ST. MARY'S UNIVERSITY COLLEGE

FACULTY OF BUSINESS

DEPARTMENT OF MARKETING MANAGEMENT

THE STUDY OF SUPPLY CHAIN MANAGEMENT:

THE CASE OF KALITY FOOD SHARE COMPANY

BY

AREFAT SHEMSU

JUNE 2013

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APPROVED BY THE COMMITTEE OF EXAMINERS

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Internal Examiner	Signature
External Examiner	Signature

DECLARATION

I, the underassigned, hereby declare that this senior essay is my original work prepared under the guidance of Ato Tadesse Hailu. All sources of materials used for the manuscript have been duely acknowledged.

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ADVISOR'S DECLARATION

This paper has been submitted for examination with my appropriate approval as university college advisor.

Name Tadesse Hailu

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List of Abbreviations

KFSC	Kality Food Share Company
SCM	Supply Chain Management
SC	Supply Chain

CHAPTER ONE

Introduction

1.1 Background of the study

Supply Chain Management is recognized as a critical business process for companies manufacturing or distributing products. This is because customers' demand for most products are ever more demanding in response time, in choice and in seeking more competitive prices and thanks to globalization, customers can choose from an increased number of suppliers (Lazarovic, 2007:6).

In today's business world, where customers are perceived as the "king", is the driver of change in the market place. Their changing attitudes are pushing businesses to rethink their strategies. In general, business environment is characterized by unpredictability and changeability. Therefore, adopting a more integrated approach to supply chain (SC) relationship management has been increasingly viewed as a way of meeting changing customer needs (Eyong, 2009:5).

Supply chain management (SCM) has raised the interest in the past years as organizations started to realize that, the actions taken by one member of the chain actually have an influence on the profitability of other members in the chain. This scheme generated the act of competing as a part of supply chain against the other supply chains instead of competing as a single firm against other individual firms (Silver, 1998:6).

This is due to the fact that, nowadays the new source of business competition lies outside the walls of organizations, and it is determined by how effectively companies link their operations with their supply chain partners such as suppliers, manufacturers, distributors, wholesalers, retailers and end customers (Silver, 1998:6).

Therefore, Supply chain management offers a management philosophy to manage activities and integrate with down-streams, up-streams as well as firms internal supply chain operations (Ross, 1998:9).

Because of the collaboration between members of the chain, supply chain management gives significant opportunities to the firms involved in terms of cost reductions, revenue enhancement, flexibility, customer satisfaction, speed and economy of time (Forrester, 1958 cited in Neeley, 200612).

Currently the Ethiopian business environment is becoming customer driven, competitive and technology based. Hence, it is unquestionable that companies should build an integrated and efficient system through which resources would flow in a seamless and instantaneous manner across the supply chain.

Therefore, the student researcher has, thus, been inspired to conduct a study on the practices of SCM in Kality food Share Company and forward possible suggestions that would enable the company to be competitive.

Company profile:

Kality food Share Company is established in 1938 E.C. and it occupies a pioneering status signaling a major breakthrough in the onset industrialization in Ethiopia. Over the last seven decades of its existence, this giant industry had been consistently mining a wealth of experience in industrial production and marketing of a mix of food products. The factory used to be widely popular for its traditional out puts branded a “Colon Alpi” and later “cerealia”. This subsequently earned its name in the old days. The present Kality Food Share Company has grown in to a far-reaching reputation for mounting quality and taste of its products among the consumer public all over the country.

Kality Food Share Company enjoys on ideal premise located at the heart of Kality an ever blooming industrial zone of the country-situated only 17 Kilo meters from metropolitan Addis Ababa along the artery motorway stretched through resort town of Debrezeit.

VISION

Kality Food Share Company’s vision is: being a pioneer, reputable, model food industry (source: company profile).

1.2 Statement of the Problem

Companies which have recognized opportunities that exist there in the supply chain management and directed their effort towards developing a competitive supply chain based on speed, flexibility, innovation, quality & responsiveness had significantly improve customer service and their profitability. Therefore, the primary goal of supply chain management is to enhance competitive performance by closely integrating the internal functions within a company & closely linking them with external operations of suppliers, customers, and other channel members (Kim, 2006).

For seeking the efficient and effective cooperation between organizations of a supply chain, each chain member must seek not only to improve its own individual competitiveness (i.e. quality, cost, delivery lead time, and etc.) but also improve the competitiveness and performance of all enterprises in its supply chain. This involves sharing of information, working together to reduce costs, cut lead-time and building total quality into all the stages of the supply chain (Davis, 1993).

On the other hand Lee, (2000) suggested that trading partner companies, should get out of mere coordination and move towards collaborative SCM in an effort to reduce the information imbalances that result in the "bullwhip" effect, while increasing their responsiveness to market demand and customer service .

The student researcher in the pilot study observes that in contrast with the above theoretical framework, the company's SCM is customary that lacks an integrated, efficient and effective SCM. The company does not give IT trainings which play a decisive role for creating effective and efficient SCM. Poor IT facilities lead to poor information sharing and poor information sharing practices.

The SCM main concept is creating a relationship with other partners through the SC to provide products and services in order to satisfy the customers. The relationship of the KFSC with its customers and suppliers is not strong. these

relationship shows as the relationship between KFSC's SC participants are traditional, that is relationship.

Therefore, identifying these gaps as a student researcher intended to conduct a study on how the company's supply chain management practices looks like.

1.3 Basic research questions

Hence, this study is primarily aimed to answer, what are the practices of Supply Chain Management in Kality food Share Company and more specifically to answer the following basic research questions.

1. What are the factors that are affecting the supply chain management of the company?
2. What is the collaboration/integration among key players of the SC?
3. What are the challenges in the practice of supply chain management for customer service?
4. What should be done to improve the existing system?

1.4 Objectives of the study

1.4.1. General Objectives

The general objective of the study will be assessing the practices of supply chain management in Kality Food Share Company.

1.4.2 Specific Objectives

1. To identify the factors that affecting the supply chain management of the company
2. To assess the challenges in the practice of supply chain management
3. To assess how case company is working towards integrated internal operation for customer service
4. To pin point what should be done to improve the existing system

1.5 Significances of the study

The company will take advantage of recommendations given at last and will address the problems. Along with its primary intention required as a senior

essay for the prospective graduate student researcher, the paper will also serve as a reference material for similar studies in the future. The student researcher, in conducting the study will benefit a lot in conducting the research.

1.6 Delimitation of the Study

Such a wide scope research would have taken more than a year. Nevertheless, this research is delimited in the time allotted to undertake, not more than three years time, what's more, financial constraint to make a wide scope research on the area for activities such as travel and pay required to human resource to collect a deal of data is huge. Thus the department was divided into three sections as a stratum: Marketing, production and customer claims unit and 17 respondents from marketing, 25 respondents from the production unit and 8 respondents were chosen from the claims section. Hence as a result of such constraints this study was delimited to specific context that is the practices of SCM in Kality food Share Company in the marketing department from 2010 till 2013 provided that distribution centers in Addis Ababa was also considered the student researcher will try to consider their cases in this regard.

1.7 Definition of term

Bullwhip effect- it is the distortion of information within the supply chain which lead to an increment of inventory fluctuation than really expected (Kim, 2006).

Supply chain: is all inter-linked resources and activities needed to create and deliver products and services to customers (Sunil, 2004).

Supply Chain Management: is a network of relationships, with the goal to deliver superior value, i.e., the management of upstream and downstream relationships with suppliers and customers to deliver superior customer value at less cost to the supply chain as a whole (Christopher 2005).

1.8 Research Design and Methodology

1.8.1 Research Design

As the primary intention of the study to assess the underlying facts and actual circumstances existing within the case company with regard to SCM practices and describing the facts, the student researcher is convinced to use descriptive research design. Thus the student researcher preferred to use descriptive research, which enables to use both qualitative and quantitative data.

1.8.2 Population and Sample

The total populations of the study were permanent employees of the company from the department of marketing, and production department and distributors of the products of the S.C the employee that counts 50 of which the student researcher intended to employ census and therefore the respondents have participated in the study. Hence in this way of sampling the student researcher attempted to select the most concerned individuals to the case under study. In other words, the researcher considered respondents whom the student researcher believes are top priority and most concerned in dealing with and in influencing the topic under concern here.

1.8.3 Type of Data Collected

In order to gather the data from relevant sources, both primary and secondary data were used. The primary data was collected in the form of personal interviews with managers. And questionnaires were distributed to employees of the company.

1.8.4 Data Collection Method

Both primary and secondary sources of data were collected through Questionnaires, interview, and document analysis. The primary data was collected in the form of personal interviews with managers. And questionnaires were distributed to employees of the company. As the secondary data; books, articles, journals, magazines, and broachers were reviewed.

1.8.5 Method of Data Analysis

The collected data was analyzed and interpreted by using both qualitative and quantitative analysis. The data collected by open ended and interview questionnaires were analyzed qualitatively. Closed ended questionnaires were analyzed quantitatively by using tables, scale and percentages.

1.9 Organization of the Paper

The paper was organized into four chapters: Chapter one contains the introduction part dealing with background of the study, problem of the study, objectives of the study, scope and significance of the study. The second chapter discussed the literature review about the subject matter. Chapter three presents results findings, discussion and interpretation of the study and finally, chapter four presents summary, conclusions and forward recommendations.

1.10 Limitation of the Study

The time provided for the collection, analysis and interpretation of the data was found to be inadequate. Finally, sufficient and up to date books were missing to support the supply chain management practice. Hence, like how supply chain in the food manufacturing industry is maintained and handled was hardly accessed in literary texts. Nevertheless, the student researcher has made a concerted effort in finding the required texts and electronic resources.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 What Is Supply Chain Management?

Fierce competition in today's global markets, the introduction of products with shorter life cycles, and the heightened expectations of customers have forced business enterprises to invest in, and focus attention on, their supply chains. This, together with continuing advances in communications and transportation technologies (e.g., mobile communication, Internet, and overnight delivery), has motivated the continuous evolution of the supply chain and of the techniques to manage it effectively. In a typical supply chain, raw materials are procured and items are produced at one or more factories, shipped to warehouses for intermediate storage, and then shipped to retailers or customers. Consequently, to reduce cost and improve service levels, effective supply chain strategies must take into account the interactions at the various levels in the supply chain. The supply chain, which is also referred to as the *logistics network,* consists of suppliers, manufacturing centers, warehouses, distribution centers, and retail outlets, as well as raw materials, work-in-process inventory, and finished products that flow between the facilities (Ross, 1998:21).

Supply chain management is a set of approaches utilized to efficiently integrate suppliers, manufacturers, warehouses, and stores, so that merchandise is produced and distributed at the right quantities, to the right locations, and at the right time, in order to minimize system wide costs while satisfying service level requirements. This definition leads to several observations. First, supply chain management takes into consideration every facility that has an impact on cost and plays a role in making the product conform to customer requirements: from supplier and manufacturing facilities through warehouses and distribution centers to retailers and stores. Indeed, in some supply chain analysis, it is necessary to account for the suppliers' suppliers and the customers' customers because they have an impact on supply chain

performance. Second, the objective of supply chain management is to be efficient and cost-effective across the entire system; total system wide costs, from transportation and distribution to inventories of raw materials, work in process, and finished goods, are to be minimized. Thus, the emphasis is not on simply minimizing transportation cost or reducing inventories but, rather, on taking a *systems approach* to supply chain management (Neeley, 2006:13).

Finally, because supply chain management revolves around efficient integration of suppliers, manufacturers, warehouses, and stores, it encompasses the firm's activities at many levels, from the strategic level through the tactical to the operational level. The best companies around the world are discovering a powerful new source of competitive advantage. It's called supply-chain management and it encompasses all of those integrated activities that bring product to market and create satisfied customers (Neeley, 2006).

Sourcing, procurement, and supply management fall under the supply-chain umbrella, too. Forecasting, production planning and scheduling, order processing, and customer service all are part of the process as well. Importantly, it also embodies the information systems so necessary to monitor all of these activities. Simply stated, *"The supply chain encompasses all of those activities associated with moving goods from the raw-materials stage through to the end user."* Advocates for this business process realized that significant productivity increases could only come from managing relationships, information, and material flow across enterprise borders. One of the best definitions of supply-chain management offered to date comes from Bernard J. (Bud) LaLonde, professor emeritus of Supply Chain Management at Ohio State University. LaLonde defines supply-chain management as follows: "*The delivery of enhanced customer and economic value through synchronized management of the flow of physical goods and associated information from sourcing to consumption."*As the "from sourcing to consumption" part of our last definition

suggests, though, achieving the real potential of supply-chain management requires integration--not only of these entities within the organization, but also of the external partners. The latter include the suppliers, distributors, carriers, customers, and even the ultimate consumers (Neeley, 2006).

All are central players in what James E. Morehouse of A.T. Kearney calls the extended supply chain. "The goal of the extended enterprise is to do a better job of serving the ultimate consumer," Superior service, he continues, leads to increased market share. Increased share, in turn, brings with it competitive advantages such as lower warehousing and transportation costs, reduced inventory levels, less waste, and lower transaction costs. The customer is the key to both quantifying and communicating the supply chain's value, confirms Shrawan Singh, vice president of integrated supply-chain management at Xerox Businesses depend on their supply chains to provide them with what they need to survive and thrive. Every business fits into one or more supply chains and has a role to play in each of them. The pace of change and the uncertainty about how markets will evolve has made it increasingly important for companies to be aware of the supply chains they participate in and to understand the roles that they play. Those companies that learn how to build and participate in strong supply chains will have a substantial competitive advantage in their markets (Neeley, 2006).

2.1.1 The Importance of Supply Chain Management

In today's demanding business environment, "slow and steady" won't get you out of the starting gate, let alone win any races. Managers these days recognize that getting products to customers faster than the competition will improve a company's competitive position. To remain competitive, companies must seek new solutions to important Supply Chain Management issues such as modal analysis, supply chain management, load planning, route planning and distribution network design. Companies must face corporate challenges that impact Supply Chain Management such as reengineering globalization and

outsourcing. Why is it so important for companies to get products to their customers quickly? Faster product availability is key to increasing sales, says R. Michael Donovan of Natick, Mass., a management consultant specialising in manufacturing and information systems. "There's a substantial profit advantage for the extra time that you are in the market and your competitor is not," he says. "If you can be there first, you are likely to get more orders and more market share." The ability to deliver a product faster also can make or break a sale. "If two alternatives [products] appear to be equal and one is immediately available and the other will be available in a week, which would you choose? Clearly, *"Supply Chain Management has an important role to play in moving goods more quickly to their destination."* (Kim, 2006).

2.2 Objectives of Supply Chain Management

The fundamental objective is to "*add value".* That brings us to the example of the **fish fingers.** During the Supply Chain Management '98 conference in the United Kingdom this fall, a participant in a supply chain management seminar said that total time from fishing dock through manufacturing, distribution, and final sale of frozen fish fingers for his European grocery-products company was 150 days. Manufacturing took a mere 43 minutes. That suggests an enormous target for supply chain managers. During all that time, company capital is--almost literally in this case--frozen. What is true for fish fingers is true of most products. Examine any extended supply chain, and it is likely to be a long one. James Morehouse, a vice president of consulting firm A.T. Kearney, reports that the total cycle time for corn flakes, for example, is close to a year and that the cycle times in the pharmaceutical industry average 465 days. In fact, Morehouse argues that if the supply chain, of what he calls an "extended enterprise," is encompassing everything from initial supplier to final customer fulfillment, could be cut to 30 days, that would provide not only more inventory turns, but fresher product, an ability to customize better, and improved

customer responsiveness. "All that add value," he says. And it provides a clear competitive advantage

Supply Chain Management becomes a tool to help accomplish:

- Corporate strategic objectives:
- reducing working capital,
- taking assets off the balance sheet,
- Accelerating cash-to-cash cycles,
- Increasing inventory turns, and so on(Kim, 2006).

2.3 Supply-Chain Principles/ Methodology & Solutions

2.3.1 Supply-Chain Principles

If supply-chain management has become top management's new "religion," then it needs a doctrine. Andersen Consulting has stepped forward to provide the needed guidance, espousing what it calls the "Seven Principles" of supply-chain management. When consistently and comprehensively followed, the consulting firm says, these seven principles bring a host of competitive advantages (Kim, 2006).

The seven principles as articulated by Andersen Consulting are as follows:

1. **Segment customers based on service needs**. Companies traditionally have grouped customers by industry, product, or trade channel and then provided the same level of service to everyone within a segment. Effective supply-chain management, by contras, groups customers by distinct service needs--regardless of industry--and then tailors services to those particular segments(Kim, 2006).

2. **Customize the Supply Chain Management network.** In designing their Supply Chain Management network, companies need to focus intensely on the service requirements and profitability of the customer segments identified. The conventional approach of creating a "monolithic" Supply Chain Management network runs counter to successful supply-chain management.

3. **Listen to signals of market demand and plan accordingly**. Sales and operations planning must span the entire chain to detect early warning signals of changing demand in ordering patterns, customer promotions, and so forth. This demand-intensive approach leads to more consistent forecasts and optimal resource allocation (Kim, 2006).

4. **Differentiate product closer to the customer.** Companies today no longer can afford to stockpile inventory to compensate for possible forecasting errors. Instead, they need to postpone product differentiation in the manufacturing process closer to actual consumer demand.

5. **Strategically manage the sources of supply**. By working closely with their key suppliers to reduce the overall costs of owning materials and services, supply-chain management leaders enhance margins both for themselves and their suppliers. Beating multiple suppliers over the head for the lowest price is out, Andersen advises. "Gain sharing" is in (Lee, 2000).

6. **Develop a supply-chain-wide technology strategy**. As one of the cornerstones of successful supply-chain management, information technology must support multiple levels of decision making. It also should afford a clear view of the flow of products, services, and information(Lee, 2000).

7. **Adopt channel-spanning performance measures**. Excellent supply-chain measurement systems do more than just monitor internal functions. They adopt measures that apply to every link in the supply chain. Importantly, these measurement systems embrace both service and financial metrics, such as each account's true profitability. The principles are not easy to implement, the Andersen consultants say, because they run counter to ingrained functionally oriented thinking about how companies organize, operate, and serve customers. The organizations that do persevere and build a successful supply chain have proved convincingly that you can please customers and enjoy growth by doing so (Lee, 2000).

2.3.2 The Methodology of a Supply chain Management project- solutions: The best supply-chain management programs display certain common characteristics.

For one, they focus intensely on actual customer demand. Instead of forcing into the market product that may or may not sell quickly (and thereby inviting high warehousing costs), they react to actual customer demand. And by doing so, these supply-chain leaders minimize the flow of raw materials, finished product, and packaging materials at every point in the pipeline. To respond more accurately to actual customer demand and keep inventory to a minimum, leading companies have adopted a number of speed-to-market management techniques. The names by now have become part of the Supply Chain Management vernacular JIT manufacturing and distribution, quick response (QR), efficient consumer What about logistics management, or value chain management, or demand chain management? Various companies, consultants, and academics have developed a variety of terms and concepts to stress what they believe are the salient issues in supply chain management. Although many of these concepts are useful and insightful, for the purposes of this text, we will use supply chain management as the generic name for the set of concepts, approaches, strategies, and ideas that we are discussing (Lee, 2000).

1. Supply chain strategies cannot be determined in isolation. They are directly affected by another chain that most organizations have, the *development chain* that includes the set of activities associated with new product introduction. At the same time, supply chain strategies also should be aligned with the specific goals of the organization, such as maximizing market share or increasing profit (Lee, 2000).

2. It is challenging to design and operate a supply chain so that total system wide costs are minimized, and system wide service levels are maintained. Indeed, it is frequently difficult to operate *a single facility* so that costs are minimized and service level is maintained. The difficulty increases exponentially when an entire system is being considered. The process of finding the best *system wide* strategy is known as *global optimization* (Lee, 2000).

3. Uncertainty and risk are inherent in every supply chain; customer demand can never be forecast exactly, travel times will never be certain, and machines and vehicles will break down. Similarly, recent industry trends, including outsourcing, off shoring, and lean manufacturing that focus on reducing supply chain costs, significantly increase the level of risk in the supply chain. Thus, supply chains need to be designed and managed to eliminate as much uncertainty and risk as possible as well as deal effectively with the uncertainty and risk that remain (Lazarevic, 2007).

2.4 The Development Chain

The development chain is the set of activities and processes associated with new product introduction. It includes the product design phase, the associated capabilities and knowledge that need to be developed internally, sourcing decisions, and production plans. Specifically, the development chain includes decisions such as product architecture; what to make internally and what to buy from outside suppliers, that is, make/buy decisions; supplier selection; early supplier involvement; and strategic partnerships. It is clear that the characteristics of and decisions made in the development chain will have an impact on the supply chain. Similarly, it is intuitively clear that the characteristics of the supply chain must have an impact on product design strategy and hence on the development chain (Lazarevic, 2007).

2.5 Global Optimization

What makes finding the best system wide, or globally optimal, integrated solution so difficult? A variety of factors make this a challenging problem:

1. The supply chain is a complex network of facilities dispersed over a large geography, and, in many cases, all over the globe. The following example illustrates a network that is fairly typical of today's global companies (Lazarevic, 2007).

2. Different facilities in the supply chain frequently have *different, conflicting objectives.* For instance, suppliers typically want manufacturers to commit themselves to purchasing large quantities in stable volumes with flexible delivery dates. Unfortunately, although most manufacturers would like to implement long production runs, they need to be flexible to their customers' needs and changing demands. Thus, the suppliers' goals are in direct conflict with the manufacturers' desire for flexibility. Indeed, since production decisions are typically made without precise information about customer demand, the ability of manufacturers to match supply and demand depends largely on their ability to change supply volume as information about demand arrives. Similarly, the manufacturers' objective of making large production batches typically conflicts with the objectives of both warehouses and distribution centers to reduce inventory. To make matters worse, this latter objective of reducing inventory levels typically implies an increase in transportation costs(Lazarevic, 2007).

3. The supply chain is a dynamic system that evolves over time. Indeed, not only do customer demand and supplier capabilities change over time, but supply chain relationships also evolve over time. For example, as customers' power increases, there is increased pressure placed on manufacturers and suppliers to produce an enormous variety of high-quality products and, ultimately, to produce customized products (Lazarevic, 2007).

4. System variations over time are also an important consideration. Even when demand is known precisely (e.g., because of contractual agreements), the planning process needs to account for demand and cost parameters varying over time due to the impact of seasonal fluctuations, trends, advertising and promotions, competitors' pricing strategies, and so forth. These time-varying demand and cost parameters make it difficult to determine the most effective supply chain strategy, the one that minimizes system wide costs and conforms to customer requirements. Of course, global optimization only implies that it is not only important to optimize across supply chain facilities, but also across

processes associated with the development and supply chains. That is, it is important to identify processes and strategies that optimize, or, alternatively, synchronize, both chains simultaneously (Lazarevic, 2007).

2.6 Managing Uncertainty and Risk

Global optimization is made even more difficult because supply chains need to be designed for, and operated in, uncertain environments, thus creating sometimes enormous risks to the organization (Lazarevic, 2007).

1. Matching supply and demand is a major challenge. Obviously, this difficulty stems from the fact that months before demand is realized, manufacturers have to commit themselves to specific production levels. These advance commitments imply huge financial and supply risks.

2. Inventory and back-order levels fluctuate considerably across the supply chain, even when customer demand for specific products does not vary greatly.

3. Forecasting doesn't solve the problem. Indeed, we will argue that the first principle of forecasting is that "forecasts are always wrong." Thus, it is impossible to predict the precise demand for a specific item, even with the most advanced forecasting techniques (Lazarevic, 2007).

4. Demand is not the only source of uncertainty. Delivery lead times, manufacturing yields, transportation times, and component availability also can have significant supply chain impact.

5. Recent trends such as lean manufacturing, outsourcing, and off shoring that focus on cost reduction increase risks significantly. With little uncertainty in transportation and a stable supply schedule, parts can be delivered to assembly plants "just-in-time" based on fixed production schedules. However, in the event of unforeseen disaster terrorist attacks, port strikes, or weather-related calamities, adherence to this type of strategy could result in a shutdown of the production lines due to lack of parts. Similarly, outsourcing and off shoring imply that the supply chains are more geographically diverse and, as a result, natural and man-made disasters can

have a tremendous impact. Although uncertainty and risk cannot be eliminated, we will explore a variety of examples that illustrate how product design, network modeling, information technology, procurement, and inventory strategies are used to minimize uncertainty, and to build flexibility and redundancy in the supply chain in order to reduce risks (Eyong, 2009).

2.7 Key Issues in Supply Chain Management

These issues span a large spectrum of a firm's activities, from the strategic through the tactical to the operational level:

• The *strategic level* deals with decisions that have a long-lasting effect on the firm. This includes decisions regarding product design, what to make internally and what to outsource, supplier selection, and strategic partnering as well as decisions on the number, location, and capacity of warehouses and manufacturing plants and the flow of material through the logistics network(Eyong, 2009).

• The *tactical level* includes decisions that are typically updated anywhere between once every quarter and once every year. These include purchasing and production decisions, inventory policies, and transportation strategies, including the frequency with which customers are visited.

• The *operational level* refers to day-to-day decisions such as scheduling, lead time quotations, routing, and truck loading. Below we introduce and discuss some of the key issues, questions, and trade-offs associated with different decisions (Eyong, 2009).

2.7.1 Distribution Network Configuration

Consider several plants producing products to serve a set of geographically dispersed retailers. The current set of warehouses is deemed inappropriate, and management wants to reorganize or redesign the distribution network. This may be due, for example, to changing demand patterns or the termination of a leasing contract for a number of existing warehouses. In addition, changing demand patterns may require a change in plant production levels, a

selection of new suppliers, and a new flow pattern of goods throughout the distribution network. How should management select a set of warehouse locations and capacities, determine production levels for each product at each plant, and set transportation flows between facilities, either from plant to warehouse or warehouse to retailer, in such a way as to minimize total production, inventory, and transportation costs and satisfy service level requirements? This is a complex optimization problem, and advanced technology and approaches are required to find a solution (Davis, 1993).

2.7.2 Inventory Control

Consider a retailer that maintains an inventory of a particular product. Since customer demand changes over time, the retailer can use only historical data to predict demand. The retailer's objective is to decide at what point to reorder a new batch of the product, and how much to order so as to minimize inventory ordering and holding costs. More fundamentally, why should the retailer hold inventory in the first place? Is it due to uncertainty in customer demand, uncertainty in the supply process, or some other reasons? If it is due to uncertainty in customer demand, is there anything that can be done to reduce it? What is the impact of the forecasting tool used to predict customer demand? Should the retailer order more than, less than, or exactly the demand forecast? And, finally, what inventory turnover ratio should be used? Does it change from industry to industry? (Davis, 1993).

2.7.3 Production Sourcing

In many industries, there is a need to carefully balance transportation and manufacturing costs. In particular, reducing production costs typically implies that each manufacturing facility is responsible for a small set of products so that large batches are produced, hence reducing production costs. Unfortunately, this may lead to higher transportation costs. Similarly, reducing transportation costs typically implies that each facility is flexible and has the ability to produce most or all products, but this leads to small batches and

hence increases production costs. Finding the right balance between the two cost components is difficult but needs to be done monthly or quarterly (Davis, 1993).

2.7.4 Supply Contracts

In traditional supply chain strategies, each party in the chain focuses on its own profit and hence makes decisions with little regard to their impact on other supply chain partners. Relationships between suppliers and buyers are established by means of supply contracts that specify pricing and volume discounts, delivery lead times, quality, returns, and so forth. The question, of course, is whether supply contracts also can be used to replace the traditional supply chain strategy with one that optimizes the entire supply chain performance. In particular, what is the impact of volume discount and revenue-sharing contracts on supply chain performance? Are there pricing strategies that can be applied by suppliers to provide incentives for buyers to order more products while at the same time increasing the supplier profit? (Davis, 1993).

2.7.5 Distribution Strategies

An important challenge faced by many organizations is how much should they centralize (or decentralize) their distribution system. What is the impact of each strategy on inventory levels and transportation costs? What about the impact on service levels? And, finally, when should products be transported by air from centralized locations to the various demand points? These questions are not only important for a single firm determining its distribution strategy, but also for competing retailers that need to decide how much they can collaborate with each other. For example, should competing dealers selling the same brand share inventory? If so, what is their competitive advantage? (Christopher, 2005:66).

2.7.6 Supply Chain Integration and Strategic Partnering

As observed earlier, designing and implementing a globally optimal supply chain is quite difficult because of its dynamics and the conflicting objectives employed by different facilities and partners. Nevertheless, Dell, Wal-Mart, and Procter & Gamble success stories demonstrate not only that an integrated, globally optimal supply chain is possible, but that it can have a huge impact on the company's performance and market share. Of course, one can argue that these three examples are associated with companies that are among the biggest companies in their respective industries; these companies can implement technologies and strategies that very few others can afford (Davis, 1993:54).

However, in today's competitive markets, most companies have no choice; they are forced to integrate their supply chain and engage in strategic partnering. This pressure stems from both their customers and their supply chain partners. How can integration be achieved successfully? Clearly, information sharing and operational planning are the keys to a successfully integrated supply chain. But what information should be shared? How should it be used? How does information affect the design and operation of the supply chain? What level of integration is needed within the organization and with external partners? Finally, what types of partnerships can be implemented, and which type should be implemented for a given situation(Davis, 1993:54).

2.7.7 Outsourcing and off shoring Strategies

Rethinking your supply chain strategy not only involves coordinating the different activities in the supply chain, but also deciding what to make internally and what to buy from outside sources. How can a firm identify what manufacturing activities lie in its set of core competencies, and thus should be completed internally, and what product and components should be purchased from outside suppliers, because these manufacturing activities are not core competencies? Is there any relationship between the answer to that question and product architecture? What are the risks associated with outsourcing and

how can these risks be minimized? When you do outsource, how can you ensure a timely supply of products? And when should the firm keep dual sources for the same component? Finally, even if the firm decides not to outsource activities, when does it make sense to move facilities to the Far East? What is the impact of off shoring on inventory levels and the cost of capital? What are the risks? (Christopher, 2005:64).

2.7.8 Product Design

Effective design plays several critical roles in the supply chain. Most obviously, certain product designs may increase inventory holding or transportation costs relative to other designs, while other designs may facilitate a shorter manufacturing lead time. Unfortunately, product redesign is often expensive. When is it worthwhile to redesign products so as to reduce logistics costs or supply chain lead times? Is it possible to leverage product design to compensate for uncertainty in customer demand? Can one quantify the amount of savings resulting from such a strategy? What changes should be made in the supply chain to take advantage of the new product design? Finally, new concepts such as mass customization are increasingly popular. What role does supply chain management play in the successful implementation of these concepts? (Christopher, 2005:64).

2.7.9 Information Technology and Decision-Support Systems

Information technology is a critical enabler of effective supply chain management. Indeed, much of the current interest in supply chain management is motivated by the opportunities that appeared due to the abundance of data and the savings that can be achieved by sophisticated analysis of these data. The primary issue in supply chain management is not whether data can be received, but what data should be transferred; that is, which data are significant for supply chain management and which data can safely be ignored? How frequently should data be transferred and analyzed? What is the impact of the Internet? What is the role of electronic commerce?

What infrastructure is required both internally and between supply chain partners? Finally, since information technology and decision-support systems are both available, can these technologies be viewed as the main tools used to achieve competitive advantage in the market? If they can, then what is preventing others from using the same technology? (Christopher, 2005:65).

2.7.10 Customer Value

Customer value is the measure of a company's contribution to its customer, based on the entire range of products, services, and intangibles that constitute the company's offerings. In recent years, this measure has superseded measures such as quality and customer satisfaction. Obviously, effective supply chain management is critical if a firm wishes to fulfill customer needs and provide value. But what determines customer value in different industries? How is customer value measured? How is information technology used to enhance customer value in the supply chain? How does supply chain management contribute to customer value? How do emerging trends in customer value, such as development of relationships and experiences, affect supply chain management? What is the relationship between product price and brand name in the conventional world and in the online world? (Christopher, 2005:65).

2.7.11Smart Pricing

Revenue management strategies have been applied successfully in industries such as airlines, hotels, and rental cars. In recent years, a number of manufactures, retailers, and carriers have applied a variation of these techniques to improve supply chain performance. In this case, the firm integrates pricing and inventory (or available capacity) to influence market demand and improve the bottom line (Christopher, 2005:65).

CHAPTER THREE

DATA PRESENTATION ANALYSIS AND INTERPRETATION

3.1 Introduction

This section presents the data that was collected from questionnaire and interview. The questionnaire was collected from the randomly selected customers of the company and the interview result is based on the interview made between the manager and the student researcher.

3.2 General Characteristics of the Respondents

The student researcher has contacted 50 respondents of the marketing and distribution department employees and has successfully collected the distributed questionnaires. What's more the student researcher has also contacted the manager of the marketing department through interview. The data is presented as it was in the sequence and grouping it was in the questionnaire data and the interview was also presented accordingly in a consolidated way following each related questionnaire questions. Thus it is possible to refer the sequence of the questions at the back of this paper in the appendix section.

Table 1 General Characteristics of the respondents

Item	Questions	**Category**	**Frequency**	**%**
1	**Age of the respondents**	Below 20	**-**	**-**
		20-35	12	24
		36-46	20	40
		50 and above	18	36
		Total	50	100
2	**Sex**	Male	36	72
		Female	14	28
		Total	50	100
3	**Level of Education**	Grade 12 and below	-	-
		Diploma	8	16
		Degree	42	84
		Above degree	-	-
		Total	50	100

As it is indicated in item 1 of table 1 above the age of the respondents is categorized in to 3 categories those categorized between the age 20-35 account 12(24%), 36-49 constitute 20(40%) and the remaining aging and above account 18(36%).

From this one can understand that the majority of the respondents are between the age of 36-49. This shows that most of the respondents are adolescents.

As it is indicated in item 2 of table 1 above when we see the sex of the respondents, 36(72%) of the respondents are male and the female ones account 14(28%). From this we can understand most of the respondents are male.

As it is indicated in item 3 of table 1 above when we see the academic qualification of the respondents 8(16%) of the respondents have achieved

diploma and the rest 42(84%) of them achieved first degree. From this we can understand that most of the employees of the company in the department are literate enough.

Table 2 Suppliers and Customers Relationship (the Key Players)

Item	Questions	Very high		High		Average		Low		Very Low	
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
1	Joint product planning with customers	-	-	6	12	-	-	39	78	5	10
2	The level of cooperativeness with suppliers	-	-	11	22	-	-	26	52	13	26
3	Customer's delivery adherence requirement	-	-	23	46	-	-	27	54	-	-
4	Compliance customer's delivery on time requirements	-	-	9	18	-	-	29	58	13	26

Source: questionnaire 2013

As it is indicated in item 1 of table 2 above the respondents were asked about product planning and 6(12%) high 39(78%) low and 5(10%) very low when asked about their extent of agreement joint product planning with suppliers. From this it is possible to infer that the company has poor score towards planning product planning with the customers. Yet it is expected that customers have a say of their own with regard to what the product should look design wise. Hence customers have a lot to add on the value chain and supply chain of the product and service.

As it is indicated in item 2 of table 2 above the respondents were also asked about the level of cooperativeness of the company and 11(22%) high, 26(52%) low and 13(26%) very low when asked if the company's cooperativeness with suppliers. From this it is possible to say that there is negative response with regard to cooperativeness of the suppliers towards the improvement of the

product. It can be said, therefore, that the company is at stake with regard to cooperativeness and indeed they hardly cooperate. This is because significantly or two third of the respondents don't think that the company does hardly cooperate with its suppliers.

As it is indicated in item 3 of table 2 above The respondents were also asked about delivery adherence issue and 23(46%) high and 27(54%) low when asked if the company is adherent to the requirement of the customers. From this we can infer that the company is not adherent to what the customers are demanding and this by far probes the supply chain management system. However, proportional numbers of the respondents believe that there is adherence.

As it is indicated in item 4 of table 2 above also shows the questions regarding compliance issue and 9(18%) high, 29(58%) low 13(26%) very low when inquired if the company complies with the customer's delivery on time requirements. From this we can infer that the company is poor in its compliance and can be said it is not up to its promise in delivering on time requirement.

Table 3 Internal Operation Practices of the Company

Item	Questions	Very high		High		Average		Low		Very Low	
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
1	Up- to- datedness of production	4	8	-	-	-	-	24	48	22	44
2	The extent of production process automation	19	38	-	-	-	-	15	30	16	32
3	The extent of innovation in product	17	34	-	-	-	-	28	56	5	10
4	The extent of continuous and instantaneous product and service improvement	8	16	-	-	-	-	37	74	5	10

As it was indicated in table 3 of item 1 above the respondents were asked about up to datedness and 4(8%) very high 24(48%) low and 22(44%) very low when asked if the company's production system is up to date. From this we can understand that the company is not working towards innovation and that seems why its production is not up to date.

As it was indicated in table 3 of item 2 above the respondents were also asked about the automation process and 19(38%) very high, 15(30%) low and 16(32%) very low when they were inquire their level of agreement towards the extent of production process of the company is automated enough. It is possible to say that the company is poor in its automation process. This highly supports the argument that poor research and development policy employed by the bank in forecasting what type of automation process to be employed by the company.

As it was indicated in table 3 of item 3 above the level of innovation was the other issue raised and 17(34%) very high, 28(56%) low and 5(10%) very low

when asked if the company is innovative enough in the product. From this we can understand that the company fails to undertake product innovation in what is commonly called concurrent engineering. This helps both the distributors, retailers and end users to view product quality easily there by.

As it was indicated in table 3 of item 4 above the respondents were asked about the continuous improvement and 8(16%) very high 37(74%),low 5(10%) very low when inquired if the extent of continuous and instantaneous product and service improvement is in place in the company. From this it is possible to understand that the company is still poor in the process of development when the production process is in action.

Table 4 Efficiency of the system of operation

Item	Questions	Very high		High		Average		Low		Very Low	
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
1	Management know-how regarding supply chain effectiveness	-	-	9	18	-	-	31	62	10	20
2	Flexible production system to market change	-	-	14	28	-	-	24	48	12	24
3	Efficient utilization of resources	-	-	15	30	-	-	20	40	15	30
4	Extent of automated quality control	-	-	7	14	-	-	33	66	10	20

Source: Questionnaire 2013

As it is described in item 1 of table 4 above, 9(18%) rate high 31(62%) rate low 10(20%) rate as very low regarding management know-how on the company's supply chain effectiveness. From this we can infer that the management was rated below average with regard to supply chain management effectiveness.

This is difficult when the management has little know how with regard to the most important aspect of value chain.

The management was inquired regarding to the importance and the company's intention towards building long term and strategic relationship with suppliers and the management believes that

> "*This is among the issues the company is currently working towards to it. Hence the long term relationship will be built with the company will have a multitude of advantage. Quality cost and on time delivery of products are among the crucial elements that will be addressed if such issues are undertaken efficiently.*

From this it is expected that the company is working towards resolving challenges associated to such issues as supplier by being attached to a prominent supplier.

As it is described in the table 4 of item 2 above it is also indicated that about flexibility of production 14(28%) rated high, 31(62%) rate low and 10(20%) rate the flexibility production system to market change. From this we can understand that the company's production system fails to analyze the market change. This also arises when there is poor anticipation earlier before the action is implemented. This inevitably leaves the company to risk and the threat to be faced up on.

As it is described in the table 4 of item 3 above Regarding the efficiency of resource utilization 15(30%) have rated it as high, 20(40%) rate it as low and 15(30%) rate it as very low. Thus it is possible to understand that the company's resources are subject to wastage and this leaves the company to have little control in its quality service and product delivery. This is so because when there is poor utilization of resource standard will be at stake. It is likely that whenever standard is lacking managing supply chain will be questionable.

As it is described in the table 4 of item 4 above with regard to the extent of quality of automation 7(14%) of the respondents rated the company as high 33(66%) low and 10(20%) rated it as very low. From this it is possible to understand that the company less likely adheres its production system towards automated quality control. It is true that an automated quality control is measurable enough. Hence standards will be in place where quality is measured in an automated way. It is likely that whenever the quality control is automated enough or not the entire supply chain management issue will be affected in some way.

Table 5 Information sharing Practices of the company

Item	Questions	Very high		High		Average		Low		Very Low	
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
1	Sales Forecast information sharing with customers	8	16	-	-	-	-	31	62	11	22
2	Other product related information sharing with suppliers	5	10	-	-	-	-	42	84	3	6
3	Sense of trust and confidence along the supply chain	9	18	-	-	-	-	41	82	-	-

Source: questionnaire 2013

As it has been indicated in the table5 of item 1 above it is clear that the sales forecast information sharing with customers and 8(16%) of the respondents rated it as very high, 31(62%) low and 11(22%) rate it as very low. From this it can be said that the company's sales forecast related issue is hardly shared with customers. This loosens the company's loyal customers. This is because whenever the company is unwilling to disclose the amount it is intended to sale to the market in the future customers find their forecast hard to estimate too. Hence it is often based on the capacity of the company's production that a customer figures out the amount of sales, turnover and calculated its profit

margin. The information that the company considers at this level is crucial in strengthening as well as loosening the relationship between the customers with the company. Hence the supply chain will also expand until the supplier of raw materials.

As it has been indicated in the table 5 of item 2 above Product related information sharing was also evaluated and only 5(10%) of the respondents weighted it as very high 42(84%) low and 3(16%) very low. From this we can infer that the company's information sharing practice with regard to the features related to the product was also found low and very low. This indicates that the company vaguely describes its products before the market. This highly affects the supply chain of the company's product in that when the company fails to describe what attributes its products possess the market and the customers will be well informed about the quality and information they require and reputation of the products in particular and the company in general will be affected based on the statuesque of information sharing related to the product.

Finally as it has been indicated in the table 5 of item 3 above with regard to information sharing respondents have rated the level of sense of trust and confidence along the supply chain process 9(18%) rated as very high, and 41(82%) rated it as low. From this it can be inferred that the stakeholders have poorer trust confidence over the supply chain management practice that is followed by the company. This emanates from lack or shortage of information or it could be information delivered through inappropriate channel.

The management on the other hand admits that

> *There is a problem some times that is created from the side of the supplier. Such inconvenience and incompatibilities create its own potential draw back on the side of the customers. What's more there is a sense of trust from the side of the company and the suppliers though there are some rough roads all along. This happens whenever resource hike among some competitors arises. This means*

whenever competitors and other industries require goods demanded by the company. At this moment it is likely that some kind of a sense of trust and confidence will be lost.

From this it is possible to understand that the problems of insecure trust and confidence from the side the suppliers arise whenever price hike appears to be evident and input is scarce as a result.

Table 6 The Training practices of the company

Item	Questions	Very high		High		Average		Low		Very Low	
		Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
1	Adequacy and quality of information sharing throughout the supply chain	-	-	7	14	-	-	23	46	20	40
2	Reduction of lead time/ speed of order handling	-	-	5	10	-	-	20	40	25	50
3	The accuracy of order processing for customers	-	-	13	26	-	-	24	48	13	26
4	Effectiveness and flexibility in meeting customers' requirement	-	-	14	28			34	68	2	4
5	Extent of customers' complaints management	-	-	18	36			32	64	-	-

As it can be observed in the tables 6 of item 1 above respondents were asked to rate the Adequacy and quality of information sharing throughout the supply chain and 7(14%) of the respondents have rated it as high 23(46%) low and 20(40%) rate it as very low. From this it can be understood that the information shared among the major participants in the supply chain management process lacks adequacy and quality. Quality entails what really matters or the crucial

issue related to the company's core values to the needy group. Hence the company fails to deliver the required information to the stakeholders who require its. The required information is missing both in its quality as well as in the amount it should be delivered.

As it is described in the table 6 of item 2 above respondents were also to rate reduction of lead time/ speed of order handling and 5(10%)rate it as high, 20(40%) rated it as low and the remaining 25(50%) have rated it as very low. This shows that there is much waiting time or lead time to have response for the inquiries of customers. This arises from poor training provision or lack of it. Training taps the potential of employees who are responsible to provide the required information in a prompt manner. When lead times are longer it is likely that customer dissatisfaction occurs and the supply chain fails to succeed what it is required.

As it can be understood from the table 6 of item 3 above the accuracy of order processing for customers was evaluated by the respondents and 13(26%) high, 24(48%) low and 13(26%) rated it as very low. From this we can understand that the customers are not informed the accurate say on how they process the order. This is also the result of poor knowledge and sloppy information about what customers require to keep informed and the right time customers need to be informed. Customers order the bulk of the product in response to the request made by their immediate user be it end user or retailer. When there is wrong access to the order processing it is likely that the loyal customers lack loyalty before their customers. This brings about a huge mess up to the overall supply chain management of the company.

In this regard the management was also inquired as to how it is planning to to make the products accessible to the market. The management believes that as it has been described above

> *The ultimate goal is to strengthen a champion relationship with the supplier that persists over a long run. It is after*

having owned a strategic partnership that it will build quality and quantity issue permanently and prominently.

From this we can infer that the ultimate goal of the company will be realizing the strategic partner in the supply market and based on which designing a strategy on the quality and quantity of goods to be provided to the customers

As it can be observed in the tables 6 of item 4 above the respondents were required to rate about effectiveness and flexibility in meeting customers' requirement and 14(28%) high 34(68%) low and only 2(4%) rated it as very low. Based on this data it is possible to say that customers' requirement are not appropriately met. This creates dissatisfaction from the side of the customers. Training issues are a huge concern in most of such problem prone situation. Customers' need analysis, level of satisfaction, value chain management and supply chain management as a whole can best be achieved through the training that is customized and provided to the employees who deserve it.

Finally As it can be observed in the tables 6 of item 5 above customers' complaint management was also measured and it was found that the extent of customers' complaints management that 18(36%) rate it as high and 32(64%) low. From this it is possible to infer that significant number of respondents believe that there is certain level of consideration provided to the management of customer complaints. This is also described on the opposite by more than half of the respondents that customer complaints are not addressed effectively. This is a stark explanation of lack of the required training and development to tap the potential of the employees and the management. Such issue are as huge as terminating the well being of the company. Repeated complaints will inevitably inhibit the customer from getting back to the company and in situation where switching costs are little or zero this will be far difficult and this is happening up on the expansion of the competitors.

The management admits that

> *We are not handling customer complaints in a manner that should be resolved. Nevertheless the company is working to the extent that it can handle the problems that arise. This doesn't mean that the company is not resolving problems rather sometimes there are occasions that the company will overlook some minor issues.*

Even though the manager considers some of the complaints as minor there is not such a thing as minor complaints that will have adverse effect on the entire supply chain management process.

3.3 Barrier against supply chain management

The responses regarding the barriers that could be attributed to the failure of supply chain management was listed as follows

"*The following are among the barriers so far we have come to analyze*

- *Lack of training with regard of customer handling*
- *Inadequate staff in the areas of supply chain management such as expertise in the field of marketing*
- *Poor management structure like bureaucratic management structure unwilling to address the complaints of the employees and the customers*
- *Failure of the existing old system to address current problems"*

Thus based on the list of challenges listed above it can be said that most of the problems can be attributed to the management of the company. The management remained resistant to change the problems that were evident, having a tall and bureaucratic structure and inability to equip and empower the employee with the relevant training and development program

3.4 Permanence of the Suppliers

The management admits that

> *The suppliers are not as such capable in the way they reach the market. The suppliers have to collect grain and inputs desired to the*

> *company. Nevertheless, they are too often late and they are often less dependable and the company hardly considers almost all of those suppliers as permanent suppliers.*

From one can understand that when suppliers are often temporary it is likely that quality flaws arise and the supply chain issue will be at stake.

3.5 The Supply Chain Management Practice of the Company

The management admits that

> *There are some problems that are evident in the supply chain management issues of the company. Complaints are very common as the supply chain management practice of the company has not addressed the intended needs and interests of the customers. The company is currently on the move to make a detailed assessment over its route cause with potential solution to follow.*

From this we can understand that the company's supply chain management practice is at stake and needs revision in time.

Chapter Four

Major Findings, Conclusion and Recommendation

Major Findings

- 39(78%) low and 5(10%) very low when asked about their extent of agreement joint product planning with suppliers.
- 26(52%) low and 13(26%) very low when asked if the company's cooperativeness with suppliers.
- 27(54%) low when asked if the company is adherent to the requirement of the customers.
- 29(58%) low 13(26%) very low when inquired if the company complies with the customer's delivery on time requirements.
- 24(48%) low and 22(44%) very low when asked if the company's production system is up to date.
- 15(30%) low and 16(32%) very low when they were inquire their level of agreement towards the extent of production process of the company is automated enough.
- 28(56%) low and 5(10%) very low when asked if the company is innovative enough in the product.
- 37(74%),low 5(10%) very low when inquired if the extent of continuous and instantaneous product and service improvement is in place in the company.
- 31(62%) rate low 10(20%) rate as very low regarding management know-how regarding supply chain effectiveness.
- 31(62%) rate low and 10(20%) rate the flexibility production system to market change.
- Regarding the efficiency of resource utilization 15(30%) have rated it as high, 20(40%) rate it as low and 15(30%) rate it as very low.
- With regard to the extent of quality of automation 7(14%) of the respondents rated the company as high 33(66%) low and 10(20%) rated it as very low.

- The sales forecast information sharing with customers and 8(16%) of the respondents rated it as very high, 31(62%) low and 11(22%) rate it as very low.
- Product related information sharing was also evaluated and 42(84%) low and 3(16%) very low.
- With regard to information sharing respondents have rated the level of sense of trust and confidence along the supply chain process 41(82%) rated it as low.
- Respondents were asked to rate the Adequacy and quality of information sharing throughout the supply chain 23(46%) of the respondts have rated it low and 20(40%) rate it as very low.
- respondents were also to rate reduction of lead time/ speed of order handling and 20(40%) rated it as low and the remaining 25(50%) have rated it as very low.
- The accuracy of order processing for customers was evaluated by the respondents and 24(48%) low and 13(26%) rated it as very low.
- The respondents were required to rate about effectiveness and flexibility in meeting customers' requirement and 34(68%) low and only 2(4%) rated it as very low.
- Customers' complaint management was also measured and it was found that the extent of customers' complaints management that 32(64%) have rated it as low.

4.2 Conclusions

- It was observed that the supply chain management of the company has been at stake due to different reasons. Thus The suppliers lack the interest to work in active collaboration with the company and the company lacks the interest to plan with the customers. Provided that if the suppliers are not working closely with that of the company, then it is likely that the company will have productions that are not in line with the required standards for the customers
- It can be said, therefore, that the company is at stake with regard to cooperativeness and indeed they hardly cooperate. This is because significantly or two third of the respondents don't think that the company does hardly cooperate with its suppliers.
- The customers need to be observed and their views need to be included in the supply and production of the items the company is dedicated to. Nevertheless, customers' need analysis, level of satisfaction, value chain management and supply chain management as a whole can best be achieved through the training that is customized and provided to the employees who deserve it.
- Quality entails what really matters or the crucial issue related to the company's core values to the needy group. Hence the company fails to deliver the required information to the stakeholders who require its.
- The required information is missing both in its quality as well as in the amount it should be delivered. Customer complaints are not addressed effectively. This is a stark explanation of lack of the required training and development to tap the potential of the employees and the management. Such issue are as huge as terminating the well being of the company.
- Repeated complaints will inevitably inhibit the customer from getting back to the company and in situation where switching costs are little or zero this will be far difficult and this is happening up on the expansion of the competitors.

4.3 Recommendation

The following section is dedicated to present recommendations to the existing problems that have been observed in the major findings of this paper.

- As it has been observed in the major findings, it was indicated that the company remained negligent towards the views of the customers in the type of services it is rendering. However, the company needs to undertake a detailed investigation of the overall supply chain management process of the company.
- It was observed that the company is not working in collaboration with the customers, yet it is expected to cooperate with the suppliers and with the customers so that the products designed and developed by the company are of better quality and serve the customer and the end user better than they used to be. By making a strong cooperation with the suppliers the supply management system followed by the company should be improved in that the suppliers can provide quality raw materials. Therefore, the company should attempt to design ways by which it can closely work towards the customer delivery adherences.
- An updated system allows a company to make its system responsive to its customers' while an obsolete one does hardly meets the expectations of the customer and remains unlikely to be efficient in being responsive. In this regard the company should also update its production system in that a company which gets along with outdated and obsolete system will plan to fail instead of succeeding. What's more the company should work towards innovation of the product.
- The company should integrate its internal operation process in a way that is convenient to customers and the stake holders. Hence whenever its operation process is convenient and well tailored, then it is likely that the system gets well off.

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Appendix A

St. Mary's University College

Department of Marketing Management

Questionnaire for Employee of the Company

This questionnaire is designed to gather information on "Supply Chain Management in the case of Kality Food Processing S.C". The purpose of the study is to fulfill a senior essay requirement for the Bachelor of Arts of Marketing Management at St. Mary's University College. The study is purely for academic purpose and thus not affects you in any case. So, your genuine, frank and timely response is vital for successfulness of the study. Therefore, I kindly request you to respond to each items of the question very carefully. You do not need to write your name. Finally, I would like to thank you very much for your cooperation and sparing your valuable time for my request. Please circle one to show how much you agree or disagree.

Instruction I General Characteristics of the Respondents

1. Gender ☐Male ☐female

2. Educational qualification

Formal education ☐ certificate ☐ Diploma Degree ☐ M.A/ Msc ☐ PhD ☐

The department you are working in _____

Profile for Supply Chain Management Practices

Instruction the question from 1-4 deal with Suppliers and customers relationship(the key players)

Instruction The numbers represent***: 1- Very Low, 2-Low, 3-Average, 4-High and 5 -Very High***

S.N	Items	1	2	3	4	5
1	Joint product planning with suppliers					
2	The level of cooperativeness with suppliers					
3	Customer's delivery adherence requirement					
4	Compliance customer's delivery on time requirements					

The questions from 1-8 inquire you about the Internal Operation Practices of the company

Instruction The numbers represent***: 1- Very Low, 2-Low, 3-Average, 4-High and 5 -Very High***

S.N	Items	1	2	3	4	5
1	Up- to- datedness of production					
2	The extent of production process automation					
3	The extent of innovation in product					
4	The extent of continuous and instantaneous product and service Improvement					
5	Management know-how regarding supply chain effectiveness					
6	Flexible production system to market change					
7	Efficient utilization of resources					
8	Extent of automated quality control					

The questions from 1-4inquire you about the Information sharing of Practices of the company

Instruction The numbers represent***: 1- Very Low, 2-Low, 3-Average, 4-High and 5 -Very High***

S.N	Items	1	2	3	4	5
1	Sales Forecast information sharing with customers					
2	Other product related information sharing with suppliers					
3	Other product related information sharing with suppliers					
4	Sense of trust and confidence along the supply chain					

The questions from 1-5 inquire you about the Training practices of the company

Instruction The numbers represent***: 1- Very Low, 2-Low, 3-Average, 4-High and 5 -Very High***

S.N	Items	1	2	3	4	5
1	Adequacy and quality of information sharing throughout the supply chain					
2	Reduction of lead time/ speed of order handling					
3	The accuracy of order processing for customers					
4	Effectiveness and flexibility in meeting customers' requirement					
5	Extent of customers' complaints management					

22 . What are the challenges that put barrier against supply chain management?

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23. To improve the supply chain management of the company what do you suggest

Appendix B

St. Mary's University College

Faculty of Business

Department of Marketing Management

INTERVIEW FOR MANAGERS

This interview is designed to gather information on "Supply Chain Management in the case of Kality Food Processing S.C". The purpose of the study is to fulfill a senior essay requirement for the Bachelor of Arts of Marketing Management at St. Mary's University College. The study is purely for academic purpose and thus not affects you in any case. So, your genuine, frank and timely response is vital for successfulness of the study. Therefore, I kindly request you to respond to each items of the question very carefully. Finally, I would like to thank you very much for your cooperation and sparing your valuable time for my request.

1. How do you see the suppliers' capability? Are they permanent?
2. How do you evaluate the extent of information sharing practice between your company and your suppliers?
3. What about the extent of integration between your company and your suppliers?
4. Is there uncertainty of suppliers, sense of trust?
5. Do think that it is important to establish strategic or long term relationship with suppliers?
6. How do you see, your company's effort to maintain and develop existing and new customers?
7. How your company manages customers' complaints?
8. How do you see making your products accessible for your customers both in quantity and quality?
9. What is the supply chain management practice of the company looks like?

Appendices