ISSN-E: 2617-9563

**The Impact of Supply Chain Management Practices on the Overall Performance of the organisation**

Farah Hamid AlRoshoud

*Manufacturing Engineering Technology department, College of Technological Studies*

*PAAET, Shuwaikh, Kuwait*

Specialized trainer

Email:fh.alroshood@paaet.edu.kw

ISSN-E: 2617-9563

**abstract:**

Supply chain management (SCM) is a common practice in manufacturing companies. Effective supply chain management (SCM) has become a potentially significant technique of protecting competitive advantage and increasing organizational performance as a result of the shift from rivalry between companies to competition among supply chains. This article establishes the conceptual framework for SCM practice along five dimensions: strategic supplier partnership, customer connection, level of information sharing, quality of information sharing, and delay. The more advanced your SCM practices are, the more of an edge over the competition you'll have and the more efficient your business will be. In addition, having a leg up on the competition might have a positive impact on a company's bottom line.

## Introduction

The challenges of getting goods and services to the right place at the right time at the lowest price increased as competition intensified and markets went global in the 1990s. Companies realized that they required a competitive supply chain as a whole, not just better internal efficiencies. To maintain a competitive edge in the global marketplace and boost revenues, supply chain management (SCM) knowledge and implementation are now necessities.

Supply chain management (SCM) was developed to comprehend the strategic significance of coordination between trade partners, and to define SCM's twin purpose: to improve the performance of both individual organizations and the supply chain as a whole. In an increasingly competitive market, many companies have realized that SCM is the key to establishing a sustainable advantage for their products or services.

Supply chain management (SCM) is the management of a company's internal business operations and its relationships with its direct suppliers, first- and second-tier suppliers, and customers.

**strategic supplier partnership**

Recent studies have presented a three-tiered approach for segmenting and managing suppliers, and the strategic supplier partnership identifies best practices that can facilitate supply chain process alignment and integration:

- Strategic Companion: alliance that is both long-term and strategic.
- Preferred Vendor: continuous, working partnership.
- Licensed Vendor: partnership based on short-term transactions.

The term "vendor" is typically used to refer to a broad category of suppliers.

A more all-encompassing business strategy is required for the success of strategic supplier partnerships, which represent the apex of supplier relationships. When making choices about extremely high-stakes engagements, it's important to take into account all of the following factors to guarantee a well-informed partner selection:

1. Shared Vision & Strategy

The success of any commercial venture depends on the shared goals of the two organizations involved. These goals for success in their separate marketplaces need to coincide or overlap to guarantee the partnership flourishes and endures. Under the strain of running a firm, a partnership will fail if it does not back the long-term goals of both partners.

2. Shared Values

Organizational and individual identities are grounded in shared values. Corporate ethics are based on a variety of variables, such as corporate social responsibility, employee/labor relations, sustainability, and more. The most powerful partnerships form when the values of different corporations are compatible and can be freely traded.

3. Shared Investment

The means to commercialize novel technological developments or functional enhancements are at hand. The project's outcome would depend on how much time, money, and effort were put into it by everyone involved. That doesn't mean the investments are exactly the same, though. It's also feasible that the financial gain made by each firm in this venture is dissimilar. Whatever the case, everyone involved must do their share to realize the vision, execute the strategy, and reach the goals set forth.

4. Shared Planning & Management Systems

For a strategy to be successful, participation and investment from both parties are required.

5. Shared Communications

A high level of coordination between the supplier and the customer is required because a partnership is at the pinnacle of the supplier hierarchy. This calls for a well-organized strategy for all forms of communication and involvement throughout the partnership.

6. Shared Risk

When two companies join together, they take on new, shared dangers. Having an honest and open line of communication amongst the people involved would substantially improve their ability to cope with any risks to the partnership.

7. Shared Reward

Relationships at the very pinnacle of the supply chain hierarchy would benefit everyone involved if it were typical of the most effective supply chains.

**customer relationship:**

Customer Relationship Management (CRM) may sound like a marketing or sales tool, but in today's era of customer-driven demand, a well-managed CRM is the key to success for a supply chain management. Data and expertise from an effective CRM informs supply chain decisions like supplier development, delivery, which goods are in higher/lower demand, and how customers use things throughout their lifecycle. Supply can better meet customer demand when it works directly with data collected from a customer relationship management system.

Operational customer relationship management is the process of automating and integrating sales force, marketing, and customer service. Supply chain managers should be involved in the process of deploying a customer relationship management (CRM) software application. Supply chain managers can use the parameters tracked by CRMs to create a valued supply chain that is customer-centric and responsive to demand.

**level of information sharing:**

In order for supply chain managers to be effective, they require accurate and timely information upon which to base their judgments. The term "information technology" is used to describe the means by which data is collected, analysed, and used to improve supply chain performance. Logistics, business, strategic, tactical, and other sorts of information can all be communicated between participants in a supply chain. Supply chain coordination relies heavily on open communication between all parties involved. Supply chain efficiency will increase as a result of information sharing due to lower inventory levels and more consistent manufacturing.

**quality of information sharing:**

By improving coordination throughout the supply chain, exchanging data can speed up the movement of materials and cut down on wasted stock. It also causes a complete melding of the supply chain.

Many scholars have examined different aspects of information quality (IQ) in an effort to define and categorize it. Believability, interpretability, reputation, value added, fullness, objectivity, reliability, security, timeliness, pricing, verifiability, correctness, availability, latency, and reaction time are just few of the many factors to consider when evaluating a source of information. Customer and partner happiness are both enhanced by high-quality information dissemination. Identifying and understanding the elements affecting information sharing in the supply chain is essential for improving information flow.

**postponement**

Postponement is the practice in supply chain management (SCM) of putting off the completion of production or shipment until after an order has been placed by a client. As a result, fewer mistakes are made in production or stocking. Postponement methods and procedures help lessen the susceptibility of a supply chain to potential disruptions in the future. Both the pull and the form postponement techniques are explored in Postponement techniques in Supply Chain Management to see how they might be employed to the advantage of adopting firms in a range of competitive settings.

There are two main requirements for the effectiveness of a postponement plan. The first is to reduce and/or better manage the labor expenses incurred by the business in producing, installing, and selling each device. The second looks at how much of a dent storing semi-finished goods makes in the company's gross profit on finished goods. The method is successful since there isn't a significant impact on gross profit from holding partially completed products. The success of this order fulfilment approach relies heavily on the company's gross profit margin due to the long lengths of time it must store the semi-finished goods.

**References:**


- Mahdie Sheikhi, 2018, The Role of information Sharing on Supply Chain, Conference on Industrial Engineering and Operations Management (IEOM), 2nd European Conference
- SuhongLi and BinshanLin, 2006, Accessing information sharing and information quality in supply chain management
- International Conference on Strategic Innovative Marketing, IC-SIM 2014, September 1-4, 2014, Madrid, Spain
- C. Marinagi, P. Trivellas, P. Reklitis, Information Quality and Supply Chain Performance: The Mediating Role of Information Sharing
- Davenport, T. H., & Harris, J. G. (2007). Competing on analytics: The new science of winning. Harvard Business Press.
- Wong, D., Abu-Khater, H., Woschnik, E. S., Huda, C., & Mora, B. (2021). Factors in post-COVID-19 global supply chain management. Journal of Supply Chain Management, Logistics and Procurement, 3(3), 239-259.
- Arawati Agusa and Za'faran Hassanb, 2008, The Strategic Supplier Partnership in a Supply Chain Management with Quality and Business Performance.