

Impact of supply chain management practices on organizational performance



Impact of Supply Chain Management Practices on Organizational Performance of
Supply Chain Partners;

An Empirical study of Pharmaceutical sector of Pakistan

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Abstract

With increase in globalization, competition in the local markets has also increased significantly, therefore, companies cannot remain competitive through production of quality products or services only rather they need to implement such policies and supply chain practices that could distinguish them from the other peers or give them competitive advantage in the market. The main purpose of this study is to identify the impact of supply chain practices over the performance of the supply chain partners including retailers, distributors and manufacturers in the pharmaceutical industry of Pakistan.

The study has been conducted to evaluate the impact of supply chain practices like supplier's relationship, customer relationship, quality of information sharing and information sharing over the supply chain partners. The quantitative information for the execution of this study has been collected through establishment of self-administered questionnaires, which was used through both the interactive and non-interactive channels for collection of required information. A Sample of 150 major manufacturing organizations along with all the major retailers having more than three branches in Pakistan and major distributors was selected among which 121 responses were obtained. Before proceeding towards the detailed research, pilot study was conducted. Data was analyzed through cross-sectional research approach and quantitative methodology was followed for utilization of both the primary and secondary data.

The study concluded that the supply chain practices like customer relationship and quality of information sharing has significant impact over the performance of a single

supply chain partner only, i.e. manufacturers, while the other two supply chain practices, i.e. supplier's relationship and information sharing shows no affect over the performance of manufacturing organization. However, the all the four supply chain practices showed no effect over the performances of the other two supply chain partners, i.e. distributor and retailers.

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Introduction

The idea of Supply Chain Management (SCM) is a well-recognized phenomenon and implementation of SCM has facilitated various organizations to achieve sustained competitive advantage (Christopher & Holweg, 2011). According to Chopra (2010) Supply Chain comprises of all stakeholders connected with each other, in satisfying a common customer request. It comprises upon a wide range of activities and functions both within and outside an organization. Inside an organization, functions that fall into supply chain includes outbound and inbound transportation, inventory control and warehousing. Most of the researchers have also placed activities like procurement, sourcing and supply management under the umbrella of Supply Chain Management. Moreover, activities like forecasting, order processing, production scheduling and planning, customer services and IT systems in an organization also act as an integral part of its supply chain management(Goedhals-Gerber, 2016). Therefore, it could be said that supply chain comprises upon all those activities that are either directly or indirectly associated with the moving of goods through different stages of its production and evaluation from the raw material stage to the supply of final finished product to the end users.