IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT AND ITS IMPACT ON ORGANIZATIONAL EFFECTIVENESS

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ABSTRACT

This study deals with the ‘Effectiveness of supply chain management with relation to supplier and customer relationship with TI Cycles of India, Chennai. With the advancement of knowledge and communication technologies, the supply chain management system has been considered a strategic tool for the firm to enhance its efficiency and competitiveness. The availability chain management has become value creation for the organization.

An effective supply chain management system minimizes cost, waste, and time within the production cycle. The higher and simpler a company’s supply chain management is, the higher it protects its business reputation and long-term sustainability.

The main purpose is to review the supply chain management process and its effectiveness on the overall performance of the organization which helps to work out Supplier and customer relationship of the organization, to drive outstanding customer value, enhance organizational performance, improve quality and reduce the delay of products.

The type of research chosen for this study is descriptive research. Primary data was obtained by mean of questionnaires. The questionnaire was prepared and distributed to the suppliers and customers. Secondary Data needed for conducting research work were collected from the company website. The statistical tools adopted within the research are the Simple Percentage Method, a method Anova, Co-Efficient of Correlation, T-Test, and Weighted Average Method. The results show that effectively managed supply chains bring significant improvement in organizational performance. Generally, the supplier and organization need to maintain a good relationship with in time supply of materials and to attain profitability. The management must provide a separate framework and clear objectives to the employees in order to achieve efficient Results.

Keywords: Supply chain management, Supplier and customer relationship, Supply chain process,

I. INTRODUCTION

Supply chain management may be a systematic approach to managing the distribution of products from producers of raw materials, through manufacturers, and eventually right down to end-users. Supply chain management affects the organization including the supply of inputs needed for production processes, costs, and profitability of manufactured items, company infrastructure, and ways during which companies interact with their suppliers and customers.

The supply chain management for the manufacturing industry, two things are very crucial to the success of the organization – time and money. One mistake or setback can cost a corporation thousands or maybe many dollars, counting on the size of the operation and therefore the severity of the error. To avoid these costly and time-consuming mistakes, manufacturers got to specialize in their supply chain management (SCM) – which helps manufacturers to form their supply chain efficient.

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Supply chain management creates a variety of advantages that translate to higher profits, better brand image, and greater competitive advantage. These include the following:

* Better supply chain visibility, risk management, and predictive capabilities
* Fewer process inefficiencies and fewer product waste
* Improvements in quality
* Lower overhead
* Improvements in cash flow
* More efficient logistics.

Supply chains are often relatively complicated to manage, their complexity varying, hooked into the business's size and therefore the type and number of things manufactured. Efficient supply chain management is crucial since the network of interconnected businesses must liaise smoothly, the aim being to supply products and services to consumers in a cost-effective and professional manner. Most components of supply chain management are planning, developing, manufacturing, and delivering the things or services.

- In the planning stage of supply chain management a technique must be developed not only to satisfy customers' needs but also to make sure the business venture is profitable. A serious part of the design process involves developing a group of metrics that will monitor the efficiency and quality of the availability chain.

- In the developing phase the availability chain management helps to create a robust relationship with the suppliers, identifying those that are reliable and planning the methods of payment, shipping, and delivery.

- At the manufacturing stage, the merchandise must be tested, packaged and its delivery scheduled. In terms of supply chain management, this is often the foremost metric-intensive stage, as businesses must be ready to measure the assembly output, the product's quality level, and worker productivity.

In the manufacturing industry especially, effective supply chain management ensures that the required raw materials reach the assembly sites on time. Production can grind to a halt, with assembly lines lying dormant and therefore the workforce inactive if the raw materials are consistently arriving late.

This can leave a corporation unable to fulfill orders on time, or being forced to get materials from another source at short notice, perhaps leading to a lower margin of profit.

II. OBJECTIVES

- To study supply chain management process and its effectiveness on the overall performance of the organization.

- To determine Supplier and customer relationship of the organization.

- To drive outstanding customer value.

- To improve quality and reduce the delay of products.

III. NEED AND SCOPE OF THE STUDY

- It works on strengthening the relationship between the suppliers and the organization. Proper supply chain process enables timely procurement of all required raw materials from suppliers.
For every organisation distribution of their products at the right time, at the place may be complex task. SCM stimulates the distribution system of an organization and coordinates with various transportation channels for attaining faster movement of goods.

SCM helps the organization by providing better service to customers. It properly anticipates the customer needs before production. It monitors all business operations and ensure the quality of product being produced with best combination of resources.

IV. REVIEW OF LITERATURE

This paper deals with customer relationship management in the furniture and other forest products business. In this study, it had been investigated that Pre-sales, during sales, and after-sales practices which is a crucial a part of customer relationship management. In addition, it was investigated whether average points of CRM implementation levels according to demographic characteristics of employees are the same or different. As a result, it was found that CRM is given in accordance with the budget and facilities in the business and increased the emphasis on modern marketing concepts for institutionalization and the growth of business [1].

This study attempts within the manufacturing sector to deal with the impact of supplier relationship management (SRM) on competitive performance. They measure SRM through five main practices: supplier quality improvement, trust-based relationship with suppliers, supplier lead time reduction, supplier collaboration in new product development, and supplier partnership/development. They measure competitive performance through cost, quality, flexibility, delivery, and on-time product launch. The result shows that two practices of SRM, Supplier partnership, and supplier lead time reduced significantly and positively affect the competitive performance of the buying firms[2].

This paper identifies commonly faced supply chain problems by manufacturing firms and their impact on pricing strategy. A set of solutions are suggested to overcome the problem, further, the applicability of each of these solutions significantly depends on their social ramifications that are systematically evaluated. The solution to the manufacturing industry for effective SCM is the embracement of new technologies, specifically e-manufacturing and installing risk management culture[3].

This research aimed to deal with the impact of product variety on business function performance and to manage that impact on supply chain performance qualified by the level of product customization. The further research aimed to find difference between the focus on variety-related strategies and supply chain performance according to the level of customization. The results provide support and contradict exiting views on product variety-related issues[4].

V. COMPANY PROFILE

TI Cycles was established by the Murugappa Group in the year 1949, in collaboration with Tube Investments, UK. The first Hercules bicycle rolled out in 1951. Three more brands were added to the portfolio - Phillips in 1959, BSA in 1964 and Montra in 2011.

Today, TI Cycles is the leader in the ‘specials’ segment. The energy of the company can be felt nationwide, thanks to a network of around 1,500 primary dealers and 10,000 secondary dealers.

TI Cycles has the capacity to manufacture 4 million cycles a year at 3 plants across India - Chennai in the South, Nasik in the West and Noida in the North. This is supported by 4 zonal offices and 4 warehouses across the country.

TI Cycles has been at the forefront of personal mobility solutions for over 6 decades and has gone from being a pioneer in bicycle manufacture and design to a complete mobility and well-being expert. Standing for the core promise of fun, fitness and freedom, TI Cycles offers consumers a range of bicycles, e-scooters, fitness equipment and infant mobility solutions.

Known best for its flagship bicycle brands, BSA, Hercules and Montra, TI Cycles has practically created and perfected every new cycle category in the country. The first MTB, the first geared bike, the first Shox model, the

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first girls’ bike, the first kids’ bike, the first light roadster and the first carbon frame bike were all introduced by TI Cycles.

TI Cycles has constantly come up with new trends to suit evolving consumer needs. With the changing retail environment, TI Cycles has introduced BSA Hercules exclusive stores, which have revolutionised the bicycle outlet in India. A one-stop premium shop for all bicycling and fitness requirements, the exclusive stores have a customer-friendly ambience and serves as a model for other bicycle outlets in the country. TI Cycles has also launched urban and rural Hercules BSA Zone formats in the retail segment. A new initiative, Track and Trail, offers an international range of bikes for the discerning cyclist. Faster, lighter and stronger than any cycle every created in India, Montra brings international standard carbon frame bike ingeniously manufactured for the first time in India.

A pioneer in the Cycles market, TI Cycles, formed in 1949, has constantly come up with new trends in line with evolving consumer needs. TI Cycles’ vision is “To be the most preferred brand in fitness, recreation & personal mobility solutions”. It strives to give its customers not only a bicycle but a lifetime experience.

TI Cycles have introduced fun and entertaining stores across the length and breadth of India. The company has been proactive and was first Bicycle Company to change the cycle retail landscape, both in urban and rural areas. With the first urban store in 2007, Hercules is sold in over 200 exclusive urban stores known as 'BSA Hercules Exclusive Stores' which have revolutionised the way people buy bicycles in India. These stores are a one-stop premium shop for all Hercules, BSA & Montra products and have a customer friendly ambience which serves as a model for other bicycle outlets in the country.

In 2010, the company started “Hercules BSA Cycles” to provide the urban retail buying experience in smaller towns. In just over a year’s time, there are over 200 of these rural stores. For its retail innovation, the company recently received the certificate of appreciation for 'Excellence in Rural Retailing' at the ET Retail Awards 2011.TI Cycles is a quality and customer centric organization. Recently, the company has entered the growing e-scooter and fitness equipment segment in order to cater to the contemporary consumer needs.

Living up to its dynamic vision of going beyond just bicycles, TI Cycles has also made a foray into Fitness and Infants under the brands of BSA Workouts and BSA Toddlers respectively.

In keeping with its visionary status, TI Cycles is ready to ride the trends of the future, whether they are in new products, and new areas of business or retail. And it is now more set than ever to fulfill its core promise of fun, fitness and freedom for all.

Vision Statement:
No one should lose business with whom you do business, so the company will be successful.

Mission Statement:
Ethical norms in dealing with all the stakeholders. Provide value of money to customers through quality and services. Treat employees with respect; provide opportunity to learn innovativeness and creativity in business.

Ti cycle credo:

THE ONLY LANGUAGE - PRODUCTION
THE ONLY CREED - QUALITY
THE ONLY RELIGION - PRODUCTIVITY
THE ONLY DIRECTION - GROWTH
THE ONLY ETHOS - EXCELLENCE

VI. DESCRIPTIVE AND INFERENTIAL ANALYSIS

1) Data Representation of awareness of TI Cycles of India (BSA, HERCULES Cycles)?
Table No: 1 Data Representation on awareness of TI Cycles of India

<table>
<thead>
<tr>
<th>S.No</th>
<th>Awareness of TI Cycles of India</th>
<th>No. Of Respondents</th>
<th>Percentage Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>58</td>
<td>90.6%</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>6</td>
<td>9.4%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>64</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table No: 2 Data Representation on popularity of brand

<table>
<thead>
<tr>
<th>S.No</th>
<th>Popularity of Brand</th>
<th>No. Of Respondents</th>
<th>Percentage Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TI Cycles of India</td>
<td>34</td>
<td>53.1%</td>
</tr>
<tr>
<td>2</td>
<td>HERO</td>
<td>21</td>
<td>32.8%</td>
</tr>
<tr>
<td>3</td>
<td>Atlas</td>
<td>8</td>
<td>12.5%</td>
</tr>
<tr>
<td>4</td>
<td>Avon</td>
<td>1</td>
<td>1.6%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>64</td>
<td>100%</td>
</tr>
</tbody>
</table>

From Fig No: 1, it is inferred that 90.6% of the respondents are aware of TI Cycles of India.

2) Data Representation of popularity of brand

From Fig No: 2, it is inferred that 53.10% of the respondents are said that they TI Cycles of India is enjoying a good market share.

3) Analysis on relationship between money incurred for product and quality of product
Correlation analysis is the statistical tool used to measure the degree to which two variables are linearly related to each other. Correlation measures the degree of association between two variables. In this study, the correlation analysis is used to measure the degree of association between money incurred for product and the quality of the product. Spearman’s rho correlation analysis is used.

Null hypothesis (Ho):
There is positive relationship between money incurred for product and quality of product.

Alternate hypothesis (H1):
There is negative relationship between money incurred for product and quality of product.

Null hypothesis (Ho):
There is positive relationship between money incurred for product and quality of product.

Alternate hypothesis (H1):
There is negative relationship between money incurred for product and quality of product.

Correlations table:

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Money incurred for product</th>
<th>Quality of product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spearman’s rho</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>N</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Quality of product</td>
<td>Correlation Coefficient</td>
<td>.811*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>&lt;.001</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>62</td>
<td>62</td>
</tr>
</tbody>
</table>

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

Fig No: 3 Output table of correlation analysis

Fig. 3 shows the result of correlation analysis in SPSS. Since r value is positive, there is a positive relationship between the money incurred for product and quality of product. The results show that TI Cycles of India providing best quality of product with reasonable price. The significant level of the above study is 0.01 which is less than 0.05.

4) Analysis on association between customer needs and customer expectation

In this study, the correlation analysis is used to measure the degree of association between organization considering the customer needs and cycles fulfilling customer’s expectation. Kendall’s tau_b correlation analysis is used.

Null hypothesis (Ho):
There is positive relationship between organization considering the customer needs and cycles fulfilling customer’s expectation.

Alternate hypothesis (H1):
There is negative relationship between organization considering the customer needs and cycles fulfilling customer’s expectation.

Correlations table:

<table>
<thead>
<tr>
<th>Correlations</th>
<th>CUSTOMER NEEDS</th>
<th>EXPECTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kendall’s tau_b</td>
<td>Correlation Coefficient</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>N</td>
<td>62</td>
<td>62</td>
</tr>
</tbody>
</table>

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

Fig. 4 Output table of correlation analysis

Fig. 4 shows the result of correlation analysis in SPSS. Since r value is positive, there is a positive relationship between the organization considering the customer needs and cycles fulfilling customer’s expectation. The results show that TI Cycles of India considering the customer’s needs and the cycles fulfilling customer expectation. The significant level of the above study is 0.01 which is less than 0.05.
5) Data representation of supplier’s satisfaction towards TI Cycles of India

<table>
<thead>
<tr>
<th>S.No</th>
<th>Supplier Satisfaction</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strongly Agree</td>
<td>56.3%</td>
</tr>
<tr>
<td>2</td>
<td>Agree</td>
<td>31.3%</td>
</tr>
<tr>
<td>3</td>
<td>Neutral</td>
<td>12.5%</td>
</tr>
<tr>
<td>4</td>
<td>Disagree</td>
<td>0%</td>
</tr>
<tr>
<td>5</td>
<td>Strongly Disagree</td>
<td>0%</td>
</tr>
</tbody>
</table>

Total 100%

Table No: 3 Data Representation of supplier’s satisfaction

From Fig No: 1, it is inferred that 56.30% of the respondents are satisfied with the relationship built with TI Cycles of India.

VII. CONCLUSION

Effectiveness of Supply Chain Process and its relationship between the supplier and the organization and the relationship with the customer reveals the positive result towards the organization. The factors which add the positive things are price, quality, service and ordering process so on.

During this study, I absorbed that TI Cycles of India has got a good supply chain management system but with some problems like lack of technology, high transporation cost, location disadvantage. As my observation I suggest to implement management information system in the organization to have a quick and uninterrupted work, to deal with transportation constraints and cost it should explore proper movement of materials.

With the image created as a producer of high quality durable product, the company is in a position to launch mopeds/scooterettes in the domestic market to keep pace with current trends. It may even be easier for it to find a technology provider as collaborator and come up with the products with technical superior.

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