



## Impact of effective supply chain management on developing the organization's performance

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### ABSTRACT:

Effective supply chain management (SCM) has become a potentially valuable way of securing competitive advantage and improving organizational performance since competition is no longer between organizations but among supply chains. This research conceptualizes and develops five dimensions of SCM practice (strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing, and postponement) and tests the relationships between SCM practices, competitive advantage, and organizational performance. Higher levels of SCM practice can lead to enhanced competitive advantage and improved organizational performance. Also, competitive advantage can have a direct, positive impact on organizational performance.

Keywords: Supply chain management; Competitive advantage; Organizational performance.

### Introduction:

As competition in the 1990s intensified and markets became global, so did the challenges associated with getting a product and service to the right place at the right time at the lowest cost. Organizations began to realize that it is not enough to improve efficiencies within an organization, but their whole supply chain must be made competitive. The understanding and practice of supply chain management (SCM) has become an essential prerequisite for staying competitive in the global race and for enhancing profitably.

Council of Logistics Management (CLM) defines SCM as the systemic, strategic coordination of the traditional business functions and tactics across these businesses' functions within a particular organization and across businesses within the supply chain to improve the long-term performance of the individual organizations and the supply chain. SCM has been defined to explicitly recognize the strategic nature of coordination between trading partners and to explain the dual purpose of SCM: to improve the performance of an individual organization and to improve the performance of the whole supply chain. The goal of SCM is to integrate both information and material flows seamlessly across the supply chain as an effective competitive weapon. The concept of SCM has received increasing attention from academicians, consultants, and business managers alike. Many organizations have begun to recognize that SCM is the key to building a sustainable competitive edge for their products and/or services in an increasingly crowded marketplace. The concept of SCM has been considered from different points of view in different bodies of literature such as purchasing and supply management, logistics and transportation, operations management, marketing, organizational theory, and management information systems. Various theories have offered insights on specific aspects or perspectives of SCM, such as industrial organization and associated transaction cost analysis resource-based and resource-dependency theory, competitive strategy, and social-political perspective.

However, despite the increased attention paid to SCM, the literature has not been able to offer much by way of guidance to help the practice of SCM. This has been attributed to the interdisciplinary origin of SCM, the conceptual confusion, and the evolutionary nature of the SCM concept. There is no generally accepted definition of SCM in the literature. The concept of SCM has been involved from two separate paths: purchasing and supply management, and transportation and logistics management. According to the purchasing and supply management perspective, SCM is synonymous with the integration of a supply base that evolved from the traditional purchasing and materials functions. From the perspective of transportation and logistics management, SCM is synonymous with integrated logistics systems, and hence focuses on inventory reduction both within and across organizations in the supply chain. Eventually, these two perspectives evolved into an integrated SCM that integrates all the activities along the whole supply chain.

The evolutionary nature and the complexity of SCM are also reflected in the SCM research. Much of the current theoretical/empirical research in SCM focuses on only the upstream or downstream side of the supply chain, or certain aspects/perspectives of SCM. Topics such as supplier selection, supplier involvement, and manufacturing performance, the influence of supplier alliances on the organization, success factors in strategic supplier alliances supplier management orientation and supplier/buyer performance, and the role of relationships with suppliers in improving supplier responsiveness. Focus on the downstream linkages between manufacturers and retailers. A few recent studies have considered both the upstream and downstream sides of the supply chain simultaneously. Study SCM and supplier evaluation practices and relate the constructs to firm performance, develop an instrument to measure the supply chain orientation and SCM at conceptual levels and many case histories of successful implementations of SCM have been reported in the literature. Taken together, these studies are representative of efforts to address various diverse but interesting aspects of SCM practices. However, the absence of an integrated framework, incorporating all the activities on both upstream and downstream sides of the supply

chain and linking such activities to both competitive advantage and organizational performance, detracts from the usefulness of the implementation of previous results on SCM.

The purpose of this study is therefore to empirically test a framework identifying the relationships among SCM practices, competitive advantage, and organizational performance. SCM practices are defined as the set of activities undertaken by an organization to promote effective management of its supply chain. The practices of SCM are proposed to be a multidimensional concept, including the downstream and upstream sides of the supply chain. Operational measures for the constructs are developed and tested empirically, using data collected from respondents to a survey questionnaire. Structural equation modelling is used to test the hypothesized relationships. It is expected that the current research, by addressing SCM practices simultaneously from both upstream and downstream sides of a supply chain, will help researchers better understand the scope and the activities associated with SCM and allow researchers to test the antecedences and consequences of SCM practice. Further, by offering a validated instrument to measure SCM practices, and by providing empirical evidence of the impact of SCM practices on an organization's competitive advantage and its performance, it is expected that this research will offer useful guidance for measuring and implementing SCM practices in an organization and facilitate further research in this area.

**Objectives of the study:**

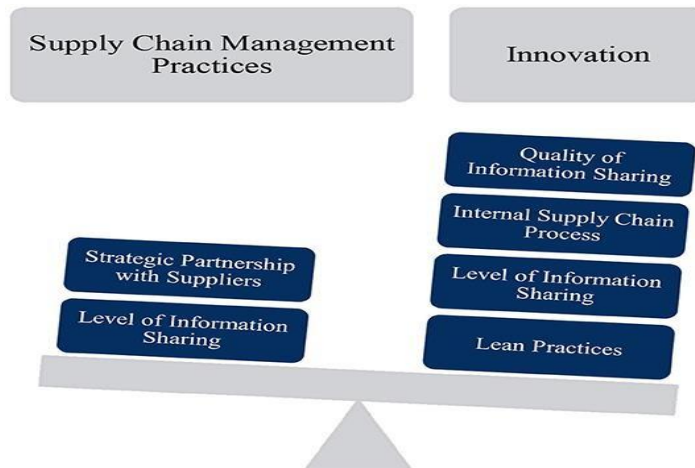
1. To dissect and think about the degree of SCM Practices of chose infrastructural uber projects as to organizational Performance.
2. To investigate and look at the degree of Competitive Advantage of chose infrastructural uber projects opposite Organizational Performance.

**Research framework:**



Figure above represents the SCM system created in this exploration. The structure suggests that SCM practices will affect hierarchical execution both straightforwardly and furthermore by implication through upper hand. SCM practice is conceptualized as a five-dimensional build. The five measurements are key provider organization, client relationship, level of data sharing, nature of Sharing of details, and postponement. The following paragraphs provide a comprehensive overview of the evolution of the SCM practice construct. Competitive advantage and organizational performance are terms that have been operationally zed in the current literature. The predicted relationships between SCM activities, competitive advantage, and organizational performance are explored using literature help, and theories are formed related to these variables.

Figure below represents the theoretical framework of supply chain management practices:



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### Supply chain management and value creation:

Management of the Supply Chain and Creation of Value Companies' activities are managed and guided by SCM Management from upstream to downstream. This relates to the managerial side. The main goal of SCM is to integrate and handle material Purchasing, moving, and controlling across several roles and supplier levels from the standpoint of the entire system. In an effort to enhance the order fulfilment process, supply chain management (SCM) has recently moved its focus from production efficiency to customer-driven and cooperation synchronization techniques. Optimizing the total value generated by supply chains is essential because focusing only on a small portion of the chain discourages commitment to maximizing overall chain benefit and lowers the SC's overall profitability, which in turn prevents the SC from producing and delivering value to customers and from building sustainable value for all its stakeholders in turn.

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### Appropriate chain rules and participation:

Over the last thirty years or more, there has been a great deal of upheaval and instability in the economic sector. Park et al. (2010) claim that the dynamic presence of product components, changes in customer wants, and market globalization have made supply chain performance a crucial component of an organization's ability to compete. In response, many companies have embraced organizational structures including supply chains, networks, and partnerships, which now support important organizational units in several sectors. Approaches to SCM are now driven by two paradigms: a competitive paradigm and a cooperative paradigm. The idea that people act to maximize their own benefit is embodied in Adam Smith's beliefs, which forms the basis of the concept of competition. The fundamental tenet of the competitive model is that inter-firm interdependencies establish a zero-sum game system. This suggests that the success of one actor amplifies the loss of another. According to, businesses may obtain a competitive edge in two ways: first, by taking on a favourable role in a market, and second, by identifying and using their core strengths to provide superior products and services. It is advantageous and acceptable for all supply chain participants upstream, midstream, and downstream operations to compete. Value creation is frequently associated with cooperation in several other perspectives that are accepted in the field of management studies, including co-evolution, cocreation, and the roles of producers and consumers. believe that long-term, constructive partnership and business progress should be prioritized. These studies all concur that SCM techniques have an impact on SC performance, even though their methodologies vary. Numerous research has been conducted on SCM techniques, value development, and performance. For instance, it showed that knowledge exchange, internal integration, and postponing supply chain operations all significantly and favourably impact supply chain performance and productivity. Higher SCM practice levels may also give a business a stronger competitive edge and improve performance, while supply chain activities do, in fact, demonstrate a strong link with supply chain success, supply chain strategy is a much poorer predictor of SCM performance.

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### Organizational performance:

How successfully a company achieves both its financial and market-oriented goals is a key indicator of organizational success. The primary short-term objectives of SCM are to increase productivity and reduce inventory. Reducing cycle time, but long-term objectives include increasing market share and revenue for each supply chain participant.

Financial metrics have been used as a tool to evaluate an entity's behaviour over time and to compare entities. Supply chain management is only one example of how organizational efforts may ultimately result in increased organizational efficiency. Several prior research studies have evaluated the performance of an organization based on financial and market criteria, such as ROI, market share, profit margin on sales, ROI growth, sales growth, market share growth, and overall competitive position.

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### Conclusion:

This study offers empirical support for a theory that outlines the five primary components of supply chain management (SCM) strategies and clarifies the connection between SCM strategies, competitive advantage, and organizational performance. It investigates three research inquiries: (1) have high levels of organizational success for those who implement SCM practices at high levels; (2) have high levels of competitive advantage for those who implement SCM practices at high levels; and (3) do high-performing organizations also have high levels of organizational performance? To investigate these challenges, a comprehensive, accurate, and dependable tool for assessing SCM procedures has been developed. Strictly assessed. The philosophical and prescriptive claims made in the literature on the benefits of SCM methods are supported by actual data in this study. The philosophical and prescriptive claims made in the literature on the benefits of SCM methods are supported by actual data in this study. statistical tests, such as reliability, discriminant validity, convergent validity, and second-order construct validation, were used to evaluate the instrument.

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