

IDENTIFYING AND IMPROVEMENT OF THE CORE ISSUES RELATED TO SUPPLY CHAIN DISRUPTIONS, TO REDUCE THE EXTRA COSTS OF COMPANIES

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Abstract: This study will be focusing and emphasize on the issues related to supply chain management. In the present advanced globally competitive market, it is vital for a company to deliver their products and services to the targeted consumers in a way that could reduce their costs as well as time consuming. Most of the companies are facing problems in their supply chain performance and trying to solve it out and also to adopt such strategies that could reduce those core issues that causes disruptions in their supply chain performance or supply chain network.

In this paper, it has been tried to find out the core issues that causes disruptions in supply chain and particular areas that need to be taken into consideration while adopting supply chain strategies and changes that need to be made within an organisation and the role of organisations in regard to supply chain has been briefly described.

As been said by Brau, J. C et al (2004) because of the higher universal competition between the companies, it is essential for a company to be reorganised and restructured, so it could enhance their end customer's satisfaction. Keeping in view the current completion between the companies, he further said that cost reduction and development in the products and services has been caused by the compression of the global competition in the market. Keeping in consideration the current competition, it needs to be managed more and more relationships with new suppliers as well as to maintain and achieve the information flow has become more significant, besides that the expansion of internet also demands for supply chain management.

The purpose of doing research is to provide a safe way to the companies that would enhance their financial stability and extend their market penetration without any hurdle that caused by supply chain network.

Key Words: Supply chain management, Supply chain , Supply chain network , Small medium enterprises , Economist Intelligence Unit , Organisational structure , Market orientation , Organisational learning , Supply chain performance.

1. INTRODUCTION:

The topic of the research has been discussed that what actually supply chain management (SCM) is, where it is utilized and what its importance in a business are, and why it is necessary to go for a research in this field. Additionally, opinions of different authors has been given that how an organisation could reduce their costs on the basis of supply chain management and why should the managers reshape or reconstruct this section of their business and what will be the benefits of those changes.

According to Brau, J. C et al (2004) because of the higher universal competition between the companies, it is essential for a company to be reorganised and restructured, so it could enhance their end customer's satisfaction. This key point has tended the managers to think critically about their resources to be utilized in a way that could result in higher value. He also added that, supply chain management enables a firm to concentrate on their inimitable and matchless capabilities and skills.

Furthermore, cost reduction and development in the products and services has been caused by the compression of the global competition in the market. Keeping in consideration the current competition, it needs to be managed

more and more relationships with new suppliers as well as to maintain and achieve the information flow, has become more significant. Besides that, the expansion of internet also demands for supply chain management, Parmenter, D. A et al (n.d) said.

2. OBJECTIVE OF THE RESEARCH:

The main objectives of this research that will be concerned and will be focused are described that Supply chain is known as the backbone of a business and a company could enhance their financial values on the basis of their supply chain network, so it is vital to figure out the hurdles, troubles and interruptions that negatively affect supply chain performance and cause them financial degrades. The purpose of this research is to find out and elucidate the core selective issues related to the disruptions in supply chain (SC), so that a company could focus and emphasis to resolve those certain glitches and resultantly increase and boost up their financial values.

The objectives of this research are mentioned above:

1. To what extent, market orientation enhances the performance of supply chain?
2. What is the impact of market orientation on supply chain management?
3. Define the role of information flow in supply chain Performance and key factors?
4. The role and impact of globalization and IT on supply chain management.

RESEARCH HYPOTHESIS QUESTIONS:

Hypothesis Questions (H1): Globalization has a great impact on supply chain management.

Hypothesis Questions (H2): Organisational structure plays important role in the success of supply chain management.

3. LITERATURE REVIEW:

Parmenter, D. A et al (n.d) said, approaches towards supply chain management has been done with extreme efforts by the large firms and (SME's) from the last two decades. He further added, because of the increase of competitors in today's market, it is becoming more and more difficult for small and medium size enterprises (SME's) to survive in this ultra-rivalry global economy. Besides that, as these (SME's) are parts of the increase in the economy, it is essential to examine their way of using or not using supply chain management.

RCG University (1999) said the process of moving goods from one place to another or the process of providing order to a customer from the stage of getting raw material, its manufacturing, distribution and lastly to the end user, is called supply chain management.

Talking about the importance of supply chain, National Audit Office (2011) said that currently the most challenging issues in supply chain are being faced by the armed forces rather than the private sector. Similarly, stating the process of moving goods from one place to another, again National Audit Office (2011) said, the UK ministry of defence had deployed their troops in Afghanistan and want to be remained positioned by 2015. To support this mission, severe logistical efforts need to be made. Same as that, challenges that are being faced during the process of shipment's, National Audit Office (2011) further said the procedure of supplying goods to the English troops at Afghanistan is very lengthy and in case of the occurrence of any environmental issue, they will confront severe issues.

In another place, Mangan, J et al (P 11- 2012) defines Supply chain Management as;

“Supply chain management (SCM) is the management, across and within a network of upstream and downstream organisations, of both relationship and flows of material, information and resources. The purposes of SCM are to create value, enhance efficiency, and satisfy customers.”

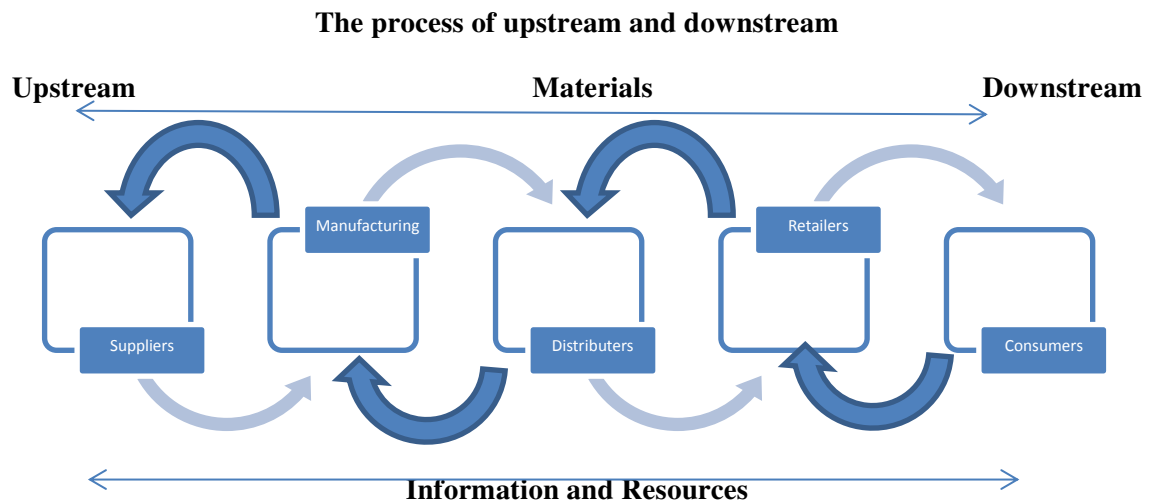


Figure 1

Suppliers provide raw material to the manufacturer and after manufacturing it is parcelled to the distributers, they distribute it to the retailers and at last it reaches to the customer in its final shape.

On the other hand Kauremaa, J (P 11- 2010) defined supply chain;

“An identifiable system of material and information flows involving a set of organizations engaged in the process of delivering a good or service to a party ultimately in need of it”.

According to Tung, R. L et al (2008) in china 70% of the foreign trade was been handled by SME’s. He also said that a report published by Economist Intelligence Unit (EIU) and Citi group, that economic growth is becoming more crucial because of the increase of competition of SME’s in EEs. Furthermore, 670 Asia located organisations were been surveyed and half of the SME’s were pretentious about their extensive and appreciable development in the future.

“They think they can react and innovate more quickly and have closer customer relationships than their large corporate competitors” Tung, R. L et al (P 381-2008) said.

Tung, R. L et al (2008) also said that despite their efficiency and capability in economic growth, SME’s are still facing difficulties and issues. Insufficient funds and investment capital are the major issues for the improvement, development and advancement of SME’s. Presently, an increase of SCM applications has been seen and by Implementing supply chain management on SMEs, would definitely increase their company growth, production, customers, profit and market shares, Calipinar, H (2007) said. Again Parmenter, D. A et al (n.d) said during 1990’s, SME’s played a vital role in boosting the U.S economy. He also said, not only provision of jobs and manufacturing facilities in the U.S, SME’s are also known for their innovations. Additionally, SMEs manpower is renowned by two third of the U.S manufacturing workforce.

In the same way, Parmenter, D. A et al (n.d) said, there are various benefits of supply chain by implementing it in SMEs. I.e. their bureaucratic level would be decreased, they could become more clearly headed or agile, could be further entrepreneur and getting their product into the market would be quicker than before, their extra costs would be reduced or cut down.

Hence, to succeed in this competitive market, it is essential for SME’s to build such strategies so they could survive in this advance supply chain management world.

3.1: The initiation of the supply chain:

In early 1990’s, because of the higher competition between organisations, directors started thinking about such strategies that could enhance their financial and reputational values. Resultantly, to get advantages through

supply chain, it became essential segment of business strategies. According to Britannica (1999), this method (SC) Improving the complexity and intricacy of supply chain process becomes quite tricky as the demands and expectations of customers are rising and needs to be executed at flexible cost. In this situation a company must track down and recognise those segments of their supply chain process which are not effective and promptly execute necessary amendment, Supply chain Council (2012).

They also stated, to locate the process of supply chain, some companies do not apply standardised ways and instead of improving the issues and gapes, it results in the form of further failures.

3.2: Globalization as a part of supply chain:

Expressing the importance and the presence of globalization in supply chain, Jackson, R (2009) said people often argue that globalization has composed or in other words flatters the whole world. Approximately, all of the appliances, accessories or gadgets being used by us, their parts are made in Taiwan; their screens are manufactured in China and Malaysia. Similarly, the clothes we get are sewed or stitched in India, Bangladesh, Sri Lanka and Thailand. It shows that globalization has put the whole world together.

Jackson, R (2009) also adopted some questions from his research but discussing all of them will let us far away from our objectives, so only one of his questions will be discussed and will be answered.

- What does this mean for companies who source products in far flung countries?

In simple words, to answer this question number one is that, a company is established to earn money and to get profit and increase a company's financial value that is why most of the companies prefer to manufactures their products or services in developing or third world countries, because the labour cost in those countries does worth and is affordable by the company and they can easily get higher profit without losing the quality of the product or service.

Regarding the above mentioned question, Mayer, K.E et al (2006) said that Vietnam is one of the developing countries that is swiftly developing their economic growth. He also said many foreign investors are fervent to get entry in Vietnam due to their lower production cost sites. Moreover, Mayer, K.E et al (2006) also said that there is a huge number (80 million) of capable consumers that are willing to adopt western goods as 95 % of the population of Vietnam is younger than its 65 % population.

Talking about the role of globalization in supply chain, Spence, M (2011) said that from the last 60 years due to global supply chain, many companies have reduces their company's extra costs (Transportation costs, Transaction costs) and the barriers toward international trade has also been moderated. He also said that to some extent global supply chain has also boosted the economy of third world countries from 7 to 10 %.

In the same way, it's all because of the globalization in supply chain that china has grown 7% more than compared to its 25 years growth, Spence, M (2011) said.

3.3: Effects of supply chain issues on a company:

Talking about the risks related to global supply chain while considering the Japan Tsunami march 2011, Ghadge, A et al (2011) said because of the environmental changes, the vulnerability of global supply chain risk has increased. BBC (2011) also claimed that Apple was supposed to launch their iPad 2 in March 2011 but due to the disaster of Japan tsunami 2011 they delayed the launch of iPad 2. According to Veysey, S (2012), a survey was been carried out from a large number of companies and 85% of them said that at least one disruption was been discovered in their supply chain, in which 40% of disruptions were determined from the suppliers. The second most cause of the disruption was because of the unplanned or improper communication ways that were been executed and 41 % of the companies agreed with this statement, Veysey, S (2012) said. On the other hand, 21% of the companies referred inadequate transportation system and 21 % mentioned tsunami and earth quacks.

Consequently, all of these disruptions affected their production lane and 83% of the companies suffered with a loss of \$ 1.4 million, 14% companies suffered with a loss of between \$14.2 million and 2 % of the companies experienced a loss of between \$ 72.2 million and \$ 141.5 million, Veysey, S (2012) said.

Cordon, C et al (2011) said that after the occurrence of Japans tsunami 2011, American company Apple faced interruption in the supply of lithium batteries for their iPods. In the same way, according to Bosman, R (2006) a study was been made out by FM Global that the risks and issues related to supply chain was identified and given importance by more than 600 companies. In addition to that, Singhal, V & Hendricks, K (2006) stated that it could take a minimum of two years to a company to recuperate from supply chain failure.

A study done on 800 companies who identified disruptions in their supply chain in 1989 and 2000, Hendricks, K & Singhal, V (2006) founded that these companies suffered by 33 to 40 % lower stock returns, compared to other companies and besides that, after the disruption their instability of share price was 13.5% higher, compared to before the disruption, Bosman, R (2006) said.

He also said, those companies faced 7 % lower sales growth, 11 % higher costs and 14 % rise in inventories. Except that, a decrease in their return on sales, return on assets and operating income was noted down.

Talking about the importance of flow of information Singhal, V (P 6- 2006) said;

“Like a heart attack that cuts off the flow of blood, same as that a supply chain glitch cuts off the flow of information or supplies” And similar to a heart attack, it has lasting effects on a company’s health”.

Hence, we can say that the impact and role of the flow of information in a company has higher importance.

3.4: Globalization and its effects on supply chain:

Additionally, Singhal, V (2006) again said that one of the risk that supply chain face is because of the trend of globalization. Most of the companies, import their material beyond the continents and when natural disasters take place, it blocks their supply where the demands of the customers are high and resultantly the company suffers. He also said indeed one disaster can destroy the whole company or its product line but focusing only on the managing of devastating supply chain disruption would be a big mistake.

A number of minor issues could also do the same thing, for instance; a company cannot fulfil their customers’ demands constantly, or the retailers do not stock their products on a routine basis. In this case the chances of the failure of business are higher, Singhal, V (2006) said. According to a survey held by RM risk management (2012) in terms of suppliers and production lane, 86% of the companies are reliant on china where Japan comes on second with 43 % reliance. They also said that 59% of the companies believe that most of the supply chain disruption occurs due to natural disasters. They also said that the figured estimated loss due to the Japans tsunami was about \$210 billion.

Similarly, Littleson, R (2008) also said that companies with global supply chain are experiencing more difficulties compared to regional or domestic supply chain. By justifying with statistics, he said that in terms of delivery process companies with global supply chain face 20% more difficulties and in terms of absolute order execution, global supply chain is 28% worse, compared to their regional supply chain counterparts.

Harmonizing with Littleson, R (2008) and Singhal, V (2006), Bosman, R (2006) stated that the alternate supplier of a company should not be at the same location. By giving an example of the disaster of Hurricane Katrina 2005, Bosman, R (2006) said that those companies whose supply chain was fully dependent through the port of New Orleans, LA, USA may have experienced that because of having contracts with different transporters, they were prevented from a higher transportation risk.

Similarly, according to Brennan, P (2011) the tsunami that took place in Japan in 2011 not only damaged the social values of Japanese, but it has also damaged and affected the world economy. He further said that many

electronics, automobile and aerospace manufacturing companies had a momentous existence of supply chain over there and after that disaster took place, and the supply chain staff of those companies visited the target regions, they contacted their companies that a huge loss of parts is expected.

Later after the mitigation of the loss, the World Bank reported that this disaster is severe compared to the economic damage of 1965 which was about \$ 235 billion, Brennan, P (2011) said.

Companies which experienced loss in their business due to disruptions in supply chain in Japan can be figure out in Figure 2.

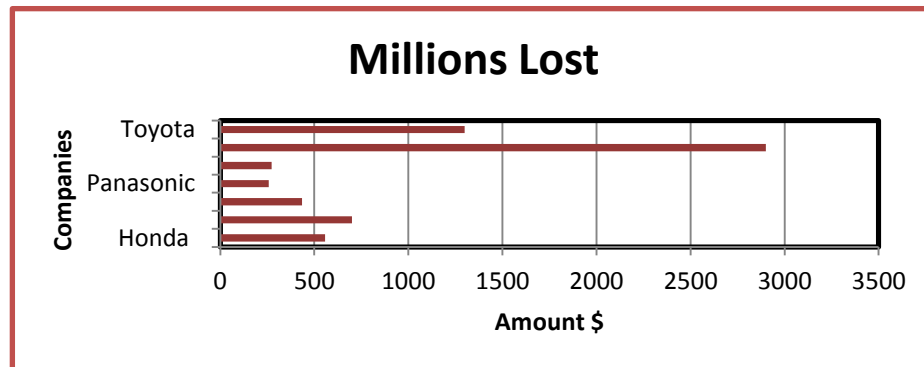


Figure 2

Here in Figure 2 we can see that, the most effected company was Toshiba with a loss of approximately \$ 2,900 million and the second most effected company was Toyota, which experienced a loss of \$ 1,300 million. After that catastrophe, many managers and risk professionals started thinking to protect their business from disasters in future.

Enderwick, P (2006) derived from Sheffi, Y et al (2002) that when the government of US started action against the terrorist attacks after 9/11, it created many disruptions in the business and badly affected the supply chain of many companies. A huge number of companies were directly affected as their offices were located in the twin towers. By giving the example of Ford, Sheffi, Y et al (2002) said that it had to shut their five plants in US as they did not get sufficient parts from Canada and it cost them a drop down of 13% in their production lane.

Additionally, Sheffi, Y et al (2002) also said, after the occurrence of those issue, consequently, a wide research project named “Supply Chain Response to Global Terrorism” become started by the MIT Centre for Logistics and transportation that will cover and focus on different areas such as, the risk management, response of insurance companies, response of US government, response of manufacturing and distribution industries and lastly the option that will assess the flexibility. In response to that, Gualandris, J et al (2010) said that from the last few years, attention towards risk management issues has been mainly focused by the literatures that are related to supply chain and its flexibility.

Agreeing with Sheffi, Y et al (2002), Gualandris, J et al (2010) and Souter, G. (2000), said that disruptions in supply chain can effect a company’s production for long term. Sticking with the topic, he said that to protect their self from the negative effects of supply chain, companies are looking forward to get suggestion to protect their selves without losing their efficiency.

In the same way, again by giving the example of 1999 Taiwan earthquake, Zsidisin, G (2001) reminded that suppliers are also a part of the risk related to supply chain and badly affect a company’s financial success.

In the same way, according to the report of FM Global (n.d) after the occurrence of japans Tsunami March 2011, many companies started thinking for location change and alternative suppliers. As they were worried that another tsunami could hit china and resultantly they could face a worse impact on their production lane.

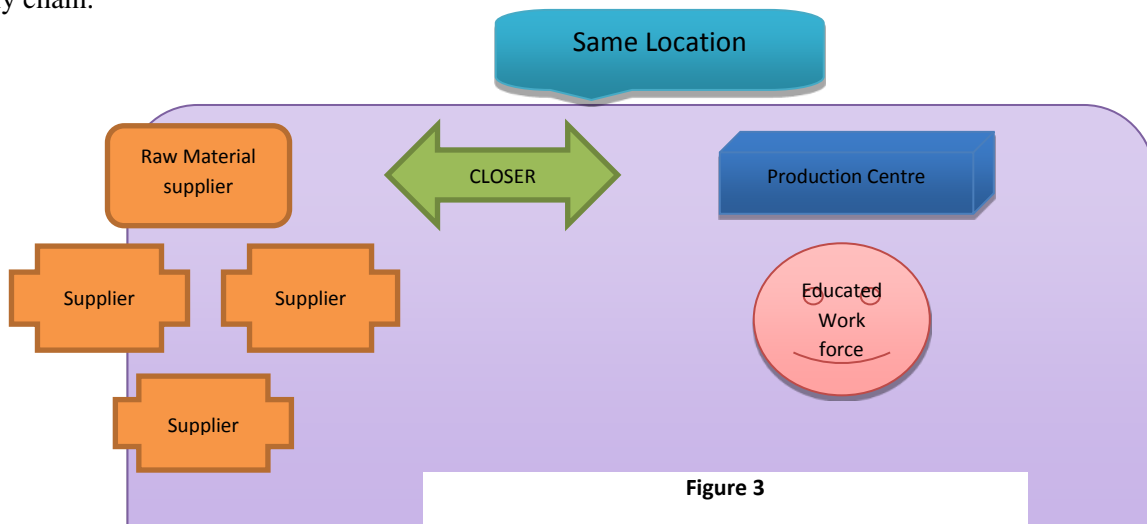
Hence, from the above mentioned statements, it is derived that proper planning, must insure their business and adequate supply chain strategy should be adopted and to minimize the risks of supply chain network, it is important for a company to have contacts with alternate suppliers as well but not on the same geographical location.

3.5: Globalization as a source of minimizing the risks of (SC):

In response to Singhal, V (2006), Bosman, R (2006) said that, where globalization has increased the risks in supply chain, on the other hand it also has many advantages for a business to increase their profit and financial values. He said due to globalization, a safer location for a business could be set up and it also opens a new way that a company could employ educated workforce in third world countries so they could better understand the procedure and to some extent would decrease the internal disruptions that block off the production line.

Moreover, he also said globalization also help out a company to establish their production centres nearer and closer to the raw material supplier.

Lastly, he said that it open doors for new dealers and suppliers that can help in filling the gaps of a company's supply chain.



Talking about the role of globalization in supply chain, Spence, M (2011) said that from the last 60 years due to global supply chain, many companies has reduces their company's extra costs (Transportation costs, Transaction costs) and the barriers toward international trade has been reduced. He also said, to some extent global supply chain has also boosted the economy of third world countries from 7 to 10 %.

In the same way, he said that it's all because of the globalization in supply chain that china has grown 7% more than compared to its 25 years growth.

Thus, it proves that globalization has a great impact on supply chain. At one side it creates and produces disruptions and could be a reason of the devastation of a company but on the other hand, it also opens new opportunity for companies to increase their financial growth and values.

3.6: Alleviating the supply chain damage:

According to Bosman, R (2006), when devastating disruptions take place in supply chain, a swift and instant action could reduce the consequences. He said that two main factors should be taken into consideration before the disruption arises.

- A proper plan that continues the business without any interruption.
- An appropriate and competent insurance programme that is capable to cover the financial loss and recompense the company back into its operational and functional position.

Further he said that while adopting such plan, different issues should be considered;

- Disaster recovery.
- Health and Safety issues of the employees.
- Backup and recovery of the business record (data).
- Substitute ways of communication.
- An alternate location that does not affect the business operation and keep it Functional.
- A substitute way of getting / obtaining goods from the alternate supplier.

In the same way, Bosman, R (2006) again gave the example of the disasters of Hurricane Katrina 2005 and Kobe, Japan 1995 that, companies underestimate or ignore the level to which a disaster can disrupt their supply chain network and ruin their business. He also said that Kobe earth quack of Japan 1995 demolished 100,000 buildings, more than 6,400 people lost their lives and for two months it blocked the major sea port of Japan which cost them a damage of \$100 million US dollars. He said that auto mobile companies were the most effected ones, and Toyota only did not produced 20, 000 cars as was been scheduled.

In response to Bosman, R (2006), Banker, S (2010) also said that most of the companies still do not take any step towards supply chain risks but concentrating on their business continuity.

From the above discussed key points of different authors, it has been concluded that companies need to adopt and plan effective, successful and valuable strategies and should hire skilled and professionals who reduces the problems and a separate department should be formed that will concentrate and will have the responsibility to attain and take out the companies after being involved in supply chain disruptions.

3.7: Importance of information technology (IT) in supply chain:

According to Fasanghari, M et al (2008) to improve the tractability and approachability, many companies are adopting different strategies and methods that could implement supply chain management in an adequate and proper manner. Information technology improves the swiftness of supply chain network. However, the miens that information technology influences on SCN are not equivalent, Fasanghari, M et al (2008) said.

He further said that, information technology has been involved and became an essential part of the current complicated supply chain. In the same way, Fasanghari, M et al (2008) derived from Fewcett, S. E et al (2011) that to improve the quickness and swiftness, to provide a swift delivery to their customers and to move down the cycle timing, almost every US Company is dependent on IT. However, in response to that, Lucas, H. C et al (1999) said, it is not assured that the involvement of information technology could enhance or stronger the performance of an organization. Furthermore, Powell, T. C et al (1997) also said that adopting a specific technology could be easily adopted and copied of by other organisation.

However, in response to Powell, T. C et al (1997), Tippins, M. J et al (2003) said, by the adoption and implementation of information technology in supply chain, a company gather information and essentials about their customers, suppliers and most importantly, customer demands and resultantly, it could enhance an organizations performance.

Moreover, according to Nguyen, H. M et al (1999) due to the implementation of IT in supply chain management and design, it has made it a prominent and substantial part of supply chain operation. He also said due to the difficulties in supply chain operation, IT has driven companies to adopt the online interaction and consultation system. In response to this, Armstrong, A et al (1996) said, this demonstrates progress and advancements in SCO regarding online business communities.

Furthermore, Yu, Z et al (2001) said that it illustrates the importance of information technology in Supply chain operation. Again, Fasanghari, M et al (2008) said that IT being representing itself as a significant factor in

collaborative relationship, it shows that it can improve and increase the information flow between suppliers and reduce the uncertainties. Bakos, J. Y et al (1993) also said that by implementing IT in supply chain, it can decrease the transaction costs among suppliers and buyers, and build a better cooperative environment among supplier and buyer interaction.

In the same way, Lancioni, R.A et al (2003) also said that comparing 1999 to 2001, study shows that companies has increasingly adopted the use of IT in their supply chain network. Kauremma, J.Y et al (2004) derived from Rahman, Z (2005) that the usage of IT in purchasing and many other areas of supply chain are also increasing in India.

3.8: Framework for the impact of information technology on (SCM):

Fasanghari, M et al (2008) said mostly the impact of IT on SCM is on logistics, Customer relationship & Vendor relationship management, Purchasing and within the company.

3.8.1: Impact of IT on purchasing:

Over the last 10 years, a rapid development by IT has been seen in supply chain. Fasanghari, M et al (2008) said according to a research, a number of purchasing applications, where they could communicate with vendors, could ask them about the quotes, and could do purchasing from their online catalogues. Even though, face to face interactions has been reduced compared to online communication. He further said that, getting queries from the dealers, the process of returning goods and other information is all managed through IT.

In response to this, Rahman, Z (2005) gave some statistics, which he collected during his research on IT and its usage in supply chain on Indian companies.

Order processing applications		
	% using	Rate of usage
Customer order status /placement	52.1	3.26
Vendor order efforts	27.3	3.05
Customer on out-of-stock	28.8	3.33
Check customer credit	22.3	2.88
Check vendor credit	21.5	2.53
Returned customer merchandise	21.5	3.67
Total customer order cycle performance	22.4	3.30
Credit processing status to customers	21.5	2.00
Obtain price quotes from vendors	19.2	2.36
Provide price quotes to customers	31.1	3.00

Figure 4

In figure 5, Rahman, Z (2005) has shown the extent usage of IT in purchasing section.

Fasanghari, M et al (2008) also said that, tracking the delivery or ordering any placement is the most frequent usage of the IT. He also said, IT has reduced the errors that are experienced during order processing and could detect any error during the process and could fix it quickly.

3.8.2: Impact of IT on operation:

Fasanghari, M et al (2008) again said, the management of inventory is the most expensive standpoint in supply chain. The important and vital usage of IT in this sector is the notification that a company give to their vendors about stock outs. Inventory management has been dramatically affected by IT. This has given ability to the company's that they could notify their customers about any delivery and other shipment issues. The other difficult area of Supply chain management is the scheduling of the production. Through the usage of IT, a firm could communicate among their dealers/ suppliers and customers.

Again, some statics has been collected by Rahman, Z (2005) that is related to the applications that are being used by different companies in India for scheduling their production lane.

Production scheduling applications		
	% using	Rate of usage
Coordinate schedules with vendors	21.9	2.63
Coordinate schedules with field deports	13.7	2.50
Coordinate with JIT of vendors	20.5	3.00
Coordinate schedules with Indian sites	19.1	2.07
Coordinate schedules with international sites	16.4	1.92

Figure 5

3.8.3: The impact of IT on logistics:

Transportation is that section of supply chain where, a company could get benefit or could experience loss, Fasanghari, M et al (2008). In this area IT is mainly used for the monitoring of shipments from one region to another. This section has got vital importance for a company, as their entire production lane is dependent on transportation. Here, Rahman, Z (2005) also said that for most of the managers, the usage of IT in this section is to check out and make it sure that the carriers being used by them are reaching to their destinations on the exact time as they had already been specified, so in case of any delay during the delivery timing, they could manage it by other means, Rahman, Z (2005) said.

Transportation applications		
	% using	Rate of usage
Pickups, regional distribution centres	22.3	3.18
Drop-offs, regional distribution centres	21.9	2.94
Monitor on-time arrivals of carriers	41.1	3.07
Managing claims, overall performance	26.0	2.43

Figure 6

As can be seen in Figure 6 that 41.1% usage which is the most in transportation segment is the monitoring of deliveries, executed by the utilization of IT. The second most use of IT in this area is the managing of claims which is 26.0 %.

Thus, it is clearly observable that IT cannot be neglected in the operation of supply chain network.

3.8.4: The impact of IT on customer relationship:

Fasanghari, M et al (2008) said, providing a better service to their customers is mainly negotiated and targeted by the managers. Not only delivering a product, but delivering a good quality not only satisfy and gratify their customers but it also has a great positive impact on the company. Furthermore, he also claimed that some companies involve IT in their business to get complaints directly from the customers and resolve those issues, whether some companies use it to let their customers know about any problem or issue related to their product or service. In the same way, Rahman, Z (2005) also agrees with Fasanghari, M et al (2008) and also provided statistics related to this section.

Customer service applications		
	% using	Rate of usage
Receive customer complaints	43.8	2.59
Provide technical service	29.8	2.81
Notify customers of emergencies	33.9	2.79
Cell to customers	47.9	2.63
Manage outsourcing of services	15.1	2.36

Figure 7

In Figure 7 it can be seen clearly, that the most usage of IT is for the reception of customer's inquiries and its usage ratio is 43.8%. Secondly, with the help and support of IT, customers are treated and serviced online, which

is not only time consuming for the company, for the customer as well and its usage ratio is 33.9 %. However, the most successful and effective usage of IT is selling the products online and can be seen in the above figure that its ratio is the highest 47.9%.

3.8.5: The impact of IT on relation with vendor:

Rhaman, Z (2005) said that there is a great impact of it on a company and their vendor’s relationship. Similarly, by agreeing with Rhaman, Z (2005), Fasanghari, M et al (2008) said that most of the companies shops online from their vendors online catalogues, which also reduce and decrease their travelling expenses. Suppose a company needs to give specific information about a particular product or service, or a company needs to return back the defected goods to the vendor, their flow of information is through IT. Rahman, Z (2005) also said that through the easiness service of IT, a company and their vendor could also communicate on 24/7 basis.

Again, Bakos, J. Y et al (1993) also agreed with Rahman, Z (2005) and Fasanghari, M et al (2008) and said that IT has lead the relation of buyer and supplier more closer than before. By giving an experimental response to this, Stump, R.L et al (1997) said that in supply chain, IT is all about the closeness of the relationship of the vendor and customer. Here, again Rahman, Z (2005) gave some statistics related to his research about the relationship of supplier and customer;

Vender’s relations applications		
	% using	Rate of usage
Vender deliveries	26.0	2.95
Vender raw material stock levels	13.7	1.40
Purchase from on-line catalogues	4.11	2.17
Receive queries from vendors	38.4	2.00
Provide vender information from queries	28.8	2.05
Vender ratings on overall performance	23.3	2.24
Process returns / demand products	24.7	3.00
Ratings of on-time performance of carries	20.5	1.80

Figure 8

As can be seen in Figure 8, that receiving the queries from the vendors has the highest ratio of usage 38.4% and it clearly shows that how effective IT is, and could help in the reduction of the travelling and other communication costs.

3.8.6: The impact of (IT) on a firm:

According to Fasanghari, M et al (2008), to reduce the extra costs of an organisation, it is important to be taken standardized procedures and to maintain the discipline of the staff in a manner that every one of them should be able to execute it without asking any question. Rahman, Z (2005) again said that a huge number of Indian firms specified IT, to be manipulated. During his research on Indian firms, he find out that most of the companies has adopted IT as a source of communication that includes, communication with their suppliers, customers, partner and other clients not only domestically but also globally.

By stating the positive impacts of involving IT in an organisation, Todd, D et al (2001) said that by adopting technology in an organization, it improves the innovative ability and innovation skill of their employees and resultantly impact them positively. He also said that Information technology give the capability and faculty to the management team so they could notice, observe and supervise the on-going tasks and projects.

Lastly, Todd, D et al (2001) said that whether that is outside or inside of the organisation, Information technology improves and enhances the chances of further creativity and innovation.

After analysing all of the areas of an organisation that could be expended, standardised, improved, enhanced, developed and upgraded through IT, it is concluded that IT has its own importance and play significant role in supply chain performance.

3.9: Organisational Structure (OS):

To enhance, improve and implement supply chain in a proper and beneficial way and also to increase its implementation, many factors work behind it, Parmenter. D. A, et al (n.d). Increasing the overall value of the company should be the main objective in supply chain management, Chopra. S (2010) said. In response to that, Tukamuhabwa, B. R (2011) stated that the understanding, gaining and spreading or distribution of company information is known as organizational or institutional learning. He also said the orientation of the market and organizational learning are conjoined to each other. Moreover, Tukamuhabwa, B. R (2011) derives from Hurley. R. F (1998) and Hult, et al (2000) said that there are four elements of an organizational structure and they are;

- Team Orientation
- System Orientation
- Learning Orientation
- Memory Orientation

In addition, he also said market orientation is made up of inter-functional coordination, competitor orientation and customer orientation. In the same way, the relation between learning and market orientation was also authenticated by Hurley, R. F (1998). Similarly, the impact of market orientation on organizational learning was also supported by Vieira, V. A (2010). Those firms which are market oriented get their learning from other additional firms, avowed by Min. S, et al (2007). In accordance with Hoe, S. L (2008), the enhancement of organisational learning could be attained by circulating and utilizing the knowledge of the market that is highly concentrated more on the competitors and customers.

3.10: Market orientation and SCM strategy:

Stating the components of supply chain management that include getting trust all over the supply chain, participating and identification of other supply chains, forming regular contacts with the members of supply chain, adoption of attuned supply chain consultation or interaction and connecting all of the members of supply chain in the marketing plans of the product/service, Wisner, J. D (2003) said. Mentzor. J. T, et al (2008) also said that if the interaction of the company management is strong, it could adopt successful and positive supply chain strategies.

Again Wisner, J. D (2003) said that there is a strong impact of customer relationship strategy and supplier management. Following Wisner, J. D (2003), Green, et al (2008) also said that there is a significant impact of marketing orientation on supply chain management strategies. In addition to that, Min and Mentzer (2000) also agreed about the key role of marketing orientation on the supply chain management strategies. He also said that, supply chain management can be improved by market orientation, by means of supply chain orientation.

Thus, SCM strategy is altered by market orientation.

3.11: Supply chain performance (SCP) and organizational learning (OR):

Bhatnagar. J (2006) said that through organizational learning, a company can get the skills to remain constant on facing the uncertainties while entering into new environment. By the sharing of information among suppliers and distributors can enhance their supply chain performance in terms of cycle time, synchronization of activities and viable advantages. In the same way, Grant. R. M (1996) also said that this distribution of information in supply chain enhances their capabilities to execute their responsibilities more effectively. Argued by Min. S. T et al (2008) that in supply chain management, when you interact with your suppliers in a cooperative manner, it enhances and improves their exchanges of information; resultantly make it cost consuming and better supply chain performance.

Hence, we can conclude that organizational learning enhances SCP.

3.12: Market orientation (MO) and Supply chain performance (SCP):

According to Rungtusanatham, M , et al (2003), co-operation between a company's customers and their suppliers on the subject of quality and material flow, they can assume improvement in their operational/ working

performances, regarding fast and quick deliveries. Similarly, Green, J, et al (2006) also said that inadequate SCM performance could be a reason of unsatisfactory or poor marketing orientation. Mason, K. J (2006) & Green, J, et al (2006) also said that strong marketing orientations and cost reduction is due to successful and effectual SCM and it also enhances the financial stability or performance of a company.

Additionally, Cervera, A, et al (2001) specified that, there is a strong significant relation between market orientation and global performance. The key components of marketing orientation, such as the relationship between customers and suppliers manipulates the performance of SCP in subject of overall supply chain costs and shorter lead time and shorter ending- to last pipeline time, Juttner, U , et al (2010) said. Furthermore, according to Jeong, J. S & Hong, P (2007), the positive effect on customer oriented SCP outcomes is due to the attempt of successful customer- oriented supply chain.

Therefore, we can say that there is a great impact of market orientation on SCP.

3.13: Supply chain performance and SCM strategy:

Professional, well organized and accurate SCM influences a company's position, its customer services, its competition and its products quality, said by Keah, C. T (2002). Wisner, J. D (2003) also persuaded SCM on a company's performance. In the same way, to enhance or to improve a company's entire SCP, a good SCM practice should be generated, Park, S & Hartley, J. L (2002) said. Tukamuhabwa, B. R, et al (2011) also uncovered the strong and effective relationship between SCM strategy and SCP.

We can theorize that SCM strategies increase, enhance and embellish supply chain performance.

3.14: Supply chain performance, Commitment, Trust and Market Orientation:

According to Macmillan Dictionary (2009), Commitment is like a responsibility, or eagerness for doing something or spending time and money and potential for a specific purpose is known as commitment. In the same way, according to Kwon, I. G & Suh, T (2005), commitment cannot be fulfilled and realized or made until the individuals (companies) do not have trust between them. Ryu, L. L, et al (2009) specified that, commitment could be made or carry out on the basis of extreme level of inter organizational trust. According to Fewcett, S. E, et al (2006), to attain the benefits of their supply chain, it is really significant for a firm to be committed beyond its organizational borderline.

Moreover, Bigne, E & Blesa, A (2003) added that the issues related to the channel of distribution are still under research. They also stated that, market orientation that has different dimensions, have dissimilar outcome on trust and gratification. In the same way, they also said that, trust and commitment are optimistically and clearly affected by market orientation. Morgan, R. M & Hunt, S. D (1994) found out that, trust and commitment jointly generates results that boost up efficiency, productivity and effectiveness.

Additionally, Ferry, J, et al (2007) also concluded that mutual interaction of firms in term of commitment and trust enhances the performances of supply chain. Furthermore, Commitment and trust between both supplier and buyer improve and boost the entire performance of supply chain, Ryu, I. I, et al (2009) said.

After discussing all these issues, it is determined that there is a strong and effective connection between trust, commitment and market orientation and it also intimates that all of these factors has a great impact and effect on the performance of supply chain.

PROPOSED FRAMEWORK

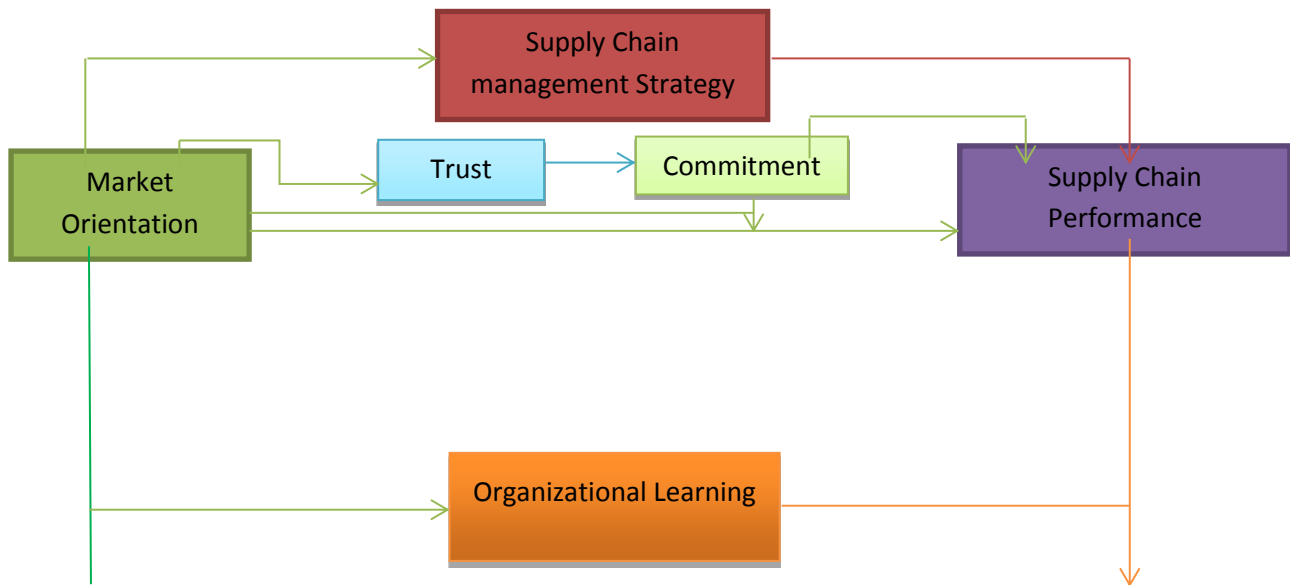


Figure 9

In Figure 9 we can see and understand that without having trust and commitment within an organization, it could create more and more internal glitches that could probably maximize the risk in supply chain performance.

4. HYPOTHESIS TESTING:

Left- Tailed Hypothesis Test:

Researcher claimed that population mean score, μ is less than mean $x=2.17$

Thus, left-tailed hypothesis test is used to determine that researcher claim may be correct or incorrect.

Hypothesis Question (H_1): Globalization has a great impact on supply chain management.

Null Hypothesis: $H_0: \mu \leq 2$

Alternative Hypothesis: $H_1: \mu > 2$

Calculations of Right-Tailed Hypothesis Testing:

Calculations:

Data Taken From Table :2

Total score = $\sum X = 76$

Number of participants = $N = 35$

Mean = $x = \frac{\sum X}{N} = \frac{76}{35} = 2.17$

N

Variance = $\frac{\sum (X - M)^2}{N - 1} = \frac{36.81}{35 - 1} = 1.082$

$N - 1$ $35 - 1$

Standard Deviation = $s = \sigma = \sqrt{1.082} = 1.040$

4.1 State test of hypothesis

Researcher claimed that $\mu = 2$ which is greater than respondents mean scores, $x = 2.17$

Find out null and alternative hypothesis

Null hypothesis: $H_0: \mu \leq 2$

Alternative hypothesis: $H_1: \mu > 2$

Specify the level of significance and type of test

Level of significance $\sigma = 0.05$ (assume)

Specify and calculate the observed value

$$Z_0 = \frac{\bar{x} - \mu}{\frac{s}{\sqrt{n}}}$$

$$SE(x) = \frac{s}{\sqrt{n}}$$

$$\sqrt{n}$$

$$Z_0 = \frac{2.17 - 2}{\frac{1.040}{\sqrt{35}}} = \frac{0.17}{0.175} = 0.9714$$

$$1.040/\sqrt{35} = 0.175$$

$$|Z_0| = 0.9714$$

Locate the expected value

If Small sample tests: $n = 35$, $Z_0 = \frac{\bar{x} - \mu}{\frac{s}{\sqrt{n}}}$

SE (x)

(Then Normal - distribution table would be used)

From Normal-distribution table: $Z_c = +1.96$ for $\alpha = 0.05$

Decision rule and inference

$|Z_0| = 0.987$ and $|Z_c| = 1.96$; $|Z_0| < |Z_c|$.

Therefore, Accept Null Hypothesis

Conclusion:

It concluded that researcher claim was correct because it proved null hypothesis.

$|Z_0| = 0.987$ and $|Z_c| = 1.96$; $|Z_0| < |Z_c|$.

P-Value=0.8343 is greater than $\alpha=0.05$

Thus, Accept Null Hypothesis

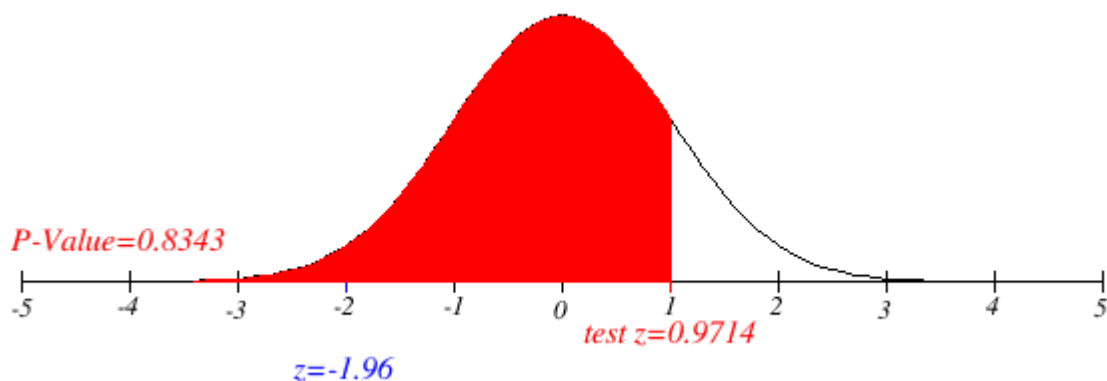


Figure 10

Data Results:

Participants	Scores (X)	Mean (M)	(X-M) ²
1	1	2.17	1.36
2	2	2.17	0.0289
3	1	2.17	1.36
4	4	2.17	3.34
5	2	2.17	0.0289
6	3	2.17	0.688
7	3	2.17	0.688
8	3	2.17	0.688

9	2	2.17	0.0289
10	1	2.17	1.36 9
11	1	2.17	1.36
12	4	2.17	3.34
13	3	2.17	0.688
14	4	2.17	3.34
15	4	2.17	3.34
16	2	2.17	0.0289
17	1	2.17	1.36
18	2	2.17	0.0289
19	3	2.17	0.688
20	2	2.17	0.0289
21	1	2.17	1.36
22	2	2.17	0.0289
23	2	2.17	0.0289
24	1	2.17	1.36
25	2	2.17	0.0289
26	1	2.17	1.36
27	3	2.17	0.688
28	2	2.17	0.0289
29	2	2.17	0.0289
30	1	2.17	1.36
31	4	2.17	3.34
32	1	2.17	1.36
33	3	2.17	0.688
34	1	2.17	1.36
35	2	2.17	0.0289
Total	76	2.17	36.81

Table: 11 Left-Tailed Hypothesis Test

4.2: Two- Tailed Hypothesis Test:

Researcher claimed that population mean score, μ is greater than mean $x=2.17$ (see figure.000). Thus, left-tailed hypothesis test is used to determine that researcher claim may be correct or incorrect.

Hypothesis Questions (H2): Organisational structure plays important role in the success of supply chain management

Null Hypothesis: $H_0: \mu = 3$

Alternative Hypothesis: $H_1: \mu \neq 3$

Calculations of Right-Tailed Hypothesis Testing:

Calculations:

Data Taken From Table :3

$$\text{Total score} = \sum X = 76$$

$$\text{Number of participants} = N = 35$$

$$\text{Mean} = x = \frac{\sum X}{N} = 76/35 = 2.17$$

N

$$\text{Variance} = \frac{(X - M)^2}{N - 1} = \frac{36.81}{35 - 1} = 1.082$$

N - 1 35 - 1

$$\text{Standard Deviation} = s = \sigma = \sqrt{1.082} = 1.040$$

4.3 State test of hypothesis

Researcher claimed that $\mu = 3$ which is greater than respondents mean scores, $\bar{x} = 2.17$

Find out null and alternative hypothesis

Null hypothesis: $H_0: \mu \geq 3$

Alternative hypothesis: $H_1: \mu < 3$

Specify the level of significance and type of test

Level of significance $\sigma = 0.05$ (assume)

Specify and calculate the observed value

$$Z_0 = \frac{\bar{x} - \mu}{\frac{s}{\sqrt{n}}} = \frac{2.17 - 3}{\frac{1.040}{\sqrt{35}}} = -4.7428$$

SE (\bar{x}) = $\frac{s}{\sqrt{n}}$

$\frac{1.040}{\sqrt{35}} = 0.175$

$$Z_0 = \frac{2.17 - 3}{0.175} = -4.7428$$

$1.040/\sqrt{35} = 0.175$

$|Z_0| = 4.7428$

Locate the expected value

If Small sample tests: $n = 35$, $Z_0 = \frac{\bar{x} - \mu}{\frac{s}{\sqrt{n}}}$

SE (\bar{x})

(Then Normal - distribution table would be used)

From Normal-distribution table: $Z_e = -1.96$ for $\alpha = 0.05$

Decision rule and inference

$|Z_0| = 4.7428$ and $|Z_e| = 1.96$; $|Z_0| > |Z_e|$.

Therefore, Reject Null Hypothesis

4.4 Conclusion:

Reject Null hypothesis has been proved so the researchers claim was incorrect.

$|Z_0| = 4.7428$ and $|Z_e| = 1.96$; $|Z_0| > |Z_e|$.

P-Value=0.0001 is less than $\alpha=0.05$

Thus, Reject Null Hypothesis

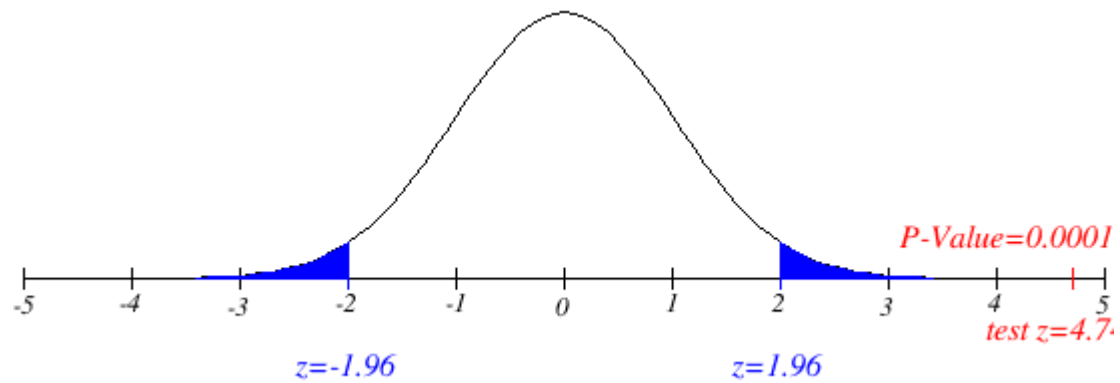


Figure 12

Data Results:

Participants	Scores (X)	Mean (M)	(X-M) ²
1	1	2.17	1.36
2	2	2.17	0.0289
3	1	2.17	1.36
4	4	2.17	3.34
5	2	2.17	0.0289
6	3	2.17	0.688
7	3	2.17	0.688
8	3	2.17	0.688
9	2	2.17	0.0289
10	1	2.17	1.36 9
11	1	2.17	1.36
12	4	2.17	3.34
13	3	2.17	0.688
14	4	2.17	3.34
15	4	2.17	3.34
16	2	2.17	0.0289
17	1	2.17	1.36
18	2	2.17	0.0289
19	3	2.17	0.688
20	2	2.17	0.0289
21	1	2.17	1.36
22	2	2.17	0.0289
23	2	2.17	0.0289
24	1	2.17	1.36
25	2	2.17	0.0289
26	1	2.17	1.36
27	3	2.17	0.688
28	2	2.17	0.0289
29	2	2.17	0.0289
30	1	2.17	1.36
31	4	2.17	3.34
32	1	2.17	1.36
33	3	2.17	0.688
34	1	2.17	1.36
35	2	2.17	0.0289
Total	76	2.17	36.81

Table: 13 Two-Tailed Hypothesis Test

5. RESEARCH METHODOLOGY:

The adopted method for this research project is quantitative approach. The data was been collected from the students who are studying management and MSc engineering management. Boots library who helped a lot as most of the target students were there regarding their research project. So to take advantage of that, I asked them to fill these questionnaires for me. Secondly, internet was been utilized as most of the targeted student were not present in the Pakistan, so questionnaire was been sent them through emails and they responded in the same way. Thirdly, the adopted structure of the questionnaires was simple and well-designed including easy understandable multiple choice, close ended and open ended questions.

6. FINDING AND DISCUSSION:

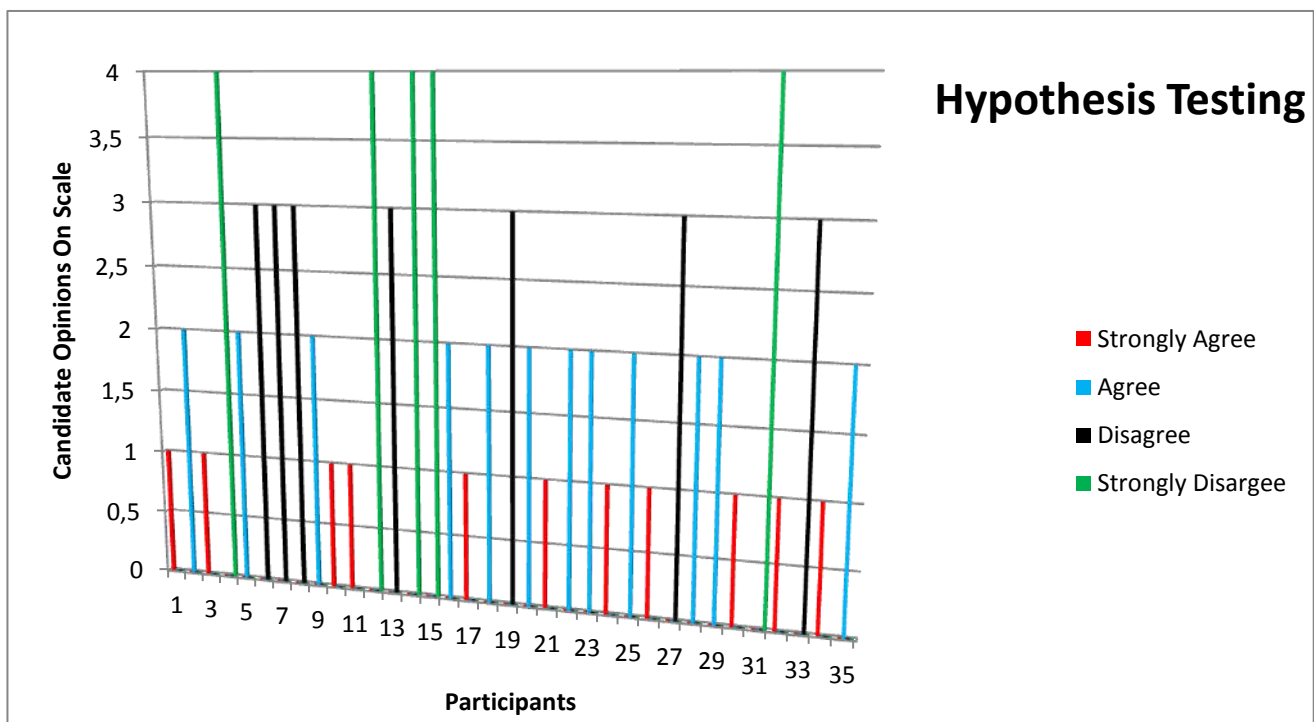
6.1 The selected hypothesis questions are given below:

Globalization has a great impact on supply chain management.	27
Organisational structure plays important role in the success of supply chain management	22

The Graph 1 given below shows the number of respondents and their agreement or disagreement with the two selected hypothesis. As you can see in graph 1 and table 4 that the total numbers of respondents are 35, in which 11 respondents strongly agree, 12 respondents agree, 7 respondents disagree and 5 respondents totally disagree with the statement (H1 & H2).

First of all the respondents who agreed (strongly agree & agree) with the both statements will be speculated that why did they showed their agreement with this statement. After that the respondents who disagreed (disagree & strongly disagree) will be speculated as well.

Scale Importance from 1-4 for candidates opinions



Graph 14

6.2: Respondents who agreed or strongly agreed with H1:

As earlier been discussed that globalization has flattered the whole world and people from all over the world uses gadgets and other appliances in their home countries that are made in different countries. Additionally, according to the CEO of BMGI (n.d) a survey was been held to find out the reason of the problems that are being faced by companies and cost them a lot or increases their expenses. For this purpose he interviewed the CEOs of different companies regarding the earlier mentioned purpose. During his interviews, he discovered that 7 out of 10% of 500 CEOs agreed that globalization is the most challenging and has great impact on the disruption causes in supply chain. Furthermore, he said for market penetration, it is important and essential to understand other countries culture.

Same as that, due to the devastation of several natural disasters that had been occurred in the past has ruined the economies of many countries and due to that, many other companies whose suppliers were situated in those countries has been suffered economically a lot and caused them extremely. Because of these natural disasters, people and their financial values also suffers, as their financial budget increases. In response to this, SIG (2008) also said that goods prices increases, transportation costs of companies also increases and it lead many other issues for the companies.

On the other hand, as earlier been mentioned that if the production line and suppliers are geographical located on the same place, it could also decrease their global transportation and logistics costs.

Hence, it is speculated that people who are familiar with and knows the pros and cones Of globalization and had this kind of points in mind, choose and showed agreement with this statement.

Hypothesis Questions (H1): Globalization has a great impact on supply chain management. Hypothesis Questions (H2): Organisational structure plays important role in the success of supply chain management				
Participants	Strongly Agree 1	Agree 2	Disagree 3	Strongly Disagree 4
1	•			
2		•		
3	•			
4				•
5		•		
6			•	
7			•	
8			•	
9		•		
10	•			
11	•			
12				•
13			•	
14				•
15				•

16		•		
17	•			
18		•		
19			•	
20		•		
21	•			
22		•		
23		•		
24	•			
25		•		
26	•			
27			•	
28		•		
29		•		
30	•			
31				•
32	•			
33			•	
34	•			
35		•		

Table 15
Scale of Importance

6.3: Respondents who agreed or strongly agreed with H2:

As earlier been stated by Chopra, S (2010), the main objective of a company should be the increase of the overall value of a company. It shows that a successful and effective supply chain plan and strategy could be than possible if the organisational structure of a company is skilled, well organised and capable to adopt such strategies that would increase or stable their financial values. Whereas, Tukamuhabwa, B. R (2011) also said that the understanding, gaining and spreading or distribution of company information is known as organizational structure or institutional learning.

Here these two points shows that adopting a well organised and effective plan or strategy, implementing those plans and strategies and lastly the spreading of information or in other words the flow of information between the suppliers and company has been given more importance. Same as that, SIG (2008) again said that most of the CEOs of the organisations are searching for qualified and professional managers and staff so that could better the performance of supply chain. In addition to that, Cohen, S (2006) also said to achieve the objectives and targets, it is important for a company to be restructured. He also said that these organisational structure needs to be changed as how an organisation wants to evaluate the performance of their supply chain.

6.4: Respondents who disagreed or strongly disagreed with H1 & H2:

It has been speculated that the respondents who disagreed or strongly disagreed with these statements (H1 & H2) might have some other points in their mind which could improve the performance of supply chain management.

Hence, it has been proved that globalization has a great impact on supply chain and besides that, organisational structure plays important role in the success of supply chain management.

6.5: Left tailed hypothesis test result discussion:

As the hypothesis question was that globalization has a great impact on supply chain management. For this purpose the researcher collected the relevant data from a sample size of 35 and as can be seen in table 4 that the mean score was $\bar{x}=2.17$ and slandered deviation was $s = \theta = \sqrt{1.082} = 1.040$. The researcher has claimed that mean score was greater than $\bar{x}=2.17$ and to make this claim the researcher has used $\sigma = 0.05$ (assume) significance level. It was been used to find out whether the researcher claim is correct or incorrect.

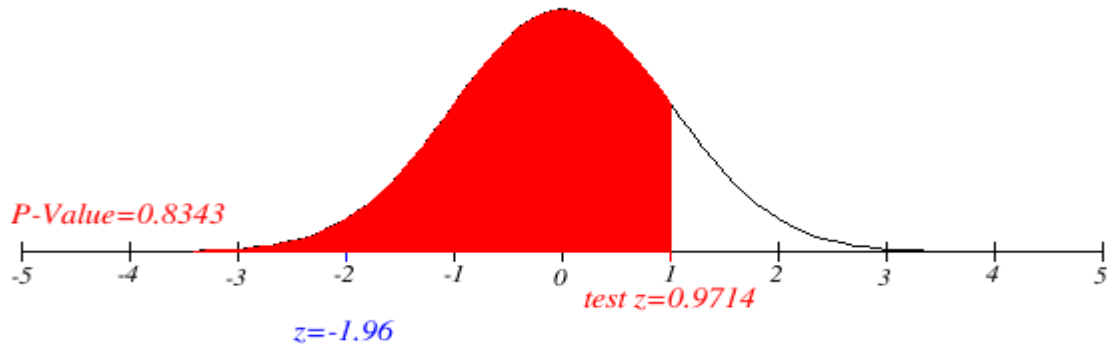


Figure 16

6.5.1: Conclusion:

It has been concluded that claim made by the researcher was correct because it has proved null hypothesis.

$$|Z_0| = 0.987 \text{ and } |Z_c| = 1.96; |Z_0| < |Z_c|.$$

P-Value=0.8343 is greater than $\alpha=0.05$

Thus, Accept Null Hypothesis

From the above given results, it has been concluded that Null hypothesis was accepted.

Hence the claim made by the researcher was correct and it means that to prove the hypothesis questions, globalization has a great impact on supply chain management; the sample size should be greater than 35.

6.6: Two- tailed hypothesis test result discussion:

The hypothesis question was that organisational structure plays important role in the success of supply chain management. For this purpose the researcher collected the relevant data from a sample size of 35 and as can be seen in table 4 that the mean score was $\bar{x}=2.17$ and slandered deviation was $s = \theta = \sqrt{1.082} = 1.040$. The researcher has claimed that mean score was greater than $\bar{x}=2.17$ and to make this claim the researcher has used $\sigma = 0.05$ (assume) significance level. It was been used to find out whether the researcher claim is correct or incorrect by using two tailed test method.

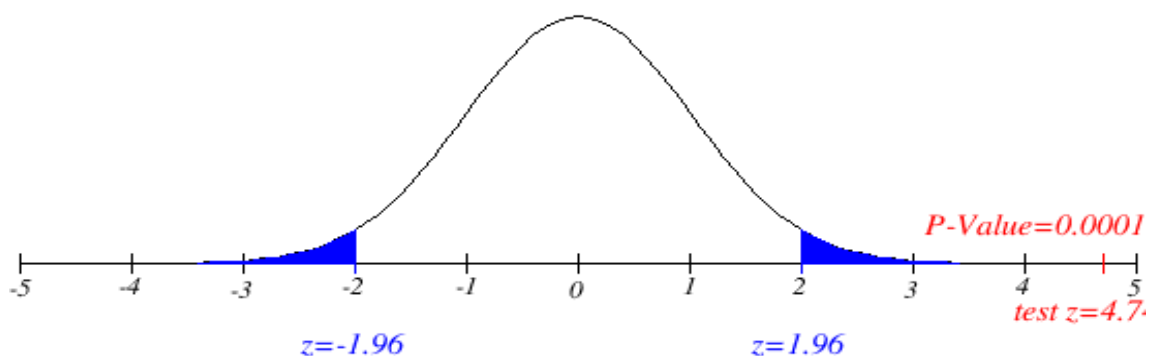


Figure 20

6.6.1: Conclusion:

It concluded that researcher claim was incorrect because it proved reject null hypothesis.

$$|Z_0| = 0.987 \text{ and } |Z_c| = 1.96; |Z_0| > |Z_c|.$$

P-Value=0.0001 is less than $\alpha=0.05$

Thus, Reject Null Hypothesis

From the above mentioned results, it has been concluded that Null hypothesis was rejected.

Hence the claim made by the researcher was incorrect and it means that to prove the hypothesis questions, organisational structure plays important role in the success of supply chain management; the sample size should be the same (35).

7. RECOMMENDATIONS:

The following key points have been recommended for the organisations to improve their financial values and to reduce their extra costs that occur due to supply chain performance.

- It is important for a company to hire such staffs that is well qualified and professional.
- Any organisation whose supply chain performance is not effective, successful or not performing as they were expecting should re structure their organisations on time and let handle those areas by qualified and capable managers before they totally ground.
- The flow of information between the suppliers and vendors should be updated.
- Alternative suppliers should be concerned the most as examples of tsunami disaster has been mentioned earlier, that how companies are facing difficulties in the provision of products and services to their customers, and as a result the customers may be tend to other brands or companies which will definitely badly effect the finances of a company.
- To trace out the delivery process and to make it on time, advance technology should be adopted.
- A company should be insured so that in case of any financial loss caused by the disruption of supply chain, it should be recovered to some extent.
- As earlier been stated that suppliers of most of the companies are relied on the same geographical location and in case of any disruption, it affect their production lane and cost them logistically severe. So they should make contacts with other suppliers that are on safe location.
- The manufacturing or production lane should in the same location as where the supplier is located. It will also reduce company transportation and logistical costs.
- Suppose a new company or one that is already in the market wants to penetrate its market globally, they must be aware of these issues that it could interrupt and make and disruptions in their supply chain.
- It is strongly recommended that proper planning should be done before taking any step towards market penetration, accurate & effective strategy should be adopted to reduce the costs at maximum level.

8. CONCLUSION:

After analysing and assessing different segments such as globalization as a part of supply chain management, effects of supply chain issues on a company, globalization and its effects on supply chain, globalization as a source of minimising the risks of supply chain, alleviating the supply chain damage, importance of IT in supply chain management, framework for the impact of IT on supply chain management, organisational structure, market orientation and supply chain strategy, supply chain performance and organisational learning, market orientation and supply chain performance, supply chain performance and supply chain strategy and lastly, supply chain performance, commitment, trust and market orientation, it has been concluded that if a company want to achieve their goals and objectives whether that are short term or long term, if a company wants to extend their financial stability and brand recognition and most importantly if they want to survive in this current global competitive

market, they would need to consider these areas of their organisations and should adopt such strategies, that in case any disruption occurs so it should not affect their market penetration and their customer gratification.

Moreover, as it has been proved that globalization has a great impact on supply chain network and organizational structure plays an important role in the success of supply chain performance. Organizations need to take these key points in their consideration.

Lastly, to improve the financial stability and to increase the number of customers, it is vital to improve the distribution channel and it is only achievable, by adhering with the enhancement and advancement of supply chain management. Furthermore, while researching on SCM, it is also assumed that as the time goes on, supply chain management needs more and more advancement.

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