

SCHOOL OF COMMERCE

Supply Chain Management Practices and Company competitiveness. The case of BLU Mineral Water Factory

BY

Getachew Bahiru

A Thesis submitted to the Addis Ababa University, School of Commerce as Partial Fulfillment to the Requirements for the Award of the Degree of Masters of Art in Logistics and Supply Chain Management

Advisor: Shiferaw Mitiku (PhD)

June, 2018

Addis Ababa, Ethiopia

DECLARATION

I declare that the project entitled “Supply Chain Management Practices and Company Competitiveness. The case of BLU Mineral Water Factory is my original work and has not been presented for a degree in any other University and that all sources of material used for the project has been duly acknowledged.

BY: Getachew Bahiru

DATE: MAY, 2018

SIGNATURE: _____

Certification

This is to certify that **Getachew Bahiru has** carried out this research work on the topic entitled **"Supply Chain Management Practice and Company Competitiveness. The case of Blu Mineral Water Factory"** under my supervision. This work is original in nature and has not been presented for a degree in any University and it can be submitted for the partial fulfillment of the requirements for the award of the degree of Masters of Art in Logistics and Supply Chain Management.

Dr. Shiferaw Mitiku

Signature_____

Date _____

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

SUPPLY CHAIN MANAGEMENT PRACTICE AND COMPANY COMPETITIVENESS. THE CASE OF BLU MINERAL WATER FACTORY

BY

GETACHEW BAHIRU

Approval Board Committee

_____	_____	_____
Chairman, Graduate studies	**Signature**	**Date**
_____	_____	_____
Advisor Name	**Signature**	**Date**
_____	_____	_____
Internal Examiner Name	**Signature**	**Date**
_____	_____	_____
External Examiner Name	**Signature**	**Date**

Acknowledgment

First and for most I would like to honor Almighty God for giving me opportunity, health and strength that necessary to begin and complete the program and this thesis.

Also I would like to thank my advisor Dr. Shiferaw Mitiku for his guidance and constrictive comments from the beginning of the research proposal to the completion of the thesis paper.

I am also grateful to all staffs of Blu Mineral Water Bottling Factory for their cooperation in providing data, filling out questionnaire, and provided very valuable information.

Thanks to all my friends especially Firaol and Melese for their support and encouragement while doing this thesis.

Finally, My special appreciation and thanks goes to my wife Tejitu and my beautiful Son and daughters for their time, support and encouragement while doing this thesis and for every part of my life.

The Researcher

Table of Contents

Acknowledgement……..……..…..i
Table of content……..……...……ii
List of tables……..…….iii
List of Figures …….. iii
Acronyms/ Abbreviations……...…….……...……iv
Abstract……...……..…….……v

CHAPTER ONE
INTRODUCTION
1.1 Background of the Study…….....……..…..…....1
1.2 Statement of the Problem……...……...…….....……...4
1.3 Research Objectives……..……..…….……....5
1.4 Research Questions……....……....5
1.5 Justification and Significance of the Study……..…6
1.6 Scope of the Study…….…….……7
1.7 Definition of Terms…….…...……...……...7
1.8 Organization of the Study…….…….……8

CHAPTER TWO
RELATED LITERATURE REVIEW
2.1 Theoretical Review 9
2.1.1 Supply Chain Management overview……....9
2.1.2 Supply Chain Management Practice …….……...…11
2.1.2.1 Supplier Partnership…….……..…...……..……14
2.1.2.2 The Customer Relationship…….……..……..…..15
2.1.2.3 Level information Sharing ……..…….....16
2.1.2.4 Lean System …….……...…….....17
2.2 Competitive Advantage …….…….…….....19
2.3 Empirical Literature Review ……..……..……22
2.4 Conceptual framework ……..…..……...25
2.5 Literature Gap....26

CHAPTER THREE
METHODOLOGY OF THE STUDY
3.1 Description of the Study …….…….....27
3.2 Study Design…….....…….....27
3.3 Total Population and Sample size Design…….....28
3.3.1 Target Population……..…….....28
3.3.2 Sample size determination……..…….....28

3.4 Data Source and Type……..…….....28
3.4.1 Interview…….....29
3.4.2 Questioner…….....29
3.5 Method of Data Analysis…….....30
3.6 Validity and reliability Test ……...…….....30
3.7 Ethical Consideration 31

CHAPTER FOUR
RESULTS, DISCUSSION AND INTERPRETATION

4.1 General Information**…….....……**32
4.1.1 Gender of the respondents **…….…..…….....……...……*32***
4.1.2 Age of respondents**……...…….....……..…..……*33***
4.1.3 The Position of the respondent in the organization**……..…..…..…**33
4.1.4 Respondent Length of service in the organization**…….……..……**34
4.1.5 Educational qualification**……..…....**.34
4.2 Extent of SCMP in the case organization**……..…….....**35
***4.3** Corr*elation Analysis**……..….....……..……**37
4.3.1 Correlation between constructs of SCM practice and Competitiveness**……...**37
4.3.2 Correlation between SCM practice and organizational performance……....37
4.4 Regression Analysis**……...…….……..…**40
4.4.1 Model summery**…….……..…**41
4.4.2 Multi Col linearity test of the independent variable**…….……...**41
4.5 Analysis Interview questions**…….……...…..…...**42
4.6 Discussion of the result**…….……...…**43

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 introduction…….....45
5.2 Summary of Major findings……..…….....45
5.3 Conclusions…….....46
5.4 Recommendations……..46
5.5 Suggestions for further study……....46

Reference ……...…..... **47**
Appendix ……..……..... i

List of table

Table 2.1 Type of waste …….17
Table 3.1 Carvalho's sample size determination ……..…….....……28
Table 3.2 Reliability cronobach's alpha level of the respondent ……..…....……31
Table 4.1 Gender of the respondents ……..……..…..…..…....……32
Table 4.2 Age of Respondents……..…..……...……...……33
Table 4.3 The Position of the respondent in the organization ……..……...…33
Table 4.4 Length of service in analysis of employees the organization ……..……34
Table 4.5 Analysis of education level of the respondent……34
Table 4.6 Analysis of the extent of SCM, implementation practice……..…...***35***
Table 4.7 Score of the variables……..……..……36
Table 4.8 Correlation coefficient……..……38
Table 4.9 Correlation between constructs of SCMP and CP……..……..…..……38
Table 4.10 Correlation between SCM and CP ……..…..…..….41
Table 4.11 Model summary……..…42
Table 4.12 Anova……...……...…..…42
Table 4.13 Multi collinearity test of independent variable ……..…..……43

List of Figure

Fig 2.1 Conceptual framework for the study ……..…… 25

Acronyms/Abbreviations

CR – Customer Relation

CP – Competitive Advantage

ECAE – Ethiopian Conformity Assessment Enterprise

EDI – Electronic Data Interchange

ILP – Internal Lean Practice

JIT – Just in Time

LIS – Level of Information Sharing

MOFED – Ministry of Finance and Economic Development

SCMP- Supply Chain Management Practice

SCM-Supply Chain Management

SPSS - Statistical Package for the Social Sciences

SSP- Strategic Supplier Partnership

Abstract

Effective Supply Chain Management has become a potentially valuable way of securing competitive advantage since competition is no longer between organizations, but among supply chains. This research conceptualizes and develops four dimensions of Supply Chain Management practice (strategic supplier partnership, customer relationship, level of information sharing and Internal Lean Practice) and tests the relationships between Supply Chain Management practices and competitiveness. Data for the study were collected from 50 employees' of Blu Mineral water Bottling Factory Data collected through questionnaires were analyzed through descriptive statistics Pearson correlation and regression analysis technique to show the effect of independent variables on the dependent variable by using SPSS software version 20.0. The relationships proposed in the framework were tested using Pearson correlation, and the causal relations were analyzed using regression analysis. From the result of the analysis it is concluded that there is weak practice of SCM functions and found positive, strong relationship between Supply Chain Management practices and Competitive Advantage. As the result reviled that there is weak SCM practices in the case Factory, it should improve the practices in all dimensions to capture the necessary competitive advantage and the findings of this research were similar to former researches.

Key Words; Supply Chain Management Practice, Competitiveness, Strategic Supplier Partnership, Customer relationship, Level of Information Sharing and Internal Lean Practice

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Supply chain management offers the opportunity to capture the synergy of intra-company and inter-company integration and management. In that sense, supply chain management deals with total business process excellence and represents a new way of managing the business and relationships with other members of the supply chain (Cooper *et al*., 1997). Effective supply chain management (SCM) has therefore become a potentially valuable way of securing a competitive advantage and improving organizational performance (Li *et al*., 2006). Efficient supply chain management is indispensable for a company to survive and is a competitive weapon with rivalry companies. Appropriate performance of supply chain plays an important role for the success of a company from different aspects including but not limited to its profitability, agility, responsiveness, reliability, cost reduction, supply chain assets management.

For any company to be successful, its supply chain strategy and competitive strategy must fit together. Strategic fit means that both the competitive and supply chain strategies have aligned goals. It refers to consistency between the customer priorities that the competitive strategy hopes to satisfy and the supply chain capabilities that the supply chain strategy aims to build. The issue of achieving strategic fit is a key consideration during the supply chain strategy or design phase. (Sunil Chopera, Peter Meindl 2007).

A coping up strategy suggests that a relationship with suppliers and other partners should be supported with an appropriate level of collaboration information technology, information system, and lean agile principles. Therefore the investigation has thus; been inspired to conduct a study on supply chain management practices and their relationship with the competitiveness of Blu brand mineral water bottling Factory and forward possible suggestions that would enable the company to be competitive.

In Ethiopia firms, the practice of integration, collaboration and having willingness and trend of managing the supply chain from supplier to customer is traditional, which is not more than just buy and sale (transactional) relationship (Belay, 2011). Even if there is supply by default it is not well managed, and implemented for getting the benefits resulted from effective SCM. So that

each partner with in the supply chain is using their own individual efforts to improve their own competitiveness (like cost, quality, delivery facility, lead time and etc) but it is not as such effective.

The food and beverages sector is one of the main components of Ethiopia's manufacturing sector. Based on official industrial statistics, total employment can be estimated at some 53,000 while the value of sales is almost 7 billion Birr. Value added generated by the sector is in the order of Birr 3 billion, equivalent to little less than 2% of the GDP. The sector includes a wide variety of activities, mostly linked to the transformation of domestically produced agricultural products. In certain cases, reliance is made on imported products. For the purposes of this study, the attention was focused on one sub-sector, namely: bottled mineral water. It was in 1999 that the first bottled water highland springs, was introduced to Ethiopia, by the Appex bottling company a pioneer in the industry established by Ermias Amelga partners. Now there are 53 water bottling companies certified by ECAE for producing either mineral or spring water in all corners of the country. Investors in to the sector claim that there is a huge demand in the market for bottled water, which is what led to the emergence of so many brands (MOFED, 2007).

Blu Mineral Water bottling Factory is one out of these companies practicing SCM functions in unstructured and traditional way of transactional basis. Therefore the overall intention of the paper is to study the supply chain management practices and its impact on competitiveness of Blu Mineral Water Bottling Factory.

SCM practices are defined as the set of activities undertaken by an organization to promote effective management of its supply chain. The practices of SCM are proposed to be a multi-dimensional concept, including the downstream and upstream sides of the supply chain. SCM practices were described by different scholars; Donlon (1996) describes the latest evolution of SCM practices, which include supplier partnership, outsourcing, cycle time compression, continuous process flow, and information technology sharing. Tan *et al*. (1998) use purchasing, quality, and customer relations to represent SCM practices, in their empirical study. Alvarado and Kotzab (2001) include in their list of SCM practices concentration on core competencies, use of inter-organizational systems such as EDI, and elimination of excess inventory levels by postponing customization toward the end of the supply chain.

Tan *et al.* (2002) identify six aspects of SCM practice through factor analysis: supply chain integration, information sharing, supply chain characteristics, customer service management, geographical proximity and JIT capability. Chen and Paulraj (2004) use supplier base reduction, long-term relationship, communication, cross-functional teams and supplier involvement to measure buyer–supplier relationships. Thus the literature portrays SCM practices from a variety of different perspectives with a common goal of ultimately improving organizational performance through developing competitiveness.

In reviewing the various dimensions of SCM practices identified by different scholars, Four distinctive dimensions; Strategic supplier partnership, Customer relationship, level of information sharing and lean system are selected to measure SCM practices. The three constructs cover upstream (strategic supplier partnership) (level of information sharing) and downstream (customer relationship) and internal supply chain process (Lean system), Will be measured against the competitiveness position of the case company.

Competitiveness is the extent to which an organization is able to create a defensible position over its competitors Porter (1985). It comprises capabilities that allow an organization to differentiate itself from its competitors and is an outcome of critical management decisions (Tracey M, Vonderembse MA, 1999). The empirical literature has been quite consistent in identifying price/cost, quality, delivery dependability, flexibility and time to market as important competitive capabilities.

Based on the above identification, the dimensions of the competitive advantage constructs used in this Study are price/cost, quality; delivery dependability and time to market are selected to measure the competitive position of the case company. According to Suhong Li, (2004) having a competitive advantage generally suggests that an organization can have one or more of the following capabilities when compared to its competitors: lower prices, higher quality, higher dependability, and shorter delivery time. These capabilities will, in turn, enhance the organization’s overall performance. Competitiveness can lead to high levels of economic performance, customer satisfaction and loyalty, and relationship effectiveness. Brands with higher consumer loyalty face less competitive switching in their target segments thereby increasing sales and profitability.

This research tries to analyze the SCM practice of the organization with the dimensions of Supplier & customer relation, the level of information sharing, and Internal Lean practice and their effect on competitiveness of the case company (Blu mineral water Bottling Factory). The study will use quantitative research design and collect relevant primary data by using questionnaire and Interview from the target population of company employees' 50 in number selected as respondent group out of the total 191 employees of the company those completed 10 grade and above, data collected with the mentioned tools will be analyzed by using SPSS statistical tools. The study will try to come up with better solution to the company problems and for the improvement of its performance.

1.2 Problem Statement

Even if, supply chain management practices in Ethiopia are still in the infancy stages, certain numbers of manufacturing companies such as Heineken Breweries S.C., Diageo were integrating it to their organizational system. But the functions involved in supply chain management were distributed in different departments of the organization and practicing the activity of supply chain independently this leads to poor integration of the activities across the chain.

Based on the pilot interview made in the case company, due to the ineffective practice of SCM in the dimensions of strategic supplier partnership, customer relationship, level of information sharing and lean system the organization is facing frequent stock out problems and inconsistency of raw material quality due lack of closer interaction and information sharing with suppliers and this practice affect the relationship of its customers in meeting their orders with consistent product quality and price and all these problems brought losing of its competitive position with possible capabilities when compared to its competitors, in commonly agreed dimensions of competitive positions; lower prices, higher quality, higher dependability, and regular new product development programs. Based on the informal pilot interview made with 12 employees who directly involved with SCM activities of Blu Mineral water Factory to identify major challenges for their organization, the pilot result revealed that supplier relation, customer relation, information sharing and Lean practice are the major SCM practices exhibited at Blu Mineral Water Factory. Hence undertaking in-depth research in this regard would help the organization to have appropriate SCM practice and mitigate those problems.

Therefore this study was addressed the supply chain management practices and their possible relationship to the competitiveness of Blu Mineral Water Bottling Factory.

1.3 Research Questions

1. What is the relationship between suppliers' partnership and competitiveness of Blu mineral water bottling Factory?
2. What is the relationship between customer relationship and competitiveness of Blu Mineral Water Bottling Factory?
3. What is the relationship between the level of information sharing and competitiveness of Blu Mineral Water Bottling Factory?
4. What is the relationship between lean system and competitiveness of Blu Mineral Water Bottling Factory?
5. What is the level of SCM practice dimensions' influence on the competitiveness of Blu Mineral Water Factory?
6. What kind of strategies should be used to improve the competitiveness of Blu mineral water Factory?
7. What are the major dimensions of Supply Chain Management Practice of Blu mineral water Factory?

1.4 Objectives of the study

The study has general objectives as well as specific objectives, the general objectives is to look in to the supply chain management practice and company competitiveness of Blu mineral water Bottling Factory and the specific objectives of the study will be:

1. To assess the relationship between SCM practices (Supplier relationship, customer relationship, level of information sharing and lean system) with competitive position of Blu mineral water Bottling Factory.
2. To measure the level and direction of influence of supply chain management dimensions on the competitiveness of Blu mineral water Bottling Factory.

3. To identify factors that needs to be considered upon the development of SCM strategies that improve the competitive position of the Blu mineral water Factory.
4. To analyze and indicate the major dimensions of the supply chain management practice in Blu mineral water Factory.

1.5 Justification and Significance of the Study

Empirical research in Ethiopia and other countries provides effective supply chain management practices had a positive impact in competitiveness of the organization and the commonly described dimensions of SCM practices are strategic supplier partnership, customer relationship, level of information sharing, quality of information sharing, and postponement and , the dimensions of the competitive advantage constructs used in most studies were price/cost, quality, delivery dependability, flexibility, product innovation and time to market. However due to the nature of the business environment and the structure of the case company, four SCM practices (supplier relationship, customer relationship, level of information sharing and lean system) are selected to measure their relationship against the elements of competitive capabilities.

Therefore this study seeks to investigate SCM practices challenges and their impact on competitiveness of the case organization on the basis of competitive capabilities over its competitors in lower prices, higher quality, higher dependability, and shorter delivery time.

The significant of the study is of a paramount importance to the organization; the study is significant for the following reasons; the study will enable top level management to produce & implement effective SCM strategy and practices it to obtain competitive advantage, the study will help the management team and researchers to have thorough knowledge about the relationship between supply Chain Management practices and competitive position of the organization, to update the same topic if any in the organizations and the study will act as reference for forthcoming researchers.

1.4 Scope of the Study

SCM encompasses vast areas of managerial practices. However, it is difficult and Unmanageable to conduct the study in all areas that summarizes SCM in terms of time, finance, and research manageability. Therefore, the scope of this study is delimited to SCM practices and competitive position of Bottled water manufacturing Co. in terms of the topic.

The subject scope of this study is also delimited to the company's point of reference towards strategic supplier partnership, customer relationship, level of information sharing, and Lean system. In terms of company competitiveness the study was delimited to operational (which was measured by price/ cost, quality, delivery dependability and time to market) and organizational performance (which incorporate market share, return on investment, the growth of market share, the growth of sales, growth in return on investment, profit margin on sales and overall competitive position).

The area of the study is also delimited to the case company i.e., Blu mineral water Bottling Co. through assessing how the company interact with their upper stream (suppliers) and the down streams of the supply chain.

1.7 Limitation of the Study

The research was face lack of Cooperation of the respondents and their commitment to fill and deliver the questionnaires timely. The other limitation of the study was not including other stakeholders such as suppliers, customers and competitors due to time and finance constrained this factor limited the outcome of the research. Finally the selected SCM practice dimensions and items listed included in each dimensions are general items used in most similar researches. Therefore it was limited to represent all constructs that could explain SCM practices.

1.8 Definition of terms/ Operational Terms

SCM practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain.

Competitive advantage: is the extent to which an organization is able to create a defensible position over its competitors.

Strategic supplier partnership-The long term relationship between the organization and its suppliers. It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits.

Customer relationship -The entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction.

Level of information sharing - The extent to which critical and proprietary information is communicated to one's supply chain partner.

Lean System - The principle of lean operations refers to "moving towards the elimination of all waste in order to develop an operations that is faster, more dependable, produces higher quality products and services and operates at low cost.

1.9 Organizations of the study

This research paper is organized in five chapters; chapter one contains introduction part deals with back ground of the study, the research problem, objective of the study, Hypothesis/research questions, scope and significance of the study, The second chapter discuss the literature review about the subject matter, In chapter three the research methodologies are presented. In chapter four, results and discussion of the study are presented and finally, chapter five has the major findings, conclusion and forwarded suggestions.

CHAPTER TWO
RELATED LITRATURE REVIEW

This chapter presents the theoretical review of related literatures to the topic, empirical review the recently publicized literatures, conceptual framework and the literature gap found in those materials.

2.1 Theoretical Review

In this chapter different literatures related to the topic were reviewed by giving special emphasis on the selected variables of the research mainly, SCM practice, competitiveness, Supplier partnership, customer relationship, level of information sharing and Lean practice.

2.1.1 Supply Chain Management over view

The term supply chain management arose in the late 1980s and came into widespread use in the 1990s. Prior to that time, businesses used terms such as logistics and operations management. While reference to supply chain management can be traced to the 1980s, it was in the 1990s that the term supply chain management captured the attention of senior level management in numerous organizations. For some scholars, the concept of supply chain management (SCM) can be traced back to just before the 1960s of the systems theory. However, increased study of the field began in the 1980s, with a dramatic increase in the publication rate since 1990 (*Wisner et al.*, 2005; Oliver and Webber, 1982). Supply Chain Management was defined by different scholars & association as follows;

A supply chain is a network that includes vendors of raw materials, plants that transform those materials into useful products, and distribution centers to get those products to customers. Known also as the value chain, it is the sequence, which involves producing and delivering of a product or service (Zailani & Rajagopal, 2005).

The supply chain encompasses organization and flows of goods and information between organizations from raw materials to end-users (Handfield and Nichols, 2002). The supply chain is a meta-organization built up by independent organizations that have established inter-organizational relationships and integrated business processes across the borderlines of the individual firms. A supply chain can also be characterized as a borderless organization (Picot *et al*., 2000), a value net (Bovet and Martha, 2000), a virtual supply chain (Chandrashekar and

Schary, 1999), an interactive firm (Johansen and Riis, 2005), a multi-organization/single-site coordinated operations network (Rudberg and Olhager, 2003), or /and extended enterprise (Davis and Spekman, 2004; Boardman and Clegg, 2001 as cited in the work of (Halldorson *et al*., 2007).

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 (Lambert et al., 1998). The supply chain is a network of autonomous or semi-autonomous business entities involved, through upstream and downstream links, in different business processes and activities that produce physical goods or services to customers.

A supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request. The supply chain includes not only the manufacturer and suppliers, but also transporters, warehouses, retailers, and even customers themselves. Within each organization, such as a manufacturer, the supply chain includes all functions involved in receiving and filling a customer request. These functions include, but are not limited to, new product development, marketing, operations, distribution, finance, and customer service (Sunil Chopra, Peter Meindl, 2007)

Successful supply chain management coordinates and integrates all of business activities in to a seamless process. It embraces and links all of the partners in the chain. Supply chain Managements (SCM) framework consists of three major and closely related elements; business processes, management components and structure of the supply chain (Lambert *et al*., 1997) as quoted in (Gupta & Sahay, 2007).

According to John *et al.,* (2006) Supply management consciousness is accelerating up the corporate agenda and there does appear to be some evidence for this. For example, many companies have appointed supply chain directors and there has been talk of competition between supply chains rather than simply competition between individual firms (Christopher, 1998). Perhaps even more prevalent has been the trend towards the conscious examination and rationalization of supplier networks and the development of “collaborative” or “partnership” relationships between buyers and suppliers (Balakrishan, 2004). Such initiatives have come to be seen as of strategic significance by general managers rather than simply tactical gains by functional specialists (Storey, 2002).

The meaning of supply chain management is given by Martin Christopher (2011) and defines supply chain management as ‘’the management of upstream and downstream relationships with suppliers and customers in order to deliver superior customer value at less cost to the supply chain as a whole. Thus the focus of supply chain management is upon the management of relationships in order to achieve a more profitable outcome for all parties in the chain. This brings with it some significant challenges since there may be occasions when the narrow self-interest of one party has to be subsumed for the benefit of the chain as a whole. ’’ He continued, ‘’whilst the phrase ‘supply chain management’ is now widely used, it could be argued that it should really be termed ‘demand chain management’ to reflect the fact that the chain should be driven by the market, not by suppliers. Equally the word ‘chain’ should be replaced by ‘network’ since there will normally be multiple suppliers and, indeed, suppliers to suppliers as well as multiple customers and customers’ customers to be included in the total system’’ (Christopher, 2011).`

The basic objective of supply chain management is to “optimize performance of the chain to add as much value as possible for the least cost possible”. In other words, it aims to link all the supply chain agents to jointly cooperate within the firm as a way to maximize productivity in the supply chain and deliver the most benefits to all related parties (Finch, 2006). Furthermore, (Mentzer, 2001) the significant importance of SCM as” the systematic, strategic coordination of the traditional business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long term performance of the individual companies and the supply chain as a whole”.

2.1.2 Supply Chain Management Practices

‘SCM practices’ is defined as “the set of activities undertaken by an organization to promote effective management of its supply chain” (Li *et al*., 2006,).

Li *et al*. (2005, 2006) proposed ‘SCM practices’ as a multi-dimensional construct that includes both upstream and downstream sides of the supply chain. Donlon (1996) considered outsourcing, supplier partnership, information sharing, cycle time compression, and continuous process flow, as SCM practices. Tan *et al*., (1998) used quality, purchasing, and customer relations to represent SCM practices, in their empirical study. Alvarado and Kotzab (2001) focused on inter-organizational system use, core competencies, and elimination of excess inventory through

postponement, as SCM practices. Using factor analysis, Tan *et al*.,(2002) identified: supply chain integration, information sharing, customer service management, geographic proximity, and JIT capability, as the key aspects of SCM practice. Lee (2004) in his case study based research identified five practices at the supply chain level that are a key to creating supply chain responsiveness (as cited by Elsabet, 2017). These are; outsourcing, strategic supplier partnerships, customer relationships, information sharing, and product modularity. Chen and Paulraj, (2004) used long-term relationship, cross-functional teams, supplier base reduction, and supplier involvement.

Min and Mentzer, (2004) identified long-term relationship, information sharing, vision and goals, risk and award sharing, cooperation, process integration, and supply chain leadership underlying the concept of SCM. Li *et al*. (2006) identified strategic supplier partnership, customer relationship, information sharing and postponement as key SCM practices. This study adopts the same practices (viz: strategic supplier partnership, customer relationship, and information sharing) as sub-constructs for the SCM practices construct.

According to Fawcett *et al.,* (2007), Supply chain management involves a design of a seamless value adding processes across boundaries of an organization so that it will be able to meet real need of the customer. The design and implementation impose a lot of complex problems and challenges in the process of execution of supply chain management. These major problems must be first well identified in order to proactively come up with problem solving mechanisms. Hence, Faucett & *et al.* (2007) have listed the supply chain design and management problems as; Poor coordination of effort, Incompatible information systems, Long cycle times, communication problems, customer service issues, excessive waste and environmental degradation, relatively high inventory for the level of customer service achieved and lower than optimal profits.

Looking on how to handle such SCM challenges, resource-based theory has adequately explained the development of core competencies that can be used to handle these challenges and hence design better supply chain management practices (Barney, 1991; Hamel & Prahalad, 1994; Lim, Sharkey, & Heinrichs, 2006). These practices, in turn, improve the competitive position of a firm ac cited by Hailemickael H.,2017).

SCM has been supported as a strategic level concept in prior literature (Bowersox *et al*., 1999; Cooper *et al*., 1997; Mentzer, 2001), with a “multi-firm focus” on creating competitive

advantage “by maximizing the total value delivered to end-customers” (Defee and Stank, 2005,). Supply chain responsiveness focuses on not just creating value but maintaining the value or customer service level by being responsive to any turbulence or uncertainty on both sides of the value chain (i.e. supply as well as demand).

Hailemickael (2017) identified four aspects of SCM practices; the Internal-External Success Factors, buyers’ Partnership, Information Communication and Customer relationships that are used as determinants of firms’ competitiveness on Sesame Seed Exporter Members of Ethiopia Commodity Exchange. Wendesen (2015) used four SCM practices i.e. suppliers’ partnership, customer relationship, environmental issues and information communication to show their impact on the future competitiveness of cement firms in Ethiopia. The results show that the efforts that cement factories in Ethiopia exerted in implementing these SCM practices was very low which depleted their competitive position. Sambasivan and Jacob (2008) used the SCM practices proposed by Tan (1999) to study the impact of supply chain practices on competitive position of MNEs in Malaysia. The results show that efforts in: (1) improving customer satisfaction, (2) selecting the right suppliers, (3) improving the efficiency of operations and (4) implementing the right quality practices have significant impact on the competitive position of the company.

Li *et al*., (2005) developed a valid and reliable instrument to measure SCM practices. The same instrument has been adopted in this study. Thus the literature depicts SCM practices from different perspectives with a common goal of improving organizational performance through creating competitive advantage. In reviewing and consolidating the literature, four distinct dimensions of SCM practice that are perceived to lead to supply chain responsiveness, have been identified. These are strategic supplier partnership, customer relationship, level of information sharing and Lean system.

2.1.2.1 Supplier Partnership

Supplier integration is defined as “The long-term relationship between the organization and its suppliers. It is designed to leverage the strategic and operational capabilities of individual participating organizations to help them achieve significant ongoing benefits”. Supplier

integration characterized by various aspects and activities such as information sharing, coordination, trust, shared technology, integrated processes, long-term contracts, assisting suppliers to improve production processes, fostering quality improvements, investing in supplier's assets, including suppliers in new product development, improving supplier's overall capabilities, risk and reward sharing, and shared gains from development efforts (*Dyer et al*, 1998; Bahjat. *et al*, 2014). As such, integration results in improved decision making, enhanced knowledge sharing, aligned capabilities, built learning routines, and increased performance of SC partners .Trust enhances the degree of commitment between the two parties, reduces transactional costs, improves cooperation, enhances the satisfaction of the two parties, decreases the form al contracts, and reduces conflicts (Bahjat. *et.al,* 2014).

Supplier and customer relationship is defined as a set of firms' activities in managing its relationships with customers and suppliers to improve customer satisfaction and synchronize supply chain activities with suppliers, leverage suppliers' capacity to deliver superior products to customers. This is due to the ultimate objective of SCM is to deliver products to the satisfaction of end customers (Tan, 2001). The growth of mass customization & personalized service is leading to an era in which relationship management with customers is becoming crucial for corporate survival (Wines, 1996) as cited by (Assefa Balda, 2011).

Strategic supplier partnerships usually occur with a few major suppliers who are willing to contribute responsibility for the success of the product. Strategically aligned organizations can work closely together & eliminate wasteful time & effort (Balsmeier *et al*.1996). An effective supplier partnership can bea critical component of a leading edge supply chain (Noble 1997).

2.1.2.2 The customer relationships

The customer relationships include the complete range of practices that are employed for the purpose of managing customer complaints, building long term relationships with customers & improving customer satisfaction (Tan *et al*. 1998; Claycomb *et al*. 1999)as cited by (Assefa Balda,2011).

Close customer relationship allows a company to be more responsive in fulfilling customers' demand and differentiate its product from competitors, sustain customer loyalty, & dramatically extend the value it provides to its customer through improving customer satisfaction by proactively seeking customers' needs and requirements. The ability to build a close relationship with customers will bring companies in to a long lasting competitive edge (Bowersox *et. al*, 1999).

SCM suggests that firms need to integrate with their suppliers and customers to achieve both financial and non-financial growth objectives (Tan, 2001) as cited by (Assefa Balda, 2011).Comprises the entire array of practices that are employed for the purpose of managing customer complaints, building long-term relationships with customers, and improving customer satisfaction. Someone consider customer relationship management as an important component of SCM practices, as pointed out by them, committed relationships are the most sustainable advantage because of their inherent barriers to competition.

The growth of mass customization and personalized service is leading to an era in which relationship management with customers is becoming crucial for corporate survival. Good relationships with supply chain members, including customers, are needed for successful implementation of SCM programs. Close customer relationship allows an organization to differentiate its product from competitors, sustain customer loyalty, and dramatically extend the value it provides to its customers (Karimi And Rafiee, 2014).

Focusing and maintaining the customer relationship will enable the organizations to be more responsive towards customers' needs and will result creating greater customer loyalty, repeat purchase and willing to pay premium prices for high quality product (Carr and Pearson, 1999). The significance of relationships with customers and their impact on the performance and competitive position of a company are well established (Lummus, Duclos, & Vokurka, 2003; Power, 2005; Spekman, Kamauff, & Myhr, 2002). Companies have restructured and reengineered to increase organizational effectiveness in satisfying customers (Hailemichael ,2017)

For this research purpose, customer relationship is conceptualized from the literature review and practicability in Ethiopia as the way of building long term relation with customers through creating customer loyalty, reducing defect products, improving customer services, reducing price/cost and managing customer complaints .

2.1.2.3 Level of information sharing*:*

Information sharing has two aspects: quantity and quality. Both aspects are important for the practices of SCM and have been treated as independent constructs in the past SCM studies. Level (quantity aspect) of information sharing refers to the extent to which critical and proprietary

information is communicated to one's supply chain partner. Shared information can vary from strategic to tactical in nature and from information about logistics activities to general market and customer information (Metzer JT, Min S, Zecharia ZG. 2000) as cited by (Li *et al,* 2006).

Many researchers have suggested that the Key to the seamless supply chain is making available undistorted and up-to-date marketing data at every node within the supply chain (Li et al 2006). By taking the data available and sharing it with other parties within the supply chain, information can be used as a source of competitive advantage. According to Lalonde BJ (1998) information sharing is considered as one of five building blocks that characterize a solid supply chain relationship.

Sharing of information is one of five building blocks that characterize a solid supply chain relationship. According to Stein and Sweat as cited in (Karim and Rafiee, 2014), supply chain partners who exchange information regularly are able to work as a single entity. Together, they can understand the needs of the end customer better and hence can respond to market change quicker (Karim and Rafiee, 2014).In this study, information sharing in supply chain is conceptualized as the extent of sharing business knowledge formally or informally with supply chain partners. Also it is associated with the amount of information shared among supply chain partners in downstream and upstream side of the supply chain and also the information intensity.

Quality of information sharing includes such aspects as the accuracy, timeliness, adequacy, and credibility of information exchanged. While information sharing is important, the significance of its impact on SCM depends on what information is shared, when and how it is shared, and with whom. Literature is replete with example of the dysfunctional effects of inaccurate/delayed information, as information moves along the supply chain. Divergent interests and opportunistic behavior of supply chain partners, and informational asymmetries across supply chain affect the quality of information. It has been suggested that organizations will deliberately distort information that can potentially reach not only their competitors, but also their own suppliers and customers. It appears that there is a built in reluctance within organizations to give away more than minimal information since information disclosure is perceived as a loss of power. Given these predispositions, ensuring the quality of the shared information becomes a critical aspect of effective SCM. Organizations need to view their information as a strategic asset and ensure that it flows with minimum delay and distortion (Li et.al, 2006). As cited by (Banchiyrgu D.,2017).

2.1.2.4 Lean System

According to Ferry Jie, (2007) the principle of lean operations refers to "moving towards the elimination of all waste in order to develop an operations that is faster, more dependable, produces higher quality products & services &, operates at low cost," (Slack *et al*.2004,). Lean systems focus on elimination of all kinds of waste (Finch, 2006). The types of waste are defined as below. Waste is any activity that is not value producing for the business. The types of waste below form the core philosophy behind lean systems, as identification of the problem is the first step in solving it (Finch, 2006).

Types of waste

There are seven key types of waste, as identified by Shingo during the development of the Toyota Production System, (Taiichi Ohno, Bell, 2006).

Table 1. Types of waste

No	Types of waste	Definition
1	Overproduction wastage	Seen when produced excess of demand
2	Waiting time wastage	Waste that results from customer orders, inventory, or completed products waiting in queue for a process to begin
3	Transportation waste	Waste that results from excessive materials handling & movement
4	Processing waste	Waste that results from steps in production processes that do not contribute value or that create costs that are greater than the value they create
5	Inventory waste	Waste that consists of excess inventory over & above that which is necessary
6	Unnecessary motion waste	Waste of human resources caused by unnecessary labour due to ineffective job design
7	Product defect waste	Waste of capacity, inventory & labour, resulting from Products that do not meet customer specifications.

Source; Adopted from Ferry Jie, 2007

These types of waste represent the areas that Toyota focused on reducing, in order to move towards a leaner system.

Waste reduction

For the purposes of this research is it unrealistic for our case study to adopt ERP, JIT systems in order to move towards leaner productions. Kaizen total quality management Systems however maybe be further looked into as an option, as it is the most realistic & cost effective option for our case (Hemmant, 2006).

A typical Kaizen implementation involves a multidisciplinary team of a trained facilitator, managers, engineers and line workers coming together for a number of days to focus on improving an area of the plant (Askin & Goldberg, 2002). The team's focus is on questioning of the current methods used in the supply chain. The "golden rule of Kaizen is to utilize everyone's knowledge to identify & implement improvements quickly & without significant cost," (Askin & Goldberg, 2002).

2. 2 COMPETITIVE ADVANTAGE

Business firms are facing a challenge from market in which they compete that requires a wise move to stay. The strong competition is making firms to think twice. The traditional ways of doing business and running a company cannot apply in an environment there is a stiff competition. Nobody can give guarantee that companies stay safe under the business environment there is stiff competition without adaptation of current business culture in the world full of change. Firms should remain vigilant to ensure safety of their positioning in a market place, which is as a strategic position. (Biniam, T. 2017).

The two generic competitive strategies, lower cost and differentiation; make firms to examine a range of product varieties to produce, the distribution channels the company use, different types of buyers, the geographic locations where company sells its products, and the industries in which it will compete (Wheelen & Hunger, 2012). Organization ability to differentiate itself from its competitors and operates at a lower cost can be a source for competitive advantage to earn greater profit. Sustainable and defensible competitive advantage is derived from either a cost advantage or a value advantage or both (Christopher, 2005). These two generic competitive strategies are usually broken into four categories. These are low cost, flexibility, delivery, and quality. A firm may have a competitive advantage in just one of these areas, or in a bundle of them or in all of these areas. It is obvious a firm that is superior in all of these areas will be a

much tougher competitor in the market than from those who has an advantage in only one area (Fredendall & Hill, 2001).

Firms use these markets strategy by combining and by understanding its resources. Business firms gain competitive advantage as a result of its ability to generate more value than its competitors (Rossignoli & Ricciardi, 2015). Only the strategy that firms formulate makes them to gain competitive advantage at some point in value chain (Quayle, 2006). Value chain is the ability of resources to drive competitive advantage (Porter, 1985). Such ability can be seen in the relationship process of satisfying organizations needs and resources required to meet those needs (Venkataraman and Pinto, 2008). Differences among competitor value chains are a key source of competitive advantage (Wheelen & Hunger, 2012). Value chain aims to accomplish competitive advantage through adding values of products for customers' satisfaction. It also helps companies to understand how can create and deliver most critical value to customer and their activities.

In exercising value chain, firms disaggregate their strategically relevant activities to understand behavior of costs and existing potential sources of differentiation (Christopher, 2005). Then, it can possible to gain competitive advantage by performing these strategically important activities more cheaply or better than its competitors. Those strategically important value chain activities of a firm are categorized as primary activities (that includes inbound logistics, operations, outbound logistics, marketing and sales, and service) and as support activities (includes infrastructure, human resource management, technology development and procurement). These activities should be integrated across a firm function to drive competitive advantage in a way that the firm organize and perform these activities within the value chain.

If the amount of resources a firm used to execute these activities are few, the higher the satisfaction will be there and this implies the value customer earn is the greater. It is true that resources determine the amount and types of value any firm can generate (Venkataraman and Pinto, 2008).

Firms can survive if they are capable of remaining agile and adaptive by developing dynamic competencies using their resource innovatively. Resources capabilities are the heart of the competitive advantage. The capabilities should focus on the importance of inter-organizational networks to allow agility. It is necessary to discover resources capabilities that will take a firm

into a competitive advantage. These capabilities are able to drive competencies. The value provided by the resource enables the firm to achieve its strategic goal. The capabilities that can be a source of competitive advantage categorized as regulatory, positional, functional, or cultural nature. The first two groups are asset-based, whereas the last two are competence-based (Enders, 2004).

A firm usually holds a bundle of resource and can use as a base for competitive advantage. But all resources in the organization cannot drive competitive advantage. Organization should separate resources that are critical to render competitive advantages. It is also possible to classify resources as financial resources, physical resources, human resources, technological resources, reputation, and organizational resources. Firm internal resources are including information, knowledge, land, labor and capital (Lowson, 2002). Customer networks, brands, plants and equipment's are also part of firm resources (Sandner, 2009). Specifically, the location of a plant, human (in terms of the number of employees, their skills, and motivation), technology (patents and copyrights) and goodwill' s are quoted as firm resources (Wheelen & Hunger, 2012). Actually, resources are categorized by their nature as tangible and intangible assets. Of course, it is the most difficult to define intangible resources but includes intellectual property, trade secrets, contracts and licenses, data bases, information, networks, know-how of stakeholders, reputation, and culture. And, also it is difficult to relate an organization true value if an organizational success tied to intangible assets like intellectual property, brands and skills, and customer franchises (Axson, 2010).

The ability of a firm to obtain a competitive advantage is determined by the decisions it makes about its structure and about its infrastructure (Hayes, Wheelwright, 1984) grouped these decisions into eight categories. A firm that makes these decisions in agreement with its strategic business plan creates manufacturing capabilities that allow the firm to compete in the way that was planned. Firms can change their direction, but to do so they must change each one of the manufacturing decisions made over the years. This is very difficult and takes a great deal of time and effort (*APICS Dictionary, 1998).*

Competitiveness 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 (Barney, 1991; Coyne, 1986; Day and Wensley, 1988; Prahaladand

Hamel, 1990). 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 (Holweg, 2005).

Price/cost, quality, delivery dependability, and time to market have been consistently identified as important competitive capabilities (Vokurka *et al*., 2002; Fawcett and Smith, 1995; White, 1996; Skinner, 1985; Roth and Miller, 1990; Tracey *et al*., 1999). 'Time' has been argued to be a dimension of competitive advantage in other research contributions (viz: Stalk, 1988; Vesey, 1991; Handfield and Pannesi; 1995, Kessler and Chakrabarti, 1996; Zhang, 2001).

Competitiveness has been operationalized in the existing literature (Koufteros *et al*., 1997; Zhang, 2001) and the measures have been adopted in this study with minor modifications. Based on the study of Koufteros (1995), Zhang (1997), and Li *et al*. (2006) the following four dimensions of competitive capability are used; Price/Cost "The ability of an organization to compete against major competitors based on low price" (Li *et al*., 2006), Quality. "The ability of an organization to offer product quality and performance that creates higher value for customers" (Koufteros, 1995), Delivery Dependability. "The ability of an organization to provide on time the type and volume of product required by customer(s)" (Li *et al.,* 2006) and Time to Market. "The ability of an organization to introduce new products faster than major competitors" (Li *et al.,* 2006).

2.3 Empirical Literature Review

The evolutionary nature and the complexity of SCM are also reflected in the SCM research. Much of the current theoretical/ empirical research in SCM focuses on only the upstream or downstream side of the supply chain, or certain aspects/perspectives of SCM (Shah *et al.* 2002). Topics such as supplier selection, supplier involvement, and manufacturing performance, the influence of supplier alliances on the organization, success factors in strategic supplier alliances, supplier management orientation and supplier/buyer performance, the role of relationships with suppliers in improving supplier responsiveness, and the antecedence and consequences of buyer–supplier relationship have been researched on the supplier side (Li *et al, 2006).* Studies such as those by Clark and Lee (2000), and Alvarado and Kotzab (2001), focus on the downstream linkages between manufacturers and retailers. A few recent studies have considered both the upstream and downstream sides of the supply chain simultaneously.

Tan *et al*. (1998) explore the relationships between supplier management practices, customer relations practices and organizational performance; Frohlich and Westbrook (2001) investigate the effects of supplier–customer integration on organizational performance, Tan *et al*. (2002) study SCM and supplier evaluation practices and relate the constructs to firm performance, Min and Mentzer (2004) develop an instrument to measure the supply chain orientation and SCM at conceptual levels. Cigolini *et al*. (2004) develop a set of supply chain techniques and tools for examining SCM strategies. Taken together, these studies are representative of efforts to address various diverse but interesting aspects of SCM practices. However, the absence of an integrated framework, incorporating all the activities both upstream and downstream sides of the supply chain and linking such activities to both competitive advantage and organizational performance, detracts from usefulness of the implementation of previous results on SCM.

Certain previous researchers have devoted deal of attention to the relationship of supply chain management practices and certain aspects of organizational performance from different perspective/dimensions of overall supply chain. Some of these researches findings are discussed as follow.

Lenny *et al*. (2007) conducted study on the impact of supply chain management practices on performance of Small and Micro Enterprises in Turkey. Based on exploratory factor analysis, researchers were grouped SCM practices in two factors: outsourcing and multi-suppliers, and strategic collaboration and lean practices. The results indicate that both factors of strategic collaboration and lean practices and outsourcing and multi-suppliers have direct positive and significant impact on operational performance.

In contrast, both significant impact on operational performance and outsourcing and multi-suppliers do not have a significant and direct impact on SCM-related organizational performance. Also, as the direct relationship between the two performance-constructs was found significant, both factors of SCM practices have an indirect and significant positive effect on organizational performance through operational. (Li *et al*, 2006) conducted study on the impact of supply chain management practice on competitive advantage and organizational performance by collecting data from 190 organizations by developing five dimensions of SCM practice(strategic supplier partnership, customer relationship level of information sharing, quality of information sharing and postpone mental and the research test the relationships between SCM

practice competitive advantage and organizational performance and the result indicate that higher levels of SCM practices can lead to enhanced competitive. advantage and improved organizational performance and competitive advantage can have a direct and positive impact on organizational performance and from the five dimensions developed postponement have not be a strong indicator or SCM practice compared to the other four dimension.

Janatabadi *et al*, (2013) conduct study on the impact of supply chain management on the relationship between enterprise resource planning system and organizational performance the objective of this study was to investigate the enterprise resource planning adoption and its influence on organizational performance through supply chain management. The data required for this research was collected from 174 companies in Malaysia through prepared surveys. And from the data collected the research found out that there exist a positive effect of enterprise resource planning on the supply chain which ultimately result in improved overall performance of the studied organizations.

Mustefa (2014) conduct study on the supply chain management practices and firm performance in case of awash tannery P.L.C. in Ethiopia according to this research data was collected from employees of awash tannery company and the research conceptualizes and develops five dimensions of SCM practice(strategic supplier partnership, customer relationship, level of information sharing quality ,quality of information sharing and internal lean practice) and it test the relationship between SCM practices operational performance and organizational performance and the research found out that there is strong relationship between SCM practices operational performance and organizational performance and shows that SCM practice have an influence both on operational performance and organizational performance and it finds out that operational performance has also an influence on organizational performance.

Yap and Tan (2012) conduct study on the effect of service supply chain management practices on the public health care organizational performance in Malaysia in this study a total of five dimensions of service supply chain management practice where used to study the effect of supply chain management on organization performance from these information and technology management demand management, customer relationship management, supplier relationship management capacity and resource management where found to have significant and positive

direct relationship with organizational performance and alliance network was found to have the mediation effect on the direct relationship.

Mwilu (2013) also conduct a study on supply chain management practices and performance among public research institutions in Kenya. One of the objectives of this study was to determine the impact of SCM practice on the performance of research institutions in Kenya and to evaluate the challenges faced by public research institutions in Kenya. And to evaluate the challenges faced by public research institutions in Kenya while adopting SCM. By developing seven dimensions of SCM practices from these the research founds out that three variables namely logistics lean suppliers and information technology were found to have strong statistically significant relationships with performance. The other three variables namely green supply chain practices, long term supplier relationships and out sourcing were found to have week relationships which were not statistically significant.

Banchiyrgu (2017) conduct study on the relationship of SCM practices and organizational performance in Horizon Addis Tyre S.C. and describe five dimensions of SCM practices and found all the constructs of supply chain management namely customer relation, level and quality of information sharing and internal lean practice have strong significant and positive relationship with the case company's performance and strategic supply partnership have positive relationship with the case company's organizational performance.

In General, as we have seen from the above literatures to assess the impact of supply chain management on organization performers there is no single measurement (dimension). Despite the increase of empirical research in the last few years important differences in research design undermine comparability lack of consensus about and definition and dimension of the SCM construct use of different units of analysis and different approaches to performance measurement.

2.4 Conceptual Frame work

Based on the theoretical framework presented in the previous section, this part highlights how the research is conceptualized. According to Miles and Huberman (1994) Conceptual framework explains, either graphically or in a narrative form, the main things to be studied, the key factors, concepts or variables and the presumed relationship among them. The conceptual framework of

the study below shows the relationship between factors involved in SCM practices and their impact in competitive position. Based on literature review, the researcher identified four dimensions of SCM practices (Supplier partnership, customer relationship, level of information sharing and lean system) considered as independent variables and competitive advantages as identified in most literatures as cost/price, quality, delivery dependability, and time to market.

The ultimate goal of supply chain management practice is to meet customer‘s preference more demand more efficiently by providing the right product, in the right quantity, at the right location, on the right time, and in the right condition to insure the profitability of the company.

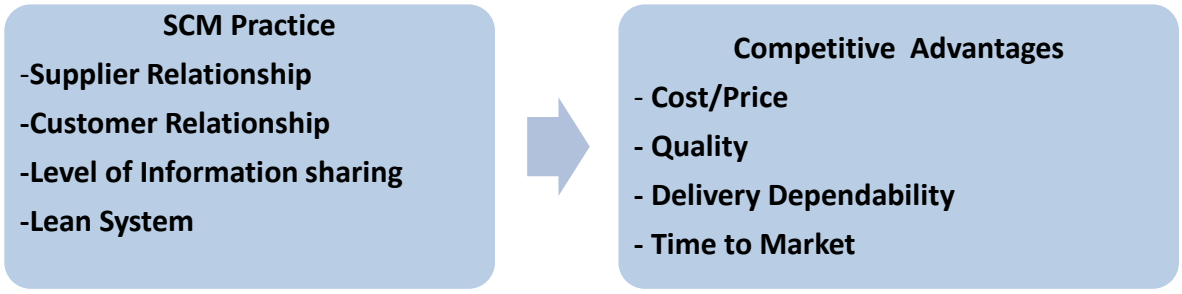


Fig. 1: Conceptual Framework adopted from Siddig Balal,(2012) and modified by the researcher

The above figure (fig. 1) depicts the common dimensions of supply chain management practice and its possible effects on competitive position in terms of cost/price, quality, delivery dependability and time to market. The conceptual framework tries to show the relationship between SCMP and Competitiveness in their possible dimensions.

2.5 Identified Literature Gap

Taken together, the mentioned theoretical/empirical researches most of these studies are representative of efforts to address various diverse but interesting aspects of SCM practices. However, the absence of an integrated framework, incorporating all the activities both upstream and downstream sides of the supply chain and linking such activities to competitive positions, detracts from usefulness of the implementation of previous results on SCM.

CHAPTER THREE

METHODOLOGY OF THE STUDY

Introduction

This chapter describes the methodologies that were used in this study; on the choices of particular research design, sampling techniques, source of data and data collection tools along with appropriate justification associated with each approach.

3.1 Description of the Study

This study aimed to describe four major elements of Supply Chain Management practices; (supplier partnership, customer relationship, level of information sharing and Lean System) and their effect on the Competitive position of the case company in the dimensions of competitiveness in the product market with price/cost, quality, delivery dependability, and time to market in Blu Mineral Water Bottling Factory.

3.2 Study Design

The study intended to investigate Supply Chain management practice challenges and its impact to the current and future competitiveness of Blu Mineral water Bottling Company based on empirical research outputs, theories, principles and management philosophies those are supposed to be effective parameters.

The study adopted a descriptive case research design and data used in the study are quantitative in nature which collected from primary sources. The study used cross-sectional field survey method to assess the relationship between SCM practices and competitiveness using both quantitative and qualitative methods of data collection. In the cross-sectional field survey, independent and dependent variables were measured at the same point in time by using a single questionnaire. Self-administered questionnaire and interview of individuals in different management position were used as primary data source and Books, empirical research literatures and documents of the organizations as secondary data to assess SCM practice and their impact to competitiveness of the Blu Mineral Bottling Company.

3.3 Target Population and Sample Design

3.3.1 Target Population

The population of the study was all employee of Blu Mineral Water Bottling Factory counted 198 employees and among them 45 employees were not considered as target population due to educational level of less than 10 complete and the remaining 153 were the actual target population of the study.

3.3.2 Sample size and determination

The selection of the respondents' was carried out by using non probability sampling particularly purposive sampling. From the target population the sample was selected by using Carvalho's sample size determination.

Table 3.1 Carvalho's sample size determination
Source: Carvalho (1984)

Total Population	Small	Medium	Large
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

Based on the above Carvalho's sample size determination table for this study the target population is 153 employees out of these 50 samples were taken from Commercial, Quality control, Production and Technique, HR and Finance and warehouse department by using the sample size determination technique proposed by Carvalho (1984).

3.4 Data source and type

Basically there are two sources of data source such as, Primary and secondary source, in this research both primary and secondary source of data were utilized through questioners, interview

and literature review. The primary data was gathered particularly using survey questionnaire. The researcher distributed the questionnaire to sampled respondents. For the purpose of this study a quantitative method of analysis involving a close-ended questionnaire was used as the measuring instrument, since they are less costly and less time consuming than other measuring instruments. The standard questionnaire used to collect the necessary information regarding the study was adopted from the work of Li et al. (2006), Lenny *etal.* (2007), and Priscila and Luiz (2011).

3.4.1 Interview

The main reason to use interview on the study is to obtain in-depth understanding of the issue from the closely related and authorized personnel‘s on the leadership position of the organization. On the other hands the researcher believes that those department managers who are expected to have better knowledge and experience on the case issue so that they gave answers more briefly and accurately for the structured interview questions. Therefore interview was carried with five department managers of the company.

The interview was directly focused on the supply chain management practices of the organization or the practice of activities considered SCM functions and to the specific area on supplier partnership, customer relationship, level of information sharing and lean practice (source, making and delivery) practice of the company. The information gathered by interview was gave indication that support data collected through questionnaires, as the individuals selected for interview have believed to have better knowledge on the study area.

Before the interview has been conducted the interviewer were briefly explain the aim of the interview to the interviewee and took notes. The researcher observation was also included to make the information more credible.

3.4.2 Questioner

Questioners were developed and prepared to address the research question. The questionnaires were distributed after the respondents have informed about the purpose of the research by the researcher. The reason for selecting questionnaire for data gathering tool is that it is easier to answer the questionnaires and it is difficult to interview all participants due to time constraint. The questionnaire was administered by drop and pick method.

The questionnaires have two parts: the cover page contains respondents' general information and it contains statements designed to assess the Supply Chain Management practices in Blu Mineral water Bottling Co. The Likert-type scale method used a range of responses: 'Strongly Disagree', 'Disagree', 'Neutral', 'Agree', and 'Strongly Agree', with a numeric value of 1-5, respectively. The usage of this particular scaling method ensured that the research study illustrated the ability to assess the responses and measure the responses quantifiably so that a pattern or trend may be produced in order to address the research objectives.

3.5 Data Analysis Technique

The method of data analysis was made based on the type of instrument employed to gather information. Data obtained from questionnaires was considered as first raw data and tallied and tabulated. Data collected through questionnaires were analyzed through descriptive statistics (mean, percentages, frequencies, standard deviation) Pearson correlation and regression analysis technique to show the effect of independent variables on the dependent variable by using SPSS software version 20.0. The responses obtained from interview are used to substantiate the analysis, depending on the result of analysis, interpretations and necessary discussions have made to clarify the issue. Finally the major findings of the study are reported and recommendations are putted.

3.6 Validity and Reliability test

3.6.1 Validity

Validity is concerned with two main issues: whether the instruments used for measurement are accurate and whether they are actually measuring what they want to measure. The two different dimensions to the concept of validity (Winter, 2000) are: internal and external validity. Internal validity ensures that the researcher investigates what s/he claims to be investigating. Internal validity is the extent to which the measurements of the questionnaire provides the data needed to meet the purpose of the study or validity refers to the extent to which the questionnaire measures what the researcher intends to measure to ensure internal validly. External validity concerned with the extent to which the research findings can be generalized to wider population.

All questionnaires were distributed to subjects by the researcher personally the questions are standard research questions frequently used to measure supply chain management practice and

competitiveness adopted from Li et al. (2006), Lenny *etal.* (2007), and Priscila and Luiz (2011). and formulated in simple language understood by respondents for clarity and ease of understanding.

3.6.2 Reliability

As multiple items in all constructs were used the internal consistency (reliability of SCM practices and competitiveness were assessed with Cronbach's alpha and the reliability of value for all constructs are all greater than 0.70 which are considered acceptable Summery of reliability of SCM practice and competitiveness is on the table below.

Table 3.2 Reliability of SCM Practices and Competitive Position

Variables	Number of items within each Variable	Reliability for Each Category
SCM Practices		
Strategic supplier Partnership	6	0.833
Customer Relationship	5	0.833
Level of Information Sharing	7	0.872
Internal Lean Practice	3	0.716
Competitive position	**18**	**0.920**
Total Number of Items	**39**	
Cronbach's Alpha for All Items	**.897**	

Source: own survey, 2018

3.7 Ethical Consideration

Research in manufacturing industry was found to be very boring. In the country where the importance of research was still unidentified, the researcher expects to suffer a lot to convince the importance of this research to improve business. Even in some managers and employees were not quite positive to handle questionnaires. However it is research ethics to gather necessary information with patience till the researcher concluded everything that he/she needs from respondents. All information that was collected from the respondents was treated with confidentiality without disclosure of the respondents' identity. Moreover, no information was modified or changed, hence information gotten was present as collected and all the literatures collected for the purpose of this study was appreciated in the reference list.

CHAPTER FOUR

RESULTS, DISCUSSION AND INTERPRETATION

INTRODUCTION

In this chapter data that were collected to examine supply chain management practice and company competitiveness are interpreted and analyzed using SPSS (version 20). The data was collected by using the questionnaire that were developed in five scale ranging from five to one where 1 strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree and interview was held along with the questionnaires with five members of the management committee those represent the respective departments and (Finance, HR, Production & Technique, Quality control and commercial) to strength the result. A total of 50 questionnaires were distributed to employees of Blu mineral water Bottling Factory and 45(90%) were obtained valid and used for analysis. The study used correlation analysis, specifically Pearson correlation to measure the degree of association between different variables under consideration. Regression analysis was also used to test the effect of independent variable on dependent variable. This chapter mainly contains data analysis interpretation and discussion.

4.1 General Information

4.1.1 gender of the respondents

The below table shows the gender of the respondents working in the organization.

Table 4.1 Analysis of age of the respondents.

Gender	Frequency	Percent
Male	32	71.1
Female	13	28.9
Total	45	100.0

Source: own survey, 2018

From the above table 71.1% of the respondents are male and the remaining 28.9% are Female. This implies that most of the respondents are male 32 in number and 13 are female.

4.1.2 Age of the respondents

The study sought to find the respondents age distribution in the factory the responses were as the table below.

Table 4.2 Age distribution of respondents

Age of Respondents	Frequency	Percent
less than 25	12	26.7
26-35	20	44.4
36-45	9	20.0
greater than 45	4	8.9
Total	45	100.0

Source: own survey, 2018

From the table above 26.7% of the respondents are below 25 up to minimum law limit, 44.4% between 26-35 years, 20% of the respondents' ages were 36-45 and 8.9% of the respondents' ages were more than 45 years.

Based on the table above from the total respondents 12 of the them were below 25, 20 of them between 26-35, 9 respondents between 36-45 and finally 4 respondents above 45 years.

4.1.3 Position of the respondents in the Factory

The study sought to find the position of the respondents in the organization the responses were as the table below.

Table 4.3 Respondents position in the company

Position in the Factory	Frequency	Percent
Department Manager	5	11.1
Supervisor	4	8.9
Operator	14	31.1
Quality controller	7	15.6
Finance and warehouse	9	20.0
Sales and distribution	6	13.3
Total	45	100.0

Source: own survey, 2018

Based on the above table 11.1% of the respondents are department managers, 8.9% supervisors, 31.1% operators, 15.6% members of quality control department, 20% Finance and warehouse and finally 13.3% from sales and distribution.

4.1.4 Respondents Length of service in the Factory

The study sought to find the level of experience of the respondent the response was as the table below.

Table 4.4 Respondents experience in the company (in years)

Length of Service in the Factory	Frequency	Percent
less than 1 year	6	13.3
1-2 years	17	37.8
2-4 years	19	42.2
Above 4 years	3	6.7
Total	45	100.0

Source: own survey, 2018

From the table above 13.3% of the respondents have experience of below 1 year, 37.8% of the respondents had experience in the factory from 1 to 2 years, 42.2% of the respondents had experience in the factory between 2-4 years and finally 6.7% of the respondents stay more than 4 years.

4.1.5 Educational qualification

The study sought to find the level of education of the respondent the responses were as the table below.

Table 4.5 Respondents Educational Level

Educational Qualification	Frequency	Percent
10 complete	6	13.3
College certificate	8	17.8
college Diploma	15	33.3
BA/BSC	15	33.3
MA/MSC AND above	1	2.2
Total	45	100.0

Source: own survey, 2018

From the above table 6 individuals (13.3%) are 10 completed, 8 (17.8%) respondents have college certificate, 15 respondents (33.3%) have college diploma, 15 respondents (33.3%) have BA/BSC degree and finally 1 respondent (2.2%) hold MA/MSC.

Based on the above table most of the respondents 30 in number are hold college diploma and BA degree and keep 66.6% of the total respondents, eight respondents have college certificate, six of them completed 10 grades and the remaining one respondent have MA degree.

4.2. Extent of SCM practices implement in the case company

21 questions which help to gather information about the extent of supply chain management practice which are grouped into strategic supplier partnership, customer relationship, level of information sharing and internal learn practice was distributed to the employees of the case company and the result gained was summarized in the table below.

Table 4.6 Analysis of the extent of SCM practice implementation

Extent of SCM practice constructs	N	SD	D	N	A	SA	Mean	Std. Devia
Quality is our first criterion in selecting suppliers.	45		8	25	7	5	3.20	.869
Problems are jointly solved with suppliers.	45	4	7	12	16	6	3.31	1.062
The company supports suppliers to improve their product quality.	45		13	12	13	7	3.29	1.160
Key suppliers are included continuous improvement programs.	45	3	7	18	15	2	3.13	.968
Key suppliers are included in planning and goal-setting activities.	45	3	8	13	16	5	3.27	1.095
Key suppliers involve in new product development processes.	45	2	8	15	15	5	3.29	1.036
There is frequent interaction with customers to set reliability, responsiveness, and other standards	45	1	11	10	14	9	3.42	1.138
The company frequently measure and evaluate customer satisfaction.	45	6	7	11	14	7	3.20	1.272
The Company frequently determines future customer expectations	45	2	7	14	17	5	3.36	1.026
The company facilitates customers' ability to seek assistance from us.	45	4	8	7	20	6	3.36	1.190

Periodically, the company evaluate the importance of relationship with customers	**45**	**4**	**5**	**19**	**7**	**10**	**3.31**	**1.203**
The company informs trading partners in advance of changing needs.	**45**		**6**	**30**	**7**	**2**	**3.11**	**.682**
Trading partners share proprietary information with the company	**45**	**2**	**4**	**15**	**15**	**9**	3.56	**1.056**
Our trading partners keep us fully informed about issues that affect our business	**45**	**2**	**5**	**15**	**17**	**6**	**3.44**	**1.013**
Our trading partners share business knowledge of core business processes with us	**45**	**1**	**9**	**17**	**14**	**4**	**3.24**	**.957**
We and our trading partners exchange information that helps establishment of business planning.	**45**		**6**	**18**	**15**	**6**	**3.47**	**.894**
Exchange of information with our partners (formal or informally) is frequent.	**45**	**1**	**7**	**16**	**16**	**5**	**3.38**	**.960**
We and our trading partners keep each other informed about events or changes that may affect the other partners	**45**	**1**	**10**	**13**	**14**	**7**	**3.36**	**1.069**
The company reduces process set-up time (time required to prepare or refit equipment/workstation for production)	**45**	**2**	**11**	**7**	**18**	**7**	**3.38**	**1.154**
The company has continuous quality improvement programs	**45**	**1**	**8**	**12**	**16**	**8**	**3.47**	**1.058**
The company produces only what is demanded by customers when need.	**45**	**6**	**6**	**12**	**14**	**7**	**3.22**	**1.259**

Source: own survey, 2018

Table 4.7 Total score of the variables

Variables	SD	D	N	A	SA
Strategic Supplier Partnership	12	51	95	82	32
Customer Relationship	17	39	61	72	37
Level of Information Sharing	7	41	124	98	39
Internal Lean Practice	9	25	41	48	22
Total Score	45	156	321	300	130

Source: own survey, 2018

Table 4.8 Standard for interpretation of the result

Mean Result	Strength of the result
Below 2.7	Not practicing the activity
Between 2.71 to 3.3	Small
Between 3.04 to 3.60	Medium
Above 3.61	Large

Source: Adopted from the result interpretation of Zellalem, 2015

In former related researches the mean of the extent of SCM practice constructs lies between; Adebayo, 2012 (3.29 to 3.86), Banchirgu, 2017 (3.19 to 4.63) and Li *et al*, 2006 (3.24 to 3.96), and finally the researchers concluded that the implementation of SCM practice in the consecutive research organization was large. However from the result of the above table the mean result of the extent of SCM practice in the case company lies between 3.11 to 3.56 and this result show that the case company is practicing SCM practices moderately different of former research results.

From the table above all SCM functions has been practiced moderately (mean lies between 3.11 and 3.56), the company consider quality as one of the criteria in selecting supplier but the attention it took were moderate (mean 3.20) ,the company solves problems with its suppliers (mean,3.31) ,the company moderately support their suppliers to improve their product quality and continuous improvement program (mean 3.29 & 3.27), there is week practice in including the key suppliers in their planning and goal setting activity(mean 3.13), suppliers are involved in new product development program(mean 3.29) the company interact with customers to set reliability, responsiveness and others standards (mean 3.42) ,the company sometimes measure and evaluate customer satisfaction (mean 3.20) ,the company determines future customer expectation (mean 3.36), the company facilitates customers' ability to seek assistance from the company (mean 3.36), the company periodically evaluates the importance their relationship with their customer (mean 3.31), the company practicing moderately in informing trading partners in advance of changing needs (mean 3.11), the company trading partners share proprietary information with their company (mean 3.56) ,the company's trading partners keep us fully informed about issues that affect our business (mean 3.44) ,our trading partners share business knowledge of core business process with us (mean 3.24) ,the company and its trading partners exchange information that helps establishment of business planning(mean 3.47) ,the company exchange information with their trading partner frequently (mean 3.38), the company and trading partners keep each other informed about events or changes that may affect the other partner(mean 3.36), the company reduces process set-up time (time required to prepare or refit equipment/workstation for production) (mean 3,38), the company has continuous quality improvement programs (mean 3.47),the company produces only what has been ordered by customers (pull production system)(mean 3.22).

These finding indicate that the case company implements almost all of supply chain management functions in moderate level and certain SCM practice constructs where their mean lies in between 3.11 to 3.32 practiced below the mean average were practiced in small level. Therefore

the total result shows that the company is in moderate level in implementing supply chain management practices.

The response of the interviewees also confirm that there is a weak practice of Supply Chain Management functions in the factory and they testified that the factory's suppliers and customers relation should highly depend on transactional bases.

4.3. Correlation analysis

4.3.1. Correlation analysis between constructs of SCM practices and Competitive position

This section presents correlation analysis in relation to the objectives of the study and the relationship between supply chain management practices and competitive Position was investigated. Correlation is one of the most common forms of data analysis both because it can provide an analysis that stands on its own, and also because it underlies many other analyses, and can be a good way to support conclusions after primary analyses have been completed. Correlations are a measure of the linear relationship between two variables. A correlation coefficient has a value ranging from -1 to 1. Values that are closer to the absolute value of 1 indicate that there is a strong relationship between the variables being correlated whereas values closer to 0 indicate that there is little or no linear relationship. The sign of a correlation coefficient describes the type of relationship between the variables being correlated. A positive correlation coefficient indicates that there is a positive linear relationship between the variables: as one variable increases in value, so does the other.

According to (Andy, 2006) the value and sign of the coefficient shows the strength of the association

Table 4.8 Correlation coefficient

Strength of association	Correlation coefficient, r	
	Positive	Negative
Small	0.1 to 0.3	-0.1 to -0.3
Medium	0.3 to 0.5	-0.3 to -0.5
Large	0.5 to 1.0	-0.5 to -1.0

Source: Andy, 2006

The correlation between construct of SCM practices with competitive position was run as seen in the table below.

Table 4.9 Correlations between constructs of SCM Practice and Competitive Position.

Variables		Strategic Supplier partnership	Customer Relationship	Level of Information Sharing	Internal Lean Practice	Competitive Position
Strategic Supplier Partnership	Pearson Correlation	1	.731**	.596**	.653**	.529**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	45	45	45	45	45
Customer Relationship	Pearson Correlation	.731**	1	.740**	.771**	.557**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	45	45	45	45	45
Level of Information Sharing	Pearson Correlation	.596**	.740**	1	.639**	.518**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	45	45	45	45	45
Internal Lean Practice	Pearson Correlation	.653**	.771**	.639**	1	.658**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	45	45	45	45	45
Competitive Position	Pearson Correlation	.529**	.557**	.518**	.658**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	45	45	45	45	45

**. Correlation is significant at the 0.01 level (2-tailed).

Source: own survey, 2018

The result of former researches regarding the correlation coefficient between SCM practice constructs and competitive position were given as; Elsabet, 2017 (SSP - 0.752, CR – 0.642, LIS – 0.516 and ILP – 0.709), Li *et al*, 2006 and Ibrahim, 2012 the result of these researches show that there was strong positive relationship between SCM practices constructs and Competitive position, in the same way this research also brought similar output with former researches.

The correlation between constructs of SCM practices with competitive position was run as seen in the above table. The result of correlation matrix between each constructs and competitive position are analyzed as follow:

As it is shown in the table 4.9 above, strategic supplier partnership positively related to organizational performance with a Pearson correlation coefficient of 0.529 (r=0.529) and significance value is less than 0.001. This significance tells that there is significant relationship between strategic supplier partnership and organizational performance.

Table 4.9 also depict that as there is strong positive relationship between customer relation (CR) and competitive position with a Pearson correlation coefficient of 0.557 (r=0.557) and significance value is less than 0.001. This significance tells that there is significant relationship between customer relation and competitiveness.

As the conducted Pearson correlation test indicated in the table 4.9, also there is significant positive correlation between level of information sharing (LIS) and competitive Position with a Pearson correlation coefficient of 0.518 (r=0.518) and significance value is less than 0.001. This significance tells that there is genuine Level of Information Sharing and competitiveness.

For Internal Lean Practices (ILP) and Competitive Position also Pearson correlation test was conducted and the results are shown in table 4.9 As it is shown in the table, there is positive and significant correlation between Internal Lean practices and Competitive Position with a Pearson correlation coefficient of 0.658 (r=0.658) and significance value is less than 0.001. This significance tells that there is an absolute relation between internal lean practices and organizational performance.

The Interview questions were structured and the selected five respondents replied their own idea and the result are triangulated with questioner as follows.

All the interview respondents agree on the constructs stated on the questioner and additionally the company gave higher score for the pricing system in evaluating and developing supplier's partnership and also most of them agree that the effects of Strategic supplier partnership were expressed by mutual trust, joint opportunity, and honest and closed communication with each other.

Regarding the customer relationship, the interview respondents was agree that the company had weak customer relation and it is not move beyond filling their order and in certain conditions after sales service in replacing the product which is neither intact nor confirm the standard and the importance of customer relation is to keep the customer loyal with the company product and to create long lasting relationship.

The respondents of the interview question agree that the level of information sharing in both directions is not satisfactory and encircled with updating the stock position, pricing, order and payment processing of trading partners. Finally almost all of the interviewees agree that the

internal lean practice of the factory is in lower level specially in reducing damage and resource utilization.

Finally, interview result also agrees with the questioners result as all interviewees were responded constructs of SCM practices had a strong and direct relation with Competitiveness.

4.3.2 Correlation between SCM practice and Competitive Position

Pearson correlation test was conducted between SCM practices and competitive position; the results are shown in table below.

Table 4.10 correlation between SCM and competitive Position

Independent & Dependent Variables		Supply Chain Management Practice	Competitive Position
Supply Chain Management Practice	Pearson Correlation	1	.649**
	Sig. (2-tailed)		.000
	N	45	45
Competitive Position	Pearson Correlation	.649**	1
	Sig. (2-tailed)	.000	
	N	45	45

**. Correlation is significant at the 0.01 level (2-tailed).

Source: own survey 2018

The result of former researches regarding the correlation between SCM practice and Competitive position had given as; Adebayo, 2012 (r=0.65), Banchiyrgu, 2017 (r=0.44), Elsabet, 2012 (r=0.85) and Li *et al*, 2006 (r=0.60) and all concluded that there is strong relationship between SCM practice and competitive position constructs. In the same the correlation coefficient for this research were r=0.649) and this result confirm with former researches.

Pearson correlation test was conducted between SCM practices (collective representative of four constructs of SCM) and competitive position. As it is shown in the table 4.4 above there is strong positive relationship between SCM Practices and competitive position with a Pearson correlation coefficient of 0.649 (r=0.649) and significance value is less than 0.001. This significance tells that there is genuine relationship between SCM practices and competitive position. And the interviewees were responded that SCM practice had a positive relationship with competitiveness.

4.4 Regression Analysis

This regression analysis is conducted to know by how much the independent variable explains the dependent variable. The regression was conducted between supply chain management practices (independent variable) and competitive position (dependent variable). The result of the regression analysis is presented as follows.

4.4.1 Model Summary

Table 4.11 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683[a]	.466	.413	.51554

a. Predictors: SCM Practice

Source: own survey, 2018

As shown in the table 4.8, there is causal relationship between SCM practices and Competitive Position. The value of R Square is .466, which implies that SCM practices can account for 46.6% of the variation in competitiveness. Although there might be many factors that can explain the variable on competitiveness, nearly 46.6% of it is explained by SCM practices. This means that the remaining 53.4% of the variation in competitiveness cannot be explained by those dimensions of SCM practices. Hence, the variation of fitness of the model to explain competitiveness is attributed to a number of variables like; promotion, distribution capacity, trained human resources and other marketing factors. The study claimed that the aforementioned factors influence competitiveness.

Table 4.12 Anova

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.046	4	2.261	8.497	.000[b]
	Residual	10.645	40	.266		
	Total	19.691	44			

a. Dependent Variable: Competitive Position

b. Predictors: (Constant), SCMP

Source: own survey, 2018

The significance level is 0.000 which is less than 0 .001. This indicates that the model was statistically significant.

Table 4.13 Multi co linearity test of the independent variable

Model	Collinearity Statistics	
	Tolerance	VIF
Strategic Supplier Partnership	.443	2.260
Customer Relationship	.257	3.894
Level of Information Sharing	.437	2.289
Internal Lean Practice	.381	2.626

a. Dependent Variable: Competitive Position

Source: own survey, 2018

From the table above the co linearity between independent variables has no series problem, since the value of tolerance for all independent variable is greater than 0.1 and all VIF (Varience Inflation Factor) is less than ten (VIF<10).

Conclusively, the objective of this research was to assess the impact of supply chain management practice on competitiveness in the case company of Blu mineral water bottling factory this was because most of literatures indicate that effective supply chain management practice have positive relation with competitiveness.

The literature has suggested that there is a positive relationship between SCM practices and Competitive advantage. Similarly the dimensions used in expressing SCM practices and the measures of competitiveness, are directly the same with the framework used in the previous studies.

This study makes contributions by exploring the relationship between SCM practices and competitiveness. The results of the study are discussed as follows:

Based on the finding the case company implements almost all supply chain practices in moderate level but the implementation of certain SCM functions is poor which is below the mean average of 3.32.

From the finding above, all the constructs of supply chain management practice have positive relation with competitive advantage in the case company with a correlation coefficient; strategic supplier partnership (0.529), customer relation (0.557),level of information sharing (0.518),

internal lean practice (0.568), and the correlation between SCM Practice and competitiveness were (r=0.649) it matches with other studies like (Li.et al,2006) which shows supply chain

management have positive relation with competitive advantage with correlation coefficient (r= 0.55) even the significance level doesn't much. (Elsabet,2017) conclude SCM practices and operational performance(competitive advantage) have genuine relationship with a Pearson correlation coefficient of 0.850 (r=0.850) and significance value is less than 0.001, This result is supported by the work of Moslem (2013), which indicates that when the SCM practices are good, the operational performance of supply chain will also become good.

CHAPTER FIVE
SUMMARY OF MAJOR FINDINGS CONCLUSION AND RECOMMENDATION

Introduction

This chapter presents summary of findings which are organized as the research objective, conclusions that are drawn from the findings and recommendations based on the findings.

5.1 Summary of Major Findings

The study was directed by four specific objectives, these are to analyze the supply chain management practice of Blu mineral water Bottling factory, to assess the relationship between supply chain management practices and competitiveness of the case company, to measure the level and direction of influence of SCM practice constructs on competitiveness and to identify SCM practice strategies that improve competitiveness of the case company and the following were the findings obtained from the data analysis; regarding the supply chain management practice the finding indicate that the case company implements SCM practices moderately as the mean lies between (3.11 to 3.56) but in certain SCM practice constructs there is weak focus by the company as the result testify that, they are below the cumulative mean of (3.32).

Further the result of R Square is .466, which implies that SCM practices can account for 46.6% of the variation in competitiveness. Although there might be many factors that can explain the variable on competitiveness, nearly 46.6% of it is explained by SCM practices. This means that the remaining 53.4% of the variation in competitiveness cannot be explained by those dimensions of SCM practices.

Variables of supply chain management practice have positive relation with competitive advantage in the case company with a correlation coefficient; strategic supplier partnership (0.529), customer relation (0.557),level of information sharing (0.518), internal lean practice (0.568), and the correlation between SCM Practice and competitiveness were (r=0.649)

On the other hand the findings indicate that SCM practices has positive and strong correlation (r=0.649) with competitiveness at significance level less than 0.001. Regarding the strategies that need to be considered to improve the competitiveness in relation to supply chain management and from the finding we understood that the strategies that need to be considered to improve the Company in relation to supply chain management practice are all dimensions of SCM Practice (strategic supplier partnership, customer relation, internal lean practice and the level of

information sharing) this is because it has positive relationship with large significance level with competitiveness of the case company.

5.2 Conclusions

Based on the results of the study and the summary of findings the following conclusions are given. First the company is practicing SCM functions moderately but among the items Strategic Supplier Partnership activities were practiced in lower level. Second there is strong and positive relationship between SCM practices and Competitiveness. In addition, SCM practice has strong and significant influence in competitiveness. The third conclusion drawn from the findings was almost all SCM practice constructs needs improvement particularly Strategic Supplier partnership and Internal Lean practice items as it shows lower score from other variable items.

5.3 Recommendation

On the basis of the finding and the conclusion reached, the following suggestions are forwarded;

- So as to be competitive enough, it is better for the Company to give due attention on SCM practices and implement continuous improvement program in every aspect of the business particularly in SCM functions to capture the possible competitive advantages from the industry. As the result confirmed that SCM functions impact on competitiveness found between the range of (3.11 to 3.56) and this value give all the SCM functions need improvements.
- As Supply Chain Management Practices variables listed in this research explains nearly half portion of the company competitiveness, Therefore giving due attention to this variables might increase Company competitiveness with the dimensions mentioned in this research.
- In order to make strong SCM practice the Company should have to give special emphasis particularly for Strategic Supplier Partnership and Internal Lean Practice.

5.4 Suggestion for Future Research

In suggesting Future research the research would be improved via expanding the scope of the study by adding other Marketing factors those enhance competitiveness Advantage, like Product development, Promotion, Distribution System and Brand development with the total effect in profitability of the organization.

References

Agrawal, N. and Nahmias, S., 1997. Rationalization of the Supplier Base in the Presence of Yield Uncertainty, Production and Operations Management 6, 3, 291-308.

Adebayo, I. Toyin., 2012. Supply Chain Management (SCM) Practices in Nigeria Today Impact on SCM Performance European', Journal of Business and Social Sciences, 1(6):107-115.

Andy, F., 2009. Discovering Statistic using *SPSS* .London: SAGE publication.

Alvarado, U. Y., & Kotzab, H., 2001. Supply chain management: The integration of logistics in marketing. Industrial Marketing Management, 30(2), 183-198. http://dx.doi.org/10.1016/S0019-8501(00)00142-5

Assefa B., 2011. Study on supply chain management practices a case study of Kality food Share Company.

Balsmeier PW, Voisin W. Supplychain management: a timebased strategy. Industrial Management 1996; 38(5):24–7.

Banchiyirgu D., 2017. Study on the impact of supply Chain Management practice on organizational performance in the case of Horizon Addis Tyre S.C.

Bhote, K., 1987. Supply Management: How to Make U.S. Suppliers Competitive, American Management Association, New York.

Burgess,K. Singh, P.J. Koroglu,R., 2006. Supply chain management: a structured literature review and implications for future research. International Journal of Operations & Production Management, Vol. 26 No. 7, pp. 703-729.

Bowersox, D.J., Closs, D.J., and Stank, T.P., 1999. 21st Century Logistics: Making Supply Chain Integration a Reality, The Council of Logistics Management, Oak Brook, IL.

Carvalho J., 1984. 'Archival application of mathematical sampling techniques', Records management quarterly, 18(63).

Chang, S.C., Lin, R.J., Chen, J.H. and Huang, L.H., 2005. Manufacturing flexibility and manufacturing pro activeness: empirical evidence from the motherboard industry. Industrial Management & Data Systems, Vol. 105 No. 8, pp. 1115-32.

Clark TH, Lee HG., 2000. Performance, interdependence and coordination in business-to-business electronic commerce and supply chain management. Information Technology and Management; 1(1, 2):85–105.

Carr, A., & Pearson, J., 1999. Strategically managed buyer–supplier relationships and performance outcomes. Journal of Operations Management, 17(5), 497-519. http://dx.doi.org/10.1016/S0272-6963(99)00007-8

Chen, I. J., & Paulraj A., 2004. Towards a theory of supply chain management: the constructs and measurements. Journal of Operations Management, 22: 119-150.

Cigolini R, Cozzi M, Perona M., 2004. A new framework supply chain management: conceptual model and empirical test. International Journal of Operations and Production Management.

Croom, S.R., Romano, P., Giannakis, M., 2000. Supply chain management: an analytical framework for critical literature review. European Journal of Purchasing and Supply Management 6 (1), 67–83.

Christopher M., 1998. Logistics and supply chain management: Strategies for reducing cost and improving service. London: Financial Times; Pitman,cop.

Cooper, M., Lisa, M., Ellram, J., Gardner, T., & Albert, M. H., 1997. Meshing multiple alliances. Journal of Business Logistics 18(1), 67-89.

Dyer, J. H. & Singh, H., 1998. The relational view: cooperative strategy and sources of interorganizational competitive advantage. Academy of Management Review, 23(4), 660-679. http://dx.doi.org/10.2307/259056.

Demirbag, M., Koh, S.C.L., Tatoglu, E. and Zaim, S., 2006. TQM and market orientation simpact on SMEs' performance Industrial Management & Data Systems, Vol. 106 No. 8, pp. 1206-28.

Donlon, J.P., 1996. Maximizing value in the supply chain. Chief Executive, No. 117, pp. 54-63.

Elsabet E., 2017. Assessment product supply chain Management for Market competitive Advantage in case of Yes Brand food and Beverage PLC.

Fawcett, S.E., Ellram, L.M. and Ogden 2007. Supply Chain Management from Vision to Implementation, Pearson Education, Inc New Jersy.

Gunasekaran, A., Patel, C. and McGaughey, E., 2004. A framework for supply chain performance measurement. International Journal of Production Economics, Vol. 87,pp. 333-47.

Gupta A. K, and Sahay B., 2007. Supply Chain Modeling and Solutions, Ragiv Beri for Macmillan India, ltd.

Handfield, R.B. &Nichols, E.L., 2002. Supply chain redesign Upper Saddle River, NJ:Prentice Hall Koufteros, X. A., Vonderembse, M. A., and Doll, W. J.,(1997),Competitive capabilities: measurement and relationships, Proceedings Decision Science Institute 3,pp.1067-1068.
John Storey, Caroline Emberso, Janet Godsell, Alan Harrison., 2006. Supply chain management: theory, practice and future challenges. International Journal of Operations & Production Management, Vol. 26 Issue: 7, pp.754-774.

Julius Musau Mwilu., 2013. Supply chain management practices and performance among public research institutions in Kenya.

Koh,S.C.L. Demirbag, M., 2007. The impact of supply chain management practices on performance of SMEs. Emerald, Vol. 107 No. 1,pp. 103-124.

Lang Ling Yap and Cheng Ling Tan., 2012. The Effect of Service Supply Chain Management Practices on the Public Healthcare Organizational Performance. International Journal of Business and Social Science Vol. 3 No. 16

Lambert, D. M., Cooper, M. C., & Pagh, J. D. (1998). Supply Chain Management: Implementation Issues and Research Opportunities. International Journal of Logistics Management,

Suhong Lia. Bhanu R. T.S. Ragu-N. Subba R., 2006. The impact of supply chain management practices on competitive advantage and organizational performance. Omega 34 (107-124) [Available on]: www.sciencedirect.com [28/11/2017].

Martin Christopher, 2011. Logistics & Supply Chain Management, Fourth edition.

Michael Hugos, 2003. ESSENTIALS of Supply Chain Management John Wiley & Sons, Inc. Hoboken, New Jersey.

Mentzer, J. T., DeWitt, W.,Kleeber, J.S., Min, S., Nix,N.W., Smith, C.D., & Zacharia, Z.G., 2001. Defining Supply Chain Management. Journal of Business Logistics, 22: 1-25.

Min S, Mentzer JT., 2004. Developing and measuring supply chain concepts. Journal of Business Logistics 2004;25(1):63–99.

Noble D 1997, 'Purchasing and supplier management as a future competitive edge',*Logistics Focus,* Vol.5, no.5, pp.23–7.

Porter, ME 1985, 'Competitive advantage: creating and sustaining superior performance', Free Press, New York.

Simchi-Levi, D., Kaminsky, P. &Simchi-Levi, E., 2008. Designing and Managing the Supply Chain: Concepts, Strategic and Case Studies. 3rd ed. McGraw-Hill, Irwin.

Samaranayake Premaratne, 2005. ―A conceptual framework for supply chain management: a structural integration‖, Supply Chain Management: An International Journal,10/1 47-59

Stephen J. New, Philip Payne., 1995. Research frameworks in logistics: three models, seven dinners and a survey. International Journal of Physical Distribution & Logistics Management, Vol. 25 Issue: 10, pp.60-77.

Siddig B, Abdelsalam A, 2014. Supply Chain Management Practice and Supply Chain Performance Effectiveness. International Journal of Science and Research. [Available on]: www.ijsr.net [30/11/207].

Sunil Chopra, Peter Meindl., 2004. Supply Chain management Strategy, Planning & operation. 2nd Edition Printic-Hall Inc p.385.

Suhong Lia, Bhanu Ragu-Nathan, T.S. Ragu-Nathan, S. Subba Rao., 2004. The impact of supply chain management practices on competitive advantage and organizational performance. International Journal of Management Science, Omega 34 107 – 124.

Tan, KC, Kannan, VR & Handfield, RB 1998. Supply chain management: supplier performance and firm performance, International Journal of Purchasing and Materials Management, Vol.34, no. 3, pp.2–9.

Tan, K.C., 2001. A framework of supply chain management literature. European Journal of Purchasing & Supply Management, Vol. 7 No. 1, pp. 39-48.

Tan KC, Lyman SB, Wisner JD., 2002. Supply chain management a strategic perspective. International Journal of Operations and Production Management 22(6):614–31.

Tan KC, Kannan VR, Handfield RB., 1998. Supply chain management: supplier performance and firm performance. International Journal of Purchasing and Materials Management vol. 34,no.3, pp 2–9.

Tan, K. C. (1999). Supply Chain Management: Practices, Concerns and Performance Issues. Working Paper, Department of Management, University of Nevada, Las Vegas, NV.

Tracey, M, Vonderembse, MA & Lim JS 1999. 'Manufacturing technology and strategy formulation: keys to enhancing competitiveness and improving performance', Journal of Operations Management, Vol. 17, no. 4, pp.411–28.

Trkman P., McCormack K., Valadares de Oliveira M.P., Ladeira M.B., 2010. The impact of business analytics on supply chain performance, Journal of Decision Support Systems, Vol. 49, pp. 318–327.

Wisner, J. D., Leong, G. K., & Tan, K.-C., 2005. Principles of supply chain management. Ohio, US: Thomson South-Western.

Wickramatillake, C.D., Koh, S.C.L., Gunasekaran, A. and Arunachalam, S., 2006. Measuring Performance within supply chain. Supply Chain Management: An International Journal,Vol. 12 Nos 1/2.

Zailani Suhaiza Premkumar Rajagopal., 2005. Supply chain integration and performance: US versus East Asian companies Supply Chain Management: An International Journal, Vol. 10 Iss: 5 pp. 379 – 393.

Zellalem T., 2015. Green Supply Chain Management practice in Ethiopian Tannery Industry: an Empirical study IRJET.

Appendix

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

Supply Chain Management Practices and Company competitiveness in the case of Blu Mineral water Factory

Questionnaire

Dear Sir/Madam;

Request for Participation in a Research Study

I am a Postgraduate student at Addis Ababa University School of Commerce. As partial fulfillment for the Masters of Logistics and Supply Chain Management, I am conducting a research study on "Supply chain management practice and company competitiveness the case of Blu Mineral water Bottling Factory".

Therefore, I would appreciate if you could spare a few minutes of your time to answer the following questions in regard to Supply Chain Practices in your organization. All the information provided will be purely used for academic purposes and your identity will be treated with utmost confidentiality.

Thank you and your kind assistance will be highly appreciated.

Sincerely,

Getachew Bahiru

Email- getachewp.m@gmail.com

Tel. 0911756063

Part I: Demographic Information

Please mark (X) in appropriate box to your response.

1. Gender:

- Male
- Female

2. Age in years:
   - Less than 25
   - 26 - 35
   - 36 – 45
   - above 45
3. Position in the Factory
   - General Manager
   - Department manager
   - Supervisor
   - Operator
   - Quality controller
   - Finance and Warehouse
   - Sales and distribution
4. For how long have you work in the Factory (in years)
   - Less than 1
   - 1-2
   - 2-4
   - Above 4
5. Level of Education
   - 12 complete
   - Certificate
   - Diploma
   - Bachelor Degree
   - Masters and above

Part two: Supply chain management practices in the Organization

6. To what extent do you agree about practices of strategic supplier partnership which stated in following statements? (Please mark X in appropriate box to your opinion)
   Where; SD = strongly disagree, D = disagree, N = neutral A=agree and SA = strongly agree

Strategic supplier partnership:	SD	D	N	A	SA
Quality is our first criterion in selecting suppliers.					
Problems are jointly solved with suppliers.					
The company supports suppliers to improve their product quality.					
Key suppliers are included continuous improvement programs.					
Key suppliers are included in planning and goal-setting activities.					
Key suppliers involve in new product development processes.					

Customer relationship:	SD	D	N	A	SA
There is frequent interaction with customers to set reliability, responsiveness, and other standards					
The company frequently measure and evaluate customer satisfaction.					
The Company frequently determines future customer expectations					
The company facilitates customers' ability to seek assistance from us.					
Periodically, the company evaluate the importance of relationship with customers					

Level of information sharing:	SD	D	N	A	SA
The company informs trading partners in advance of changing needs.					
Trading partners share proprietary information with the company					

Our trading partners keep us fully informed about issues that affect our business					
Our trading partners share business knowledge of core business processes with us					
We and our trading partners exchange information that helps establishment of business planning.					
Exchange of information with our partners (formal or informally) is frequent.					
We and our trading partners keep each other informed about events or changes that may affect the other partners					

Internal lean practices:	SD	D	N	A	SA
The company reduces process set-up time (time required to prepare or refit equipment/workstation for production)					
The company has continuous quality improvement programs					
The company produces only what is demanded by customers when needed					

2. Competitive Advantage

Here under the questions with regard to competitive advantage of your firm, therefore, you are kindly requested to put "√ " "X" mark on the box which represents your degree of agreement. SD= strongly disagree, D= disagree, N= neutral, A = agree, SA= strongly agree

Price/cost:- ***an organization is capable of competing against major competitors based on low price.***	SD	D	N	A	SA
We are able to offer prices as low or lower than our competitors.					
Our capacity utilization is very good.					

Our Inventory turnover is high.					
We run operation with less Production cost.					
We offer competitive prices.					

Quality:- an organization is capable of offering product quality and performance that creates higher value for customers**.**	SD	D	N	A	SA
We are able compete based on quality.					
We offer products that are highly reliable.					
We offer products that are very durable.					
We offer high quality products to our customer.					

Delivery dependability: an organization is capable of providing on time the type and volume of product required by customer(s).	SD	D	N	A	SA
We deliver the kind of products needed.					
We deliver customer order on time.					
We provide dependable delivery.					
Time to solve customer complaints is short.					
Customer order processing time is short.					

Time to market: an organization is capable of introducing new products faster than major competitors**.**	SD	D	N	A	SA
We deliver product to market quickly.					
We have time-to-market lower than industry average.					
We are first in the market in introducing new					

products.					
We have fast product development.					

Interviews

1. What are the practices of strategic supplier partnership in Blu water Factory?
2. What are the effects of strategic supplier partnership?
3. What are the practices of customer relationship management at your Factory?
4. What is the importance of customer relationship in the company?
5. What is the level of information sharing with trading partners?
6. What are the roles of the information sharing for in the company?
7. What are the internal lean practices of the company?
8. What is the major competitive dimension of the company and why you choose?

<u>በብሉ የታሸገ ውሃ ፋብሪካ ሰራተኞች የሚሞላ መጠይቅ፤</u>

እኔ ጌታቸው ባህሩ በብሉ የታሸገ ውሃ ፋብሪካ የምርት አቅርቦት ጥምረት አተገባበርና፣ በድርጅቱ ገበያ ተፎካካሪነት ላይ የሚያተኩር ጥናት በአዲስ አበባ ዩኒቨርሲቲ ለማስተርስ ዲግሪ መመረቂያ ጽሑፍ የሚያገለግል ጥናት እየሰራሁ እገኛለሁ። በመሆኑም እናንተም ይህን መጠይቅ በምትችሉት አቅም በመሙላት እንድትተባበሩኝ በትህትና እጠይቃለሁ።
ድርጅቱንና እንዲሁም የድርጅቱ ሠራተኞችን ለዚህ ጥናት መሳካት ፈቃደኛ በመሆናቸው ልባዊ አድናቆቴንና ምስጋናዬን እየገለጽኩ ከመጠይቁ የሚገኙ መረጃዎች ለሌላ ዓላማ እንደማይውሉ ከወዲሁ አረጋግጣለሁ።
በመጨረሻም ለቀረቡት ጥያቄዎች ትክክለኛውን መረጃ እንድትሰጡ በትህትና እጠይቃለሁ።

- ስምዎን መጻፍ አያስፈልግም
- ሁሉንም ጥያቄዎች ይመልሱ
- ምላሾን "✓" ወይም 'X' ምልክት በማስቀመጥ ይግለጹ

ለተጨማሪ አስተያየት አድራሻ፡- 0911 756063 E-mail: getachewp.m@gmail.com

ክፍል 1. የመላሽ የግል መግለጫ

1. ጾታ

ወንድ ☐ ☐

2. እድሜ

ከ25 ዓመት በታች ☐

ከ26 - 35 ☐

ከ36 - 45 ☐

ከ45 በላይ ☐

3. የስራ መደብ

ዋና ስራ አስኪያጅ ☐
መምሪያ ስራ አስኪያጅ ☐
ሱፐርቫይዘር ☐
ኦፕሬተር ☐
ጥራት ቁጥጥር ☐
ፋይናንስና ንብረት ☐
ሽያጭና ስርጭት ☐

4. ድርጅቱ ውስጥ የቆዩበት ዓመታት

1 አመትና ከዚያ በታች ☐

ከ 1 እስከ 2 አመት ☐

ከ 2 እስከ 4 አመት ☐

ከ4 አመት በላይ ☐

5. የትምህርት ደረጃ

12ኛ ክፍል ☐

ሰርተፍኬት ☐

ዲፕሎማ ☐

የመጀመሪያ ዲግሪ ☐

ሁለተኛ ዲግሪና ከዚያ በላይ ☐

ክፍል 2. ከጥናቱ ጋር ቀጥታ ተያያዥነት ያላቸው ጥያቄዎች

1. የአቅርቦት ሂደት አስተዳደር

ከዚህ በታች የድርጅቶን የአቅርቦት ሂደት አስተዳደር ለሚመለከቱ ጥያቄዎች ምላሾን ✓ ምልክት በማስቀመጥ ይግለጹ።

1) በጣም አልስማማም፣ 2) አልስማማም፣ 3) አልወሰንኩም፣ 4) እስማማለሁ እና
5) በጣም እሰማማለሁ

ከአቅራቢዎች ጋር የጋራ እቅድና ስትራቴጂ	1	2	3	4	5
1. በቅራቢዎችን መረጣ ጥራት የመጀመሪያው መስፈርታችን ነው።					
2. በየጊዜው ችግሮችን ከአቅራቢዎች ጋር በጋራ እንፈታለን።					
3. አቅራቢዎች የሥራ ጥራታቸውን እንዲያሻሻሉ እናግዛለን።					
4. ከቁልፍ አቅራቢዎች ጋር ቀጣይነት ያለው የፕሮግራም ማሻሻያ እንተገብራለን።					
5. በእቅድ እና በግብ ዝግጅት ወቅት ቁልፍ አቅራቢዎችን ከግንዛቤ እናስገባለን።					
6. በምርት ማሻሻያ ወቅት ቁልፍ አቅራቢዎችን እናሳትፋለን።					

ከደንበኞች ጋር ያለ ግንኙነት	1	2	3	4	5
1. በተደጋጋሚ ከደንበኞች ጋር ጥምረት በመፍጠር ተአማኒነትን፣ የሀላፊነት ስሜት እና ሌሎች መፍጠራችን መገለጫዎቻችን ናቸው።					
2. በተደጋጋሚ የደንበኞቻችንን እርካታ እንገመግማለን።					
3. በተደጋጋሚ የደንበኞቻችንን የወደፊት ፍላጎት እንወስናለን።					
4. ደንበኞች የኛን ድጋፍ እንዲያገኙ ሁኔታዎችን እናመቻቻለን።					
5. በየጊዜው ከደንበኞቻችን ጋር ያለንን ግንኙነት ጠቀሜታ እናምናልን።					

የመረጃ ልውውጥ ደረጃ	1	2	3	4	5
1.ኩባንያው የፍላጎት ለውጥ ሲኖር ለንግድ አጋሮቹ በቅድሚያ ያሳውቃል።					
2. በተደጋጋሚ ከንግድ አጋሮቻችን ጋር በማንኛውም መልኩ የመረጃ ልውውጥ እናደርጋለን።					
3. የአሰራር ለውጦች ሲኖሩ ለንግድ አጋሮቻችን መረጃ እንሰጣለን።					
4. ከንግድ አጋሮቻችን ጋር ስለ ድርጅታችን ምርት እና ሽያጭ መረጃ እንለዋወጣለን።					

5. የንግድ አጋሮቻችን ድርጅቱን ሊጎዱ የሚችሉ ጉዳዮችን ሙሉ ለሙሉ ያሳውቁናል።					
6. የንግድ አጋሮቻችን በንግድ እውቀቶች እና ሂደቶች ዙሪያ መረጃ እንለዋወጣለን።					
7. ከንግድ አጋሮቻችን ጋር የምናደርገው የመረጃ ልውውጥ ሚስጥራዊነቱ የተጠበቀ ነው።					
ውስጣዊ የአሰራር ጥረቶች	1	2	3	4	5
1. ድርጅታችን የማምረት ሂደቶችን ለማስተካከል የሚፈጀውን ጊዜ ይቀንሳል (ምሳሌ፡- ምርት አይነት ለመቀየር፣ጽዳትና ጥራት ፍተሻ)					
2. ድርጅታችን ቀጣይነት ያለው የምርት ጥራት ማሻሻያዎችን ይተገብራል።					
3. ድርጅታችን የሚያመርተው ደንበኞች በፈለጉበት ወቅት እና መጠንን መሰረት በማድረግ ነው።					

2. የገበያ ውድድር

ከዚህ በታች የድርጅቶን የገበያ ውድድር ለሚመለከቱ ጥያቄዎች ምላሾን ✓ ምልክት በማስቀመጥ ይግለጹ።
1 ማለት በጣም አልስማማም፣ 2) አልስማማም፣ 3) አልወሰንኩም፣ 4) እስማማለሁ እና
5) በጣም እስማማለሁ

ወጪ/ዋጋ	1	2	3	4	5
1. የድርጅታችን ዋጋ ከተፎካካሪዎች አንጻር ያነሰ ነው።					
2. ድርጅታችን አቅምን ከመጠቀም አንጻር በጣም ጥሩ ነው።					
3. ድርጅታችን የሽያጭ ልውውጥ ከፍተኛ ነው።					
4. ድርጅታችን በአነስተኛ ወጪ ስራውን ያከናውናል።					
5. ድርጅታችን በተፎካካሪ ዋጋ ምርቱን ያቀርባል።					

ጥራት	1	2	3	4	5
1. ድርጅታችን የምርት ጥራትን መሰረት አድርጎ ይፎካከራል።					
2. ድርጅታችን ከፍተኛ ተአማኒነት ያላቸው ምርቶችን ያቀርባል።					
3. ድርጅታችን ረዘም ያለ የመጠቀሚያ ጊዜ ያላቸውን ምርቶችን ያቀርባል።					
4. ድርጅታችን ከፍተኛ ጥራት ያላቸውን ምርቶች ለደንበኞቹ ያቀርባል።					

ምርትን በተፈለገው መጠን፣ ጊዜ፣ አይነትና ቦታ ማቅረብ	1	2	3	4	5
1. ምርትን በተፈለገው አይነት ለደንበኞች እናቀርባለን።					
2. ምርትን በተፈለገው ጊዜ ለደንበኞች እናቀርባለን።					
3. አስተማማኝ የምርት አቅርቦት አለን።					
4. የደንበኞችን ቅሬታ በአጭር ጊዜ ምላሽ እንሰጣለን					
5. የደንበኞች የትዕዛዝ ሂደት ጊዜ አጭር ነው።					

አዳዲስ ምርቶችን ከተፎካካሪዎች ቀድሞ ማስተዋወቅ	1	2	3	4	5
1. ምርቶችን በፍጥነት ለገበያ እናቀርባለን።					
2. ምርቶችን ለገበያ የምናወጣበት ጊዜ ከኢንዱስትሪው አማካይ በታች ነው።					
3. አዳዲስ ምርቶችን ለገበያ በማስተዋወቅ የመጀመሪያዎቹ ነን።					
4. ምርቶቹን በማሻሻል ፈጣን ነን።					

‘’በጣም አመሰግናለሁ’’