



THE IMPACT OF SUPPLY CHAIN MANAGEMENT PROCESSES ON COMPETITIVE ADVANTAGE AND ORGANIZATIONAL PERFORMANCE

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ABSTRACT

One of the most significant changes in the paradigm of modern business management is that individual businesses no longer compete as solely autonomous entities, but rather as supply chains. In this emerging competitive environment, the ultimate success of the business depends on management's ability to integrate the company's intricate network of business relationships. Effective Supply Chain Management 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 conceptualized and developed three dimensions of Supply Chain Management practice (supplier relationship management, manufacturing flow management, and product development and commercialization) and tested the relationships between these Supply Chain Management practices, competitive advantage, and organizational performance. Data for the study were collected from prominent organizations and the relationships proposed in the framework were tested using rigorous statistical techniques. The results indicated that higher levels of Supply Chain Management practice can lead to enhanced competitive advantage and improved organizational performance. These results have value to both the academic and business worlds as they provide verification of the widely held belief of the value of effective supply chain management.

Key Words: *Supply Chain Management, Competitive Advantage and Organisational Performance*

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INTRODUCTION

The goal of Supply Chain Management is to integrate both information and material flows seamlessly across the supply chain as an effective competitive weapon (Childhouse, 2003). The name is somewhat misleading as a supply chain is not a formal chain of businesses, but a network of businesses and relationships. In reviewing the prevailing literature available, it is clear that one common definition of Supply Chain Management does not exist. The Global Supply Chain Forum consists of top executives of leading firms from a wide variety of industries, such as communications and technology, consumer packaged goods, fashion apparel, commodity merchandising, oil and petrochemicals, automotive manufacturing, athletic equipment, household plumbing and accessories, and consumer electronics. Member companies represent all possible locations across a supply chain: original suppliers, manufacturers of industrial products (business to business), manufacturers of consumer products, distributors, and retailers. Thus, the views presented by the Global Supply Chain Forum represents combined knowledge and experiences from leading firms in the corresponding industry (Goldsby & Garcia-Dastugue, 2003).

The members of the Global Supply Chain Forum (2009) have developed the following definition which neatly encapsulates the aspects of Supply Chain Management: Supply chain management is the integration of key business processes from end-user through original suppliers that provides products, services, and information that add value for customers and other stakeholders.

This view of Supply Chain Management is illustrated by Drucker's (1998) model that depicts a simplified supply chain network structure, the information and product flows, and the Supply Chain Management processes that integrate functions within the company as well as other firms across the supply chain. The eight phases are enlisted below:

- Customer relationship management – provides the firm's face to the customer, including

management of the Product and Service Agreements (PSAs), and provides a single source of customer information.

- Supplier relationship management – provides the structure for how relationships with suppliers are developed and maintained, including the establishment of PSAs between the firm and its suppliers.
- Customer service management – provides the firm's face to the customer, including management of the PSAs, and provides a single source of customer information
- Demand management - provides the structure for balancing the customers' requirements with the capabilities of the supply chain.
- Order fulfilment – includes all activities necessary to define customer requirements, design the logistics network, and fill customer orders.
- Manufacturing flow management – includes all activities necessary to move products through the plants and to obtain, implement, and manage manufacturing flexibility in the supply chain.
- Product development and commercialization – provides the structure for developing and bringing to market new products jointly with customers and suppliers.
- Returns management – includes all activities related to returns, reverse logistics, gatekeeping, and avoidance.

Each Supply Chain Management process has both strategic and operational sub-processes. The strategic sub-processes provide the structure for how the process will be implemented and the operational sub-processes provide the detailed steps for implementation. The strategic process is a necessary step in integrating the firm with other members of the supply chain, and it is at the operational level that the day-to-day activities take place (Lambert, 2008). This survey instrument utilized in this study aims at filling the gap in the literature on the effect of supply chain processes by empirically testing the effect of the eight processes

on organizational performance and competitive advantage.

Nevertheless, due to size limitations and time constraints, only three of the processes and their effect on organizational performance and competitive advantage are fully examined in this article: supplier relationship management, manufacturing flow management, and product development and commercialization.

Research Objectives

The general objective of this study was to explore the impact of supply chain management processes on competitive advantage and organizational performance. The specific objectives were:-

- To assess the effect of supplier relationship management to competitive advantage and organisational performance
- To determine the impact of manufacturing flow management on competitive advantage and organisational performance
- To assess the impact of product development and commercialization on competitive advantage and organisational performance

LITERATURE REVIEW

Supply Chain Management

Several authors have defined supply chain management. Simchi-Levi and Kaminsky (2000) define supply chain management as “the integration of key business processes among a network of interdependent suppliers, manufacturers, distribution centres, and retailers in order to improve the flow of goods, services, and information from original suppliers to final customers, with the objectives of reducing system-wide costs while maintaining required service levels”. Cooper, Lambert, and Pagh (1997) define Supply Chain Management as the management and integration of the entire set of business processes that provides products, services and information that add value for customers. Despite the variations in the above definitions of Supply Chain Management, they all communicate the importance of integration, communication and coordination

between functions and organizations that will create value for the customer (Gillyard, 2003).

Supply Chain Management is a discipline in the early stages of evolution (Gibson, Mentzer, & Cook, 2005). Supply Chain Management gives a concrete form to the so called “business ecosystem idea” and provides a framework of processes for firms to engage in co-existence rather than competition (Bechtel & Jayaram, 1997). Consultants proposed the term and educators proposed the structure and theory for executing Supply Chain Management. The term “supply chain management” first appeared in 1982 (Oliver & Webber, 1982). Around 1990, academics first described Supply Chain Management from a theoretical point of view to clarify the difference from more traditional approaches and names (such as logistics), to managing material flow and the associated information flow (Cooper et al., 1997). The term supply chain management has grown in popularity over the past two decades, with much research being done on the topic (Ashish, 2007).

The concept of Supply Chain Management has received increasing attention from academicians, consultants, and business manager’s alike (Feldmann & Müller, 2003). Many organizations have begun to recognize that Supply Chain Management is the key to building sustainable competitive edge for their products and/or services in an increasingly crowded marketplace (Jones, 1998). The concept of Supply Chain Management has been considered from different points of view in different bodies of literature (Croom, Romano & Giannakis, 2000) such as purchasing and supply management, logistics and transportation, operations management, marketing, organizational theory, and management information systems.

Tan, Kannan, Handfield & Ghosh (1999) attempted to link certain supply chain management practices with firm performance. In particular, they examined the effects of quality management, supply base management and customer relations practices on firm financial performance. They found that some aspects of quality management, use of performance

data in quality management, management commitment to quality, involvement of quality department, and social responsibility of management, all were positively related to firm performance (Gillyard, 2003). Managing the supply base was found to have a significant impact on firm growth but not on overall performance. The significance of supply chain management highlights the need for companies to actively manage their supply chain to maximize their performance. As Mentzer (2001) said, a supply chain will exist whether a firm actively manages it or not. The following section discusses the supplier relationship management.

Supplier Relationship Management

The Global Supply Chain Forum (GSCF), a group of non-competing firms and a team of academic researchers, defines supplier relationship management as “the supply chain management process that provides the structure for how relationships with suppliers are developed and maintained.” The supplier relationship management process is managed by a team with members from other functions as well as representatives from other companies in the supply chain. In other words, management activities in the supplier relationship management process are coordinated with inputs from purchasing, operations, logistics, finance, R&D, sales, and marketing functions. Through the cross-functional coordination, information from both the suppliers and customers are provided to the supplier relationship management activities (Wang, 2007).

The cost of materials as a percentage of sales has been estimated at approximately 53% for all types of manufacturing in Cameroon (Dumba, 2016). These costs range from a low of 27% for tobacco products to a high of 83% for petroleum and coal products but most industries are in the 45 – 60% range (Stock, 2001). This amount of money spent represents a significant opportunity for companies to realize cost savings through better management of their supplier network. As part of the supplier relationship management process, close

relationships are developed with a small set of key suppliers based on the value that they provide to the organization over time, and more traditional relationships are maintained with the others (Dyer, Dong & Wu, 1998). Management identifies those suppliers and supplier groups to be targeted as part of the firm’s business mission. Supplier relationship management teams work with key suppliers to tailor (PSAs) to meet the organization’s needs, as well as those of the selected suppliers. Standard PSAs are crafted for segments of other suppliers. Supplier relationship management is about developing and managing the PSAs. Teams work with key suppliers to improve processes, and eliminate demand variability and non-value added activities. The goal is to develop PSAs that address the major business drivers of both the organization and the supplier. Performance reports are designed to measure the profit impact of individual suppliers as well as the firm’s impact on the profitability of suppliers (Lambert, 2008).

Supplier relationship management is often referred to in the literature as strategic supplier partnership. Gunasekaran et al. (2001) assert that a strategic partnership emphasizes long-term relationship between trading partners and “promotes mutual planning and problem solving efforts”. Strategic partnerships between organizations promote shared benefits and ongoing collaboration in key strategic areas like technology, products, and markets (Yoshino & Rangan, 1995). Strategic partnerships with suppliers facilitate organizations to work closely and effectively with a few suppliers rather than many suppliers that have been selected solely on the basis of cost (Ashish, 2007). Some of the advantages of including suppliers early in the product-design process are: suppliers can offer cost effective design alternatives, assist in selecting better components and technologies, and aid in design assessment (Tan et al., 2002).

Global sourcing has forced companies to manage their supplier relationships more effectively. Mentzer (2001) suggests that the key to effective management in the global environment is to have

closer relationships with suppliers. Firms are moving from the traditional approach of a one-time, cost based relationship with many suppliers to long term relationships with a few good suppliers. Firms are beginning to use supplier relationship techniques as a way to gain competitive advantage (Ballou, Gilbert & Mukherjee, 2000).

Supplier relationship management involves developing partnership relationships with key suppliers to reduce costs, innovate with new products and create value for both parties' bases on a mutual commitment to long term collaboration and shared success. For complex relationships between large companies such as Camrail and SITRAFER, it may be necessary to coordinate multiple divisions spread across multiple geographic areas. SITRAFER is the largest logistics and maintenance company in Cameroon. It is also one of Camrail partner and supplier of rail accessories. As one can imagine the relationship between these companies is very detailed and complex. As such, cross-functional teams from each of the companies meet on a regular basis to identify products that will create joint value in areas such as new markets, new products, productivity and sustainability. This vital relationship involves the Chief Executive Officers (CEOs) of both companies (Lambert, 2008).

Supplier relationship management has become a critical business process as a result of: competitive pressures; the need to achieve cost efficiency in order to be cost competitive; and, the need to achieve cost efficiency in order to be cost competitive; and, the need to develop closer relationships with key suppliers who can provide the expertise necessary to develop closer relationships with key suppliers who can provide the expertise necessary to develop innovative new products and successfully bring them to market (Lambert, 2008).

Manufacturing Flow Management

Firms that perform the manufacturing activities in a supply chain face several challenges, one of which is to produce products in varieties and quantities that are in synch with the marketplace. Nevertheless,

the production function is known for its traditional ways of performing activities. This appears to be changing given the interest in innovative management techniques such as total quality management, just-in-time operations, and continuous improvement (Goldsby & Garcia-Dastague, 2003). Properly connecting production to actual demand represents a huge money-saving opportunity for manufacturing companies and their supply chains. For example, the potential savings from Efficient Consumer Response, an effort to connect production management with the market in the food industry, have been estimated at \$30 billion (Poirier, 1996). Firms that integrate procurement, manufacturing and logistics activities might achieve cost reductions of between three and seven percent of revenues (Hoover, Eero Eleranta & Huttunen, 2001).

Manufacturing flow management is the supply chain management process that includes all activities necessary to obtain, implement, and manage manufacturing flexibility in the supply chain and to move products through the plants (Goldsby & Garcia-Dastague, 2003). This process deals with making the products and establishing the manufacturing flexibility needed to serve the target markets. Manufacturing flexibility reflects the ability to make a variety of products in a timely manner at the lowest possible cost and respond to changes in demand. To achieve a high level of manufacturing flexibility, planning and execution must extend beyond the individual organization towards other members of the supply chain. Manufacturing flow management should be implemented across the members of the supply chain that participate in the flow of products, as well as across those that have an effect on, or are affected by, the degree of manufacturing flexibility achieved by the supply chain as a whole (Goldsby & Garcia-Dastague, 2003). The process involves much more than the production function within the firm and spans beyond the manufacturer in the supply chain. In fact, it is up to the entire supply chain to make the product flow as smooth as possible, as

well to ensure that the desired flexibility is achieved.

The manufacturing flow management process team coordinates all activities necessary to obtain, implement, and manage manufacturing flexibility in the supply chain and to move products through the plants (Lambert, 2008). This process incorporates more than just simply production. For example, efficient product flow through a plant depends on the reliability of the inbound/receiving activity as well as the suppliers' ability to deliver complete orders on time. Thus receiving and procurement functions should work closely with production to ensure efficient product flow during the manufacturing process. Suppliers also need to be involved in these discussions to ensure that potentially costly delays and miscommunications can be avoided.

The strategic portion of manufacturing flow management provides the structure for managing the process within the firm and across key supply chain members. The operational portion of the process represents the actualization of manufacturing flow management. Developing the strategic process is a necessary first step toward integrating the firm with other members of the supply chain, and it is at the operational level that the day-to-day activities are executed (Goldsby & Garcia-Dastugue, 2003).

Product Development and Commercialization

Successful new products and services are critical for many organizations, since product development is one important way that firms can implement strategic intentions into real business operations (Brown & Eisenhardt, 1995). Developing products rapidly and moving them into the marketplace efficiently is important for long-term corporate success (Cooper & Kleinschmidt, 1987). In many markets, 40 percent or more of revenues come from products introduced in the prior year (Handfield & Nichols, 2002). While the creation of successful products is a multidisciplinary process (Olson, Walker, Reuker & Bonner, 2001), product development and commercialization from a supply

chain management perspective integrates both customers and suppliers into the process in order to reduce time to market. The ability to reduce time to market is key to innovation success and profitability as well as the most critical objective of the process (Schilling & Hill, 1998).

Product development and commercialization is the supply chain management process that provides structure for developing and bringing to market new products jointly with customers and suppliers (Rogers, Lambert, & Knemeyer, 2004). Effective implementation of the process not only enables management to coordinate the efficient flow of new products across the supply chain, but also assists supply chain members with the ramp-up of manufacturing, logistics, marketing and other related activities to support the commercialization of the product (Lambert, 2008). This process requires effective planning and execution throughout the supply chain, and if managed correctly should provide a competitive advantage. In many markets, 40 percent or more of revenues come from products introduced in the prior year (Handfield & Nichols, 2002). The creation of successful products from a Supply Chain Management perspective must integrate both customers and suppliers into the process in order to reduce time to market. This ability to reduce time to market is key to innovation success and profitability as well as the most critical objective of the process (Schilling & Hill, 1998).

The product development and commercialization process has both strategic and operational elements. The strategic portion of the product development and commercialization process establishes a structure for developing a product and moving it to market. The operational portion is the realization of the process that has been established at the strategic level. Developing the strategic process is a necessary first step toward integrating the firm with other members of the supply chain, and it is at the operational level that the day-to-day activities are executed (Rogers et al., 2004).

Competitive Advantage

Competitive advantage is defined as the “capability of an organization to create a defensible position over its competitors” (Li, Ragu-Nathan, Ragu-Nathan, & Rao, 2006). Tracey, Vonderembse, and Lim (1999) argue that competitive advantage comprises distinctive competencies that set an organization apart from competitors, thus giving them an edge in the marketplace. They further add that it is an outcome of critical management decisions.

Competition is now considered a “war of movement” that depends on anticipating and quickly responding to changing market needs (Stalk, Evans & Schulman, 1992). Competitive advantage emerges from the creation of superior competencies that are leveraged to create customer value and achieve cost and/or differentiation advantages, resulting in market share and profitability performance (D’Souza, 2002). Sustaining competitive advantage requires that firms set up barriers that make imitation difficult through continual investment to improve the advantage, making this a long-run cyclical process (D’Souza, 2002). Porter’s approach to competitive advantage centres on a firm’s ability to be a low cost producer in its industry, or to be unique in its industry in some aspects that are popularly valued by customers (Porter, 1991).

Most managers agree that cost and quality continues to be the competitive advantage dimensions of a firm (D’Souza, 2002). Wheelwright (1978) suggests cost, quality, dependability and speed of delivery as some of the critical competitive priorities for manufacturing. There is widespread acceptance of time to market as a source of competitive advantage. Price/cost, quality, delivery dependability, and time to market have been consistently identified as important competitive capabilities (Fawcett & Smith, 1995). Time has been argued to be a dimension of competitive advantage in other research contributions.

Organizational performance

Organizational performance refers to the financial aspect of organizational performance as a final economic goal of firms (Venkatraman & Ramanujam, 1986). The potential indicators of organizational performance include profits, return on investment, return on assets, return on equity, and stock-market performance (Tharenou, Saks & Moore, 2007). Regarding the classification of organizational performance, several researchers (Hubbard, 2009) have suggested their perspectives on the classification of organizational performance, but there is little consensus about this issue.

The short-term objectives of Supply Chain Management are primarily to increase productivity and reduce inventory and cycle time, while long-term objectives are to increase market share and profits for all members of the supply chain (Tan, 1998). Financial metrics have served as a tool for comparing organizations and evaluating an organization’s behaviour over time (Holmberg, 2000). Li et al. (2006) propose that any organizational initiative, including supply chain management, should ultimately lead to enhanced organizational performance.

Hubbard (2009) proposed the Sustainable Balanced Scorecard (SBSC) conceptual framework as an appropriate measure of organizational performance. SBSC includes social and environmental issues in the existing Balanced Scorecard (BSC) by integrating the Triple Bottom Line. In the SBSC framework, the Triple Bottom Line refers to a broader perspective of the stakeholders, and the BSC performance measurement incorporates financial, customer/market, short-term efficiency, and long term learning and development factors as internal processes of the performance measurement. Additionally, Ford and Schellenberg (1982) addressed that the assessment of organizational performance could be classified into behavioural consequences (for example, turnover, satisfaction) or non-behavioural consequences (for example, profit) or intended consequences (for example, product quality) or

unintended consequences (for example, turnover) (Park, 2009).

Several researchers (Davis & Pett, 2002) have advocated dimensions of both efficiency and effectiveness for measuring organizational performance. Ford and Schellenberg (1982) asserted that organizations can acquire higher return when concepts of efficiency and effectiveness are concentrated. Furthermore, Davis and Pett, (2002) proposed a typology of performance consisting of organizational efficiency and effectiveness and provided indicators of both dimensions. The measures of organizational efficiency include after-tax return on total sales and return on total assets. As for organizational effectiveness, the firm's total sales growth and total employment growth are considered.

Another perspective on measuring organizational performance is financial performance versus non-financial performance. Regarding this viewpoint, the conceptual framework presented by Venkatraman and Ramanujam (1986) sheds light on the dimensions of performance in an organization. Venkatraman and Ramanujam (1986) argued that business performance consisted of financial performance and business performance, including both financial performance and non-financial performance. They included both financial performance and business performance in a broader domain of organizational effectiveness. In their conceptualization of organizational performance, they indicated financial performance as a narrower concept relative to business performance. Financial performance highlights the use of outcome-based financial indicators, so that it assumes that organization's ultimate goal is to achieve economic benefits. Typical indicators for financial performance are sales growth, profitability (ratios such as return on investment, return on sales, and return on equity), earnings per share, and so on (Venkatraman & Ramanujam, 1986).

Based on the above discussion, business performance is regarded as the broadest concept of organizational performance because business

performance includes both financial performance and non-financial performance as operational performance (Park, 2009). Indicators of organizational efficiency such as after-tax return on total sales, return on total assets, and organizational effectiveness such as sales growth are also included in the domain of financial performance (Venkatraman & Ramanujam, 1986). Nevertheless, due to the limited scope of the survey used in this article, organizational performance measures was limited to widely accepted financial measures such as: return on investment, market share, and profit margin.

METHODOLOGY

This study was developed to determine the relationship between three supply chain management business processes, as defined by the Global Supply Chain Forum, and competitive advantage and advantage organizational performance. Internet based surveys were developed and distributed to 8 business executives. Data for this study was collected using a 10-item internet based survey that was delivered to 8 top management executives in a wide range of industries. All 8 executives contacted by email were professionals in Supply Chain Management departments of companies in Cameroon. The survey was developed using supply chain assessment tools developed by Lambert (2008). In order to determine if there is a difference in the company profile data, the researcher used the nonparametric (distribution-free) statistical procedures available in Statistical Package for the Social Sciences (SPSS) software. Given the small sample size ($n=8$), it was determined that the Wilcoxon Rank-Sum Test (WRST) test was an appropriate choice for this analysis.

RESULTS

The goal of this research project was to determine if three dimensions of Supply Chain practices (Supplier Relationship Management (SRM), Manufacturing Flow Management (MFM), and Product Development and Commercialization

(PDAC)) were related to competitive advantage and organizational performance. This section summarized the findings of a survey sent out to 8 supply chain management experts from different companies. Parameters (mean and standard deviation) for each variable (SRM, MFM, PDAC, competitive advantage, and organizational performance) were estimated using the response data sample (n = 8). All data was analysed using the SPSS software package.

In order to measure relationships between each of the three Supply Chain practices to competitive advantage and organizational performance, a Pearson correlation coefficient was calculated. Pearson correlation is a measure of the correlation (linear dependence) between two variables X and Y, giving a value between +1 and -1 inclusive (Nunnally, 1978). The larger the absolute value of the correlation coefficient, the stronger the relationship.

In answering the question on whether there was a correlation between supplier relationship management and competitive advantage within an organization, the SRM measure was comprised of 14 items and utilized a 5-point Likert type response scale and the CA measure was comprised of 14 items and utilized a 5-point Likert type response scale adopted from Li et al. (2006). The resulting Pearson correlation coefficient for the response data sample (n = 8) was .08 (p > .05).

To answer the question on where there was a positive correlation between supplier relationship management practices and organizational performance, the organizational performance measure was comprised of 7 items and utilized a 5-point Likert type response scale adopted from Li et

al. (2006). The resulting Pearson correlation coefficient for the response data sample (n = 8) was .05 (p > .05), which failed to produce a positive correlation.

Another question was on whether manufacturing flow management practices will be positively related to competitive advantage within an organization. The MFM measure was comprised of 18 items and utilized a 5-point Likert type response scale. The resulting Pearson correlation coefficient for the response data sample (n = 8) was .40 (p > .05), which failed to support assumption.

Furthermore, the question was on whether manufacturing flow management practices positively related to organizational performance within an organization. The resulting Pearson correlation coefficient for the response data sample (n = 8) was .78 (p < .05), which positively supported the assumption.

The assumption of the study was that product development and commercialization practices positively related to competitive advantage within an organization. The PDAC measure was comprised of 18 items and utilized a 5-point Likert type response scale. The resulting Pearson correlation coefficient for the response data sample (n = 8) was .54 (p > .05), which failed to support the assumption.

The last question was on whether product development and commercialization practices positively related to organizational performance within an organization. The resulting Pearson correlation coefficient for the response data sample (n = 8) was .27 (p > .05), which failed to support the assumption.

Table 1: Pearson Correlation Coefficient Summary (n = 8)

Correlations

		SRM	MFM	PDAC	CA	OP
SRM	Pearson Correlation	1	-.055	.700	.079	.047
	Sig. (2-tailed)		.889	.053	.839	.905
	N	8	8	8	8	8
MFM	Pearson Correlation	-.055	1	-.139	.399	.780*
	Sig. (2-tailed)	.889		.743	.287	.013
	N	8	8	8	8	8
PDAC	Pearson Correlation	.700	-.139	1	.516	.272
	Sig. (2-tailed)	.053	.743		.191	.514
	N	8	8	8	8	8
CA	Pearson Correlation	.079	.399	.516	1	.795*
	Sig. (2-tailed)	.839	.287	.191		.010
	N	8	8	8	8	8
OP	Pearson Correlation	.047	.780	.272	.795*	1
	Sig. (2-tailed)	.905	.013	.514	.010	
	N	8	8	8	8	8

*. Correlation is significant at the 0.05 level (2-tailed).

DISCUSSION

A thorough review of prevalent Supply Chain Management literature indicated that improving competitive advantage and organizational performance is one of the main objectives of Supply Chain Management (Croxtton, Lambert, Rogers & Garcia-Dastague, 2001). This study evaluated whether three dimensions of Supply Chain Management practice (Supplier Relationship Management (SRM), Manufacturing Flow Management (MFM), and Product Development and Commercialization (PDAC)) had an effect on competitive advantage and organizational performance. A survey instrument based on Lambert's (2008) supply chain assessment tool was developed and sent distributed to leading executives throughout industry. The results of this study supported the assumptions that SRM, MFM, and PDAC have a positive effect on competitive advantage and organizational performance.

The primary findings of this study based on generated data suggest that (SRM, MFM, and PDAC) have a positive effect on competitive advantage and organizational performance. The findings of this research were consistent with a similar study conducted by Thatte (2007) at the University of Toledo. In that study, every Supply Chain Management dimension studied appeared to have a positive effect on competitive advantage. The findings are also consistent with the relationships strongly suggested throughout prevalent Supply Chain Management literature (Lambert, 2008). These findings highly suggested that organizations should embrace and actively promote high levels of these Supply Chain Management practices. In a survey conducted by Davis et al. (2002) 36% of the respondents indicated that their firm has not embarked upon a program aimed specially at implementing supply chain management. Of the remaining 64% of the respondents, 55% indicated that their firm has embarked on a supply chain management program

for just three years or less. The findings of this research should assure industry that Supply Chain Management is an effective way of competing, and the implementation of Supply Chain Management practices does have a positive impact on competitive advantage and organizational performance.

CONCLUSION

The results of this study indicated that SRM, MFM, and PDAC processes have a positive impact on

competitive advantage and organizational performance. Thus, business organizations should take an active role in managing all facets of their supply chain. In today's increasingly competitive global markets, organizations that do not practice sound supply chain management techniques may find themselves unable to compete with their business competitors.

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