
Evaluation of Supply Chain Function of Operations Management in retail service sector – A study in Hyderabad region

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Abstract

Supply Chain Management plays a vital role in business development and achievement of goals. It is considered to be the important element in the growing retail sector. In this research paper the author has made an attempt to identify the supply chain function's evaluation of operations management in retail sector with reference to Hyderabad region. The study has identified the significant value for ANOVA and correlation using SPSS. The analysis shows that there is a positive relationship among supply chain functions and operations management in retail sector.

Introduction

Supply chain management (SCM) is the dynamic management of supply chain exercises to augment client esteem and accomplish an economical growth. It represents a cognizant exertion by the supply chain firms to create and run supply chains in the best and proficient ways imaginable. Supply chain exercises cover everything from item improvement, sourcing, generation, coordination and additionally the data frameworks expected to facilitate these exercises.

The idea of Supply Chain Management (SCM) depends on two central thoughts:

1. The first is that essentially every item that achieves an end client speaks to the aggregate exertion of various associations. These associations are alluded to all in all as the supply chain.
2. The second thought is that while supply chains have existed for quite a while, most associations have just focused on what was occurring inside their organizations

Supply Chain Management

A supply chain is the associated system of people, associations, assets, exercises, and innovations engaged to fabricate and offer of an item or administration. A supply chain begins with the conveyance of crude materials from a provider to a producer and closures with the conveyance of the completed item or administration to the end customer. SCM administers each touch purpose of an organization's item or administration, from starting creation to the last deal. With such a significant number of spots along the supply chain that can include an incentive through efficiencies or lose an incentive through expanded costs, legitimate SCM can build incomes, diminish expenses, and affect an organization's main concern.

Supply chain management is the management of the stream of merchandise & enterprises and incorporates all procedures that change crude materials into definite items. It includes the dynamic streamlining of a business' supply-side exercises to boost client esteem and gain an upper hand in the commercial center. SCM speaks to an exertion by providers to

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create and execute supply chains that are as effective and sparing as could reasonably be expected. Supply chains cover everything from creation to item advancement to the data frameworks expected to coordinate these endeavors.

Supply chain management includes the arranging and management of all exercises engaged with sourcing, obtainment, and transformation. Essentially, it likewise incorporates coordination and joint effort with channel accomplices, which can be providers, middle people, outsider specialist organizations, and clients. Generally, supply chain management incorporates supply and request management inside and crosswise over organizations.

Definition of Supply Chain Management

Supply chain management (SCM) has become “a highly sophisticated, technology-dependent, and collaborative discipline that combines the business functions of purchasing, operations, inventory management and warehousing, customer service, and logistics.” Supply chain management professionals focus on managing the flow of goods, information, and revenue while surpassing customer expectations and keeping costs to an absolute minimum.

Supply chain management is an incorporating capacity with essential duty regarding connecting real business capacities and business forms inside and crosswise over organizations into a strong and high-performing plan of action. It incorporates the majority of the coordination management exercises noted & fabricating tasks, and it drives coordination of procedures & exercises with and crosswise over showcasing, deals, item configuration and data innovation.

Benefits of supply chain management

Supply chain management makes efficiencies, raises benefits, bring down costs, helps cooperation and that's only the tip of the iceberg. SCM empowers organizations to oversee request, convey the appropriate measure of stock, manage interruptions, downplay expenses and take care of client demand in the best way that is available. These SCM benefits are accomplished through the fitting systems and programming to help deal with the developing intricacy of the present supply chains.

5 Functions of Supply Chain Management

Supply chain management keeps up the harmony between the demand and supply and includes exercises ideal from acquirement of materials and changing over them into completed merchandise to guaranteeing conveyance at the opportune time to achieve the end-buyer. Subsequently, supply chain management is the help of an association. It should be extremely productive to keep the tasks running like a very much oiled machine. A streamlined supply chain management chain can upgrade client relationship, let down operational expenses.

The supply chain management comprises following five functions:

Purchasing

This is the primary capacity of supply chain management. It relates to getting crude materials and different assets that are required to produce the merchandise. It requires coordination with providers to convey the materials with no postponements.

Operations

The operation team takes part popular arranging and anticipating. On the off chance that the request is over foreseen, at that point it could result in overabundance stock cost. In the event that the request is under foreseen, the association wouldn't have the capacity to take care of the client demand, accordingly prompting income misfortune. In this way, operations work assumes a basic part in supply chain management.

Logistics

This capacity of supply chain management requires colossal coordination. The assembling of items has started. It needs space for capacity till it is transported for conveyance. This calls for making neighborhood distribution center game plans. Suppose; the items are to be conveyed outside the city, state or nation limits they acquire the transportation circle. There will be a requirement for outstation distribution centers. Coordination guarantees that items achieve the end-point conveyance with no glitches.

Resource Management

Any creation expends crude materials, innovation, time and work. Notwithstanding, every one of the procedures should be proficient and compelling. This stage is taken care by resource management function team. It chooses the assignment of assets in the correct movement at the perfect time to streamline the creation at lessened expenses.

Information Workflow

Data sharing and appropriation is the thing that truly keeps every other capacity of supply chain management on track. On the off chance that the data work process and correspondence are poor, it could break separated the whole chain and prompt mismanagement.

Operations Management

Operations management is the organization of business practices to make the most abnormal amount of effectiveness conceivable inside an association. It is worried about changing over materials and work into merchandise and ventures as effectively as conceivable to augment the benefit of an association. Operations management groups endeavor to adjust costs with income to accomplish the most astounding networking benefit conceivable. It includes using assets from staff, materials, hardware and innovation. Operations directors get, create and convey merchandise to customers in view of customer needs and the capacities of the organization.

Operations management handles different vital issues including deciding the extent of assembling plants and undertaking management techniques and actualizing the structure of data innovation systems. Other operational issues incorporate the management of stock levels, incorporating work-in-process levels and crude materials obtaining; quality control; materials taking care of; and upkeep arrangements. Operations management entails studying the use of raw materials and ensuring minimal waste occurs. Managers utilize numerous formulas such as the economic order quantity formula to determine when and how large of an inventory order to process and how much inventory to hold on hand.

Operations and Supply Chain Management

Operations and Supply Chain Management (OSCM) includes an area that covers both manufacturing and service industries, involving the functions of sourcing, materials management, operations planning, distribution, logistics, retail, demand forecasting, order fulfillment, and more. It covers everything along the path goods travel from suppliers to eventual consumers. A supply chain is involved in processing or using these materials or even providing services to customers using these materials. Professionals in these fields also work with processes and increasing efficiencies with processes. Operations and supply chain professionals have a place in all of these environments.

In smaller organizations, there can be overlap between operations and supply chain management. One person or department can manage or play a role in both supply chain and operations. In part this is because Supply Chain Management has become more complex over time and the demand for highly trained professionals has emerged.

Previously, the roles in SCM were handled by Operation's professionals. Both positions require leadership, goal setting, organization, finance, and decision making. Managers in both areas oversee people, parts, and supplies. They both require the ability to

communicate across departments internally and externally, to lead people and teams, and to manage human capital.

Operations management can be strategic, tactical and operational. The major difference between supply chain management and operations management is that supply chain is mainly concerned with what happens outside the company obtaining materials and delivering products while operations management is concerned with what happens inside the company.

Review of Literature

Jain et al (2010) This study integrated the concept of extended enterprise and the supply chain is now manifest as the collaborative supply chain across intercompany borders to maximize the value across the entire supply chain. A large number of research papers have been published in various journals in last two decades. In this paper an attempt is made to review the status of literature on Supply Chain Management. A literature classification scheme is proposed. A total of 588 articles from 13 refereed academic journals are classified into articles in five methodologies i.e. Exploratory, Normative, Methodology, Literature Review and Hypothesis testing. This literature review finds that exploratory type of research is most preferred and expected with the maturity of SCM the hypothesis testing method will pick up. The articles are further categorized in fifteen categories on the basis of content analysis. Based on this review, some possible research issues are identified.

Ganeshan and Harrison (1995) has defined SCM as a network of facilities and distribution options that performs the functions of procurement of materials, transformation of these materials into intermediate and finished products, and the distribution of these finished products to customers.

Lee & Corey (1995) stated that SCM consists of the integration activities taking place among a network of facilities that procure raw material, transform them into intermediate goods and then final products, & deliver products to customers through a distribution system.

Christopher (1998) defined the supply chain as the network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of the ultimate customer.

Aziz and Sherzod (2014) Supply chain Management has assumed a significant role in firm's performance and has attracted serious research attention over the last few years. In this paper attempt has been made to review the literature on Supply Chain Management. A literature review reveals a considerable spurt in research in theory and practice of SCM. They have presented a literature review of 29 research papers for the period between 2005 and 2011. The aim of this study was to provide an up-to-date and brief review of the SCM literature that was focused on broad areas of the SCM concept.

Vishal Parmar and Shah (2016) Objective of the study is to identify barriers of supply chain management (SCM) in manufacturing organization through systematic literature review of past ten years and identify most critical barriers which hinder the performance of supply chain. This paper has identified 23 key SCM barriers which help industrial practitioners and academic experts to implement SCM effectively. Nowadays manufacturing organizations are competing based of supply chain to supply chain rather than organization to organization. Effective supply chain management helps organization in securing its position in this competitive environment and improving organizations performance.

Schiraldi et al (2013) the study investigate the possible relationships among some optimization techniques used in Operations Management and the performance of SMEs that operate in the manufacturing sector. A model based on the Structural Equation

Modeling (SEM) approach is used to analyse a dataset of small and medium-sized Italian enterprises. The model is expressed by a system of simultaneous equations and is solved through regression analysis. Taking advantage of the contributions presented previously, the research focus on the Italian economy, highlighting the importance of Operations Management practices, which are relevant drivers of these firms' performances.

Sarahet al (2018) literature review on quality and operations management problems in food supply chains. In food industry, the quality of the food products declines over time and should be addressed in the supply chain operations management. Managing food supply chains with operations management methods not only generates economic benefit, but also contributes to environmental and social benefits. The literature on this topic has been burgeoning in the past few years. Since 2005, more than 100 articles have been published on this topic in major operations research and management science journals. In this literature review, they concentrate on the quantitative models in this research field and classify the related articles into four categories, that is, storage problems, distribution problems, marketing problems, and food traceability and safety problems.

Objective of the Study

➤ To study the evaluation of supply chain function of operations management in retail service sector.

Research Design

Descriptive research design adopted for this study. Formulating objectives, designing the methods of data collection, selecting the sample, collecting, processing, analyzing and reporting the data comes under this research design.

Sampling technique

Stratified random sampling was followed for this study by using simple random sampling. The sample size is 50 for this article.

Method of Data Collection

The study has covered both primary and secondary data collection methods.

Primary Data

The primary data collection method was used for collecting the data by using the structured questionnaire. The data was directly from the employees in retail service sector.

Secondary Data

The secondary data was collected from the library, journals, internet etc.

Statistical tools

The data was analysed by using correlation and one way ANOVA.

Data Analysis and Interpretation

Table – 1: Correlation table for opinion of the respondents about Supply chain management function and Operations Management

Factor	Mean	Std. Deviation	N
Supply chain management function	55.14	8.244	50
Operations Management	79.22	10.450	50

Correlation

Factor		Supply chain management function	Operations Management
Supply chain management function	Pearson Correlation	1	.555**
	Sig. (2.tailed)		.000
	N	50	50
Operations	Pearson Correlation	.555**	1

Management	Sig. (2.tailed)	.000	
	N	50	50

Interpretation

Ho: The correlation between the opinion of the respondents about Supply chain management function and Operations Management is not significant.

The above table shows the comparison of Supply chain management function and Operations Management of service sector. The identified mean value for the Supply chain management function is 55.14. The mean value for Operations Management, 79.22 is higher than Supply chain management function.

The correlation coefficient $r = 0.555$ and the corresponding p value is 0.000. Since p value is smaller than 0.05, the correlation coefficient r is significant which means that the hypothesis is rejected.

Table – 2: One way ANOVA table for opinion of the respondents about Supply chain management function and Operations Management based on their educational qualifications.

Factor	Educational Qualification	N	Mean	Std. Deviation	Df	Mean Square	F	Sig.
Supply chain management function	Diploma	2	56.00	1.414	3	69.847	1.030	.388
	Graduate	13	51.77	7.474				
	Post graduate	27	56.63	8.984				
	Others	8	55.38	7.070				
	Total	50	55.14	8.244				
Operations Management	Diploma	2	67.50	10.607	3	194.501	1.776	.165
	Graduate	13	72.31	8.270				
	Post graduate	27	78.93	12.035				
	Others	8	78.63	6.948				
	Total	50	76.70	10.710				

Interpretation

Ho: The mean scores of the opinion about Supply chain management function do not differ significantly between the different groups of supervisor based on their educational qualifications.

Ha: The mean score of the opinion about Supply chain management function differ significantly between the different groups of supervisor based on their educational qualifications.

It is observed from the table that the mean value of the score of opinion about Supply chain management function is almost equal. Also the f value is 1.03 with a corresponding $p = 0.388$ which is higher than 0.05. Hence the null hypothesis of equal mean score is accepted.

In case the opinion about Supply chain management function and Operations Management, the null hypothesis is,

Ho: There is no significant difference between the average values of scores of opinion about Operations Management and educational qualifications of the respondents.

Here all the mean values are close to 70. Also the f statistics value is $f = 1.777$ with a corresponding p value $p = 0.165$. Since the p value is greater than 0.05, the null hypothesis is accepted. This implies that the average scores of opinion about Operations Management do not differ significantly between the groups of supervisor with different educational qualification.

Conclusion

Supply Chain Management plays an important role in organized retailing. There is huge potential for the growth of organized retailing in India. The study has been conducted to know the evaluation of supply chain management functions and operations management in retail service sector. By using supply chain management practices each and every nook and corner can be reached easily. In this era of globalization, there is increased focus on supply of good quality products to the end customers.

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