal hormone such as pork enzyme even if the main reason is to stimulate animal growth.
2. **Proper Slaughtering Process**; the process of slaughtering poultry (for this case) needs to be done in a proper way according to Sharia principles.
3. **Proper Segregation**; all activities such as handling, packaging, transporting, and storing need to be segregated and dedicated in ensuring a Halal SC will be achieved and provided to customer.

Halal Standard and Certification



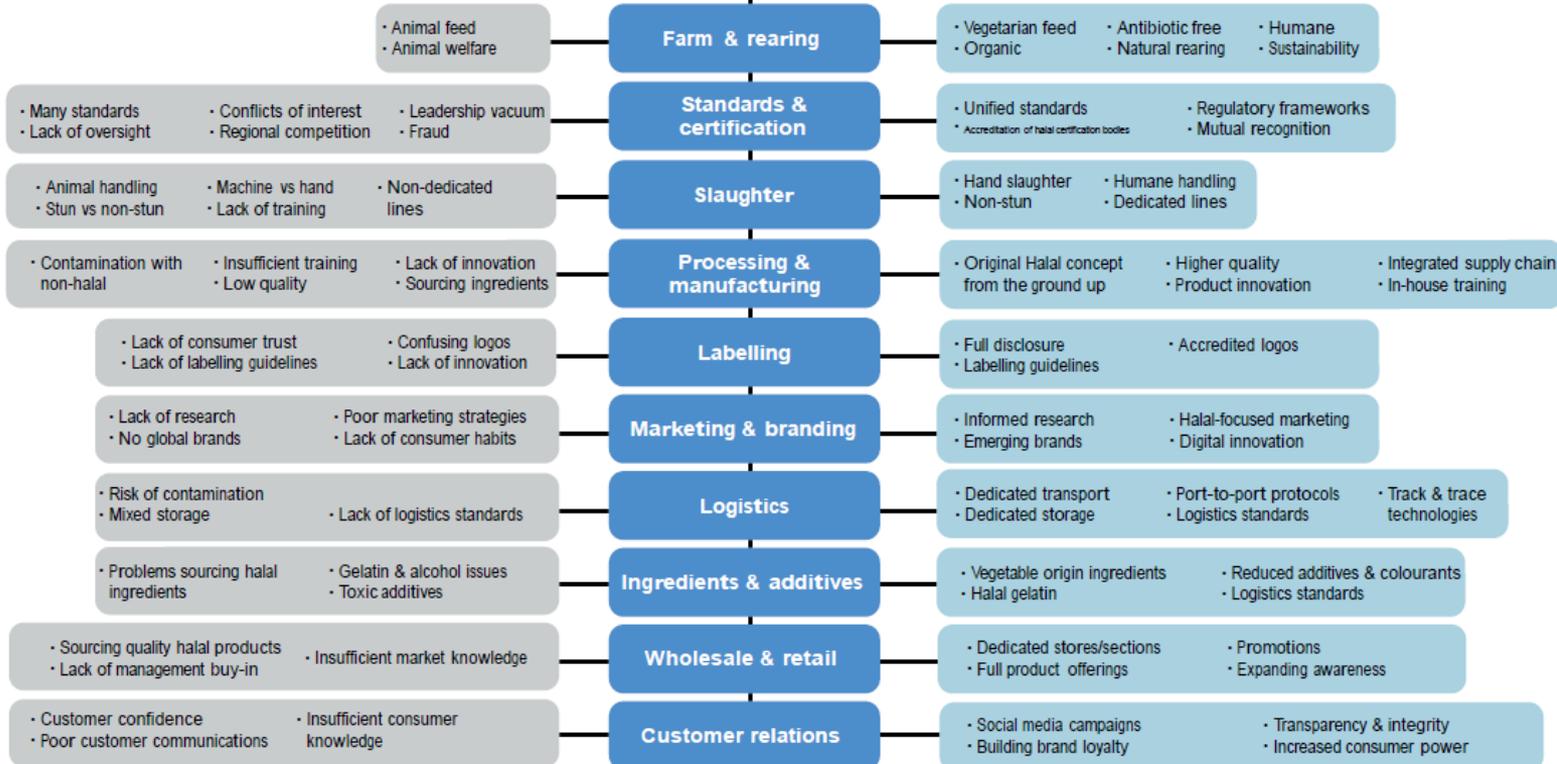
Issues in Halal Standard and Certification: Farm-to-Fork Meat Standard



CURRENT ISSUES

FARM

COMING TRENDS



FORK



"O Allah, I seek Your protection from useless knowledge, from a heart which is not disposed to fear You, from insatiable desire, from a prayer which is not answered and I seek Your protection from all the four said evils." (H.R. Abu Daud)

