

IMPACT OF ORGANIZATION'S ACTIVITIES ON PERFORMANCE OF SERVICE CHAIN MANAGEMENT

Amir Ganjeh Khosravi

M.A. Student of Executive Management, Islamic Azad University, Rasht Branch, Rasht, Iran

E- mail: amirganjeei93@gmail.com

Shahram Gilaninia

Associate Professor, Department of Industrial Management, Islamic Azad University, Rasht Branch, Rasht, Iran

Corresponding E- mail: drgilaninia45@gmail.com

Abstract

The secret of the survival of today's organizations lies in understanding the needs of customers and responding quickly to these needs. This is possible through improvement in organizing supply chain. A supply chain involves a manufacturer, one or more suppliers, distribution centers and retailers that provide diverse customer service. The goal of all companies and organizations operating in the supply chain is increasing competitiveness. The short-term goal of supply chain management is primarily to increase productivity, reduce inventory and cycle time. While long-term goal is to increase customer satisfaction, market share and profit for all organizations involved in the supply chain. There is strict coordination between the organizations involved in the supply chain as well as the related information flows through improved chain relationships to achieve competitive advantage.

Keywords: Supply Chain, Performance, Services, Activities of Organization

Introduction

Over the past two decades, executives have witnessed a period of dramatic global change, due to advances in technology, the globalization of markets and new conditions of political economy. With the growing number of world-class competitors, organizations were forced to improve intra-organizational process to stay in the global competition. In the 1960s, organizations were committed to developing detailed market strategies. They realized that robust engineering, design, and coherent production operations were a prerequisite for achieving market requirements and thus a greater market share. Therefore, designers were forced to incorporate the ideals and requirements of their customers into the design of their products and in fact, provide a product with the maximum possible quality level, at a minimum cost, along with the desired customer ideals to the market. In the 1980s, with increasing diversity in customer-oriented patterns, manufacturing organizations increasingly became interested in increasing the flexibility of production lines, improving existing products and processes, and developing new products to satisfy customers. This, in turn, has brought new challenges to them.

In the 1990s, along with improving manufacturing capabilities, industry managers realized that the materials and services received from different suppliers had a significant impact on increasing the organization's ability to meet customer requirements, which, in turn, has had a drastic impact on the organization's focus and supply bases and source strategies. Managers also found that the mere production of a quality product was not enough; in fact, supplying products with the criteria of the customer (when, where, how), and with the quality and cost of them create new challenges. In such a situation, as a conclusion of the changes, they found that these changes were not enough to manage their organization in the long term. They should be involved in managing the network of all the factories and companies that directly and indirectly supply their organization's inputs, as well as the network of companies associated with the delivery and after-sales service to Customer (Gilaninia & et al, 2011). With such an attitude, create supply chain approaches and management. On the other hand, with the rapid development of information technology in recent years and its widespread use in supply chain management, many key chain management activities are doing with new methods (Cox, 1999). The concept of the value chain based on the formulation of supply chain network including a fundamental nature which are required to provide resources and information to achieve effective management goals at suppliers. In the B2B market, many suppliers should have the ability to provide a level of delivery ability that is consistent with their business customers.

Suppliers, who can handle such delivery capacity, can win the supply contract. The optimal delivery operation can be achieved with the effective and efficient use of the resource planning system of the institution, which can provide a better information flow in a supply chain under the conditions of skilled and completed labor with supply chain management. This advantage can also be released to the demand chain in response to customer service operations in markets business to customer (B2C). Under the pressure of the source such a service can be handled by a backup server outside the company.

Delon and McLean states that the use of the system as a measure of success has been proposed in many conceptual models of information systems and empirical studies. This structure has been measured as the true application and reported (Fuerst&Cheney,1979; Raymond,1985). Another dimension measured is who actually uses the system? Executive executives (Delone, 1988) or corporate supervisors (Raymond, 1985). Delone and McLean report that application has been studied at various levels. For example, Van Lummel and Debarband in 1975 discuss four levels of application: receiving instructions, recording data, controlling, and planning. According to studies of Delon and McLean, organizational impacts do not have a transparent and well-defined measurement variable.

The relevant criteria can be categorized into three different topics: studies benefited from profit, studies benefited from productivity, studies used cost / benefit analysis. Of these three types of studies, one or more criteria are selected for operating organizational effects. Ben Bassat and Dexter (1985: 1986), for example, have used profit and performance of profit to measure organizational impacts. Miller (1987) and Reavard (1984) have used cost / benefit analysis to study the success of information systems. Edelman (1981) uses productivity as his outcomes, and the overall organizational effectiveness is considered to preferred outcome of Millman. Basically, variables of organizational impact have a duty to measure how information effects on overall performance, reduce or eliminate costs, gain productivity, problem solving, company earnings, sales and return on investment, as well as cost / benefit analysis.

Statement of Problem

The purpose of (SCM) is clearly the supply chain; a network of organizations that are with communication of upstream to downstream, engage in activities, and create value in the form of products and services provided to the ultimate customer. A supply chain involves all facilities, tasks, and activities that are involved in the production and delivery of a product or service, from suppliers (and their suppliers) to customers (and their customers). It includes the planning and management of supply and demand; procurement of materials; production and scheduling of products or

services; warehousing; inventory control and distribution; delivery and service to the customer. Supply chain management coordinates all these activities so that customers can obtain high quality products and reliable services at a minimum cost. In turn, supply chain management can provide the company with competitive advantage (Gilaninia & Shah Mohammadi, 2016). Facilities in the supply chain include factories, warehouses, distribution centers, service centers and retail operations. Goods and services can be distributed by rail, truck, water, air, pipeline, computer, post, telephone or by person. Tasks and tasks within the supply chain include the forecast of the demand for goods or services, the selection of suppliers (source supply), the ordering of materials and supplies (procurement), inventory control, production planning, send and delivery, information management, quality management and service to customer.

Supply chain management is equivalent to coordinating all of the operations of a company, the operations of its suppliers and customers. More broadly, a supply chain consists of two or more organizations that are legally separate and linked to the flow of materials, information, and finance (Attar & et al, 2016). These organizations can be companies that produce components, parts, and end products and even include the providers of supply and distribution (logistics) and the customer itself (final). A network does not focus only on the flow inside a chain (single), but it works on converging and divergent complex networks. These networks cover a large number of different customer orders that must be met in parallel. In order to reduce complexity, a supposed organization can focus only on a part of a full supply chain. According to the stated content, the following model can be applied to study impact of organization's activities on performance of service chain management.

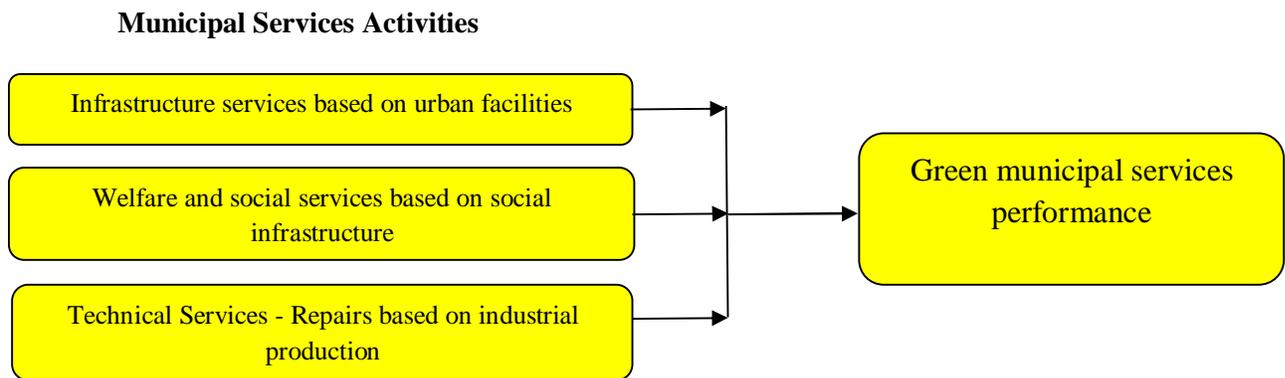


Figure 1. Conceptual model of research based on the results of exploratory studies and interviews, researcher made (Gilaninia & et al, 2017)

Therefore, considering the above model, research hypotheses are expressed as follows:

- Infrastructure services based on urban facilities affects green municipal services performance.
- Welfare and social services based on social infrastructure affects green municipal services performance.
- Technical services - repairs based on industrial production affects green municipal services performance.

More precisely, the term of supply chain applies to large companies that are often located in several different locations and countries. Coordination of material, information and financial flows for multinational corporations is an effective method that is considered still a difficult task. However, if these locations are part of a large organization or a level of top management, decision-making will be easier. In the broadest concept, the supply chain is also called inter-

organizational supply chain while the term of "intra-organizational" refers to a specific concept of the supply chain. Regardless of this division, there must be coordination between various duty units such as marketing, production, purchase, supply and distribution (logistics) and finance. Of course, in today's companies, such preconditions (inter-organizational and intra-organizational) are not important. The goal of all companies and organizations operating in the supply chain is increasing competitiveness. The reason is that today, from the perspective of the end-customer, it is not responsible for the competitiveness of its products or services and this rarely happens, and the supply chain considers all organizations together. Therefore, competition from single companies has shifted to supply chains. Specifically, convincing a single company, in the case of being part of a supply chain, requires a win-win situation for each of its partners in the long term while this will not happen to anyone in the short term. To provide superior customer service is the barrier that usually exists to improve competitiveness.

Most manufacturing companies are designed as networks of production and distribution sites. One of their duties is to supply raw materials, turn them into finished and intermediate products, and then deliver them to customers. Supply chain management runs these networks. The short-term goal of supply chain management is primarily to increase productivity, reduce inventory and cycle time. While long-term goal is to increase customer satisfaction, market share and profit for all organizations involved in the supply chain. There is strict coordination between the organizations involved in the supply chain as well as the related information flows through improved chain relationships to achieve competitive advantage.

Discussion and Conclusion

Supply chain management involves all movements and storage of raw materials, inventory during work, and finished product from the start point to the end point of consumption. Supply chain management is an integration approach for planning and controlling materials and information that flows from suppliers to customers. The goal of all companies and organizations operating in the supply chain is increasing competitiveness. The reason is that today, from the perspective of the end-customer, it is not responsible for the competitiveness of its products or services and this rarely happens, and the supply chain considers all organizations together.

A supply chain involves all facilities, tasks, and activities that are involved in the production and delivery of a product or service, from suppliers (and their suppliers) to customers (and their customers). It includes the planning and management of supply and demand; procurement of materials; production and scheduling of products or services; warehousing; inventory control and distribution; delivery and service to the customer. Supply chain management coordinates all these activities so that customers can obtain high quality products and reliable services at a minimum cost. In turn, supply chain management can provide competitive advantage for company.

References

- Attar,M; Gilaninia,Sh; Homayounfar,M.(2016). A Study of the Effect of Green Supply Chain Management's Components on the Performance of the Pharmaceutical Distribution Companies System in Iran, *Journal of Arabian Journal of Business and Management Review (Oman Chapter)*,vol.5; issue.8, pp: 48-54.
- Cox, A. (1999). A Research agenda for supply chain and business management thinking. *Supply Chain Management: An International Journal*, 4(4): 1999.
- Delone, W.H. (1988), "Determinants of success for computer usage in small business", *MIS Quarterly*, Vol. 12 No. 1, pp. 51-61.
- Fuerst, W. and Cheney, P. (1982), "Factors affecting the perceived utilization of computer-based decision support systems in the oil industry", *Decision Sciences*, Vol. 13 No. 4, pp. 554-69.
- Gilaninia, Sh.(2017). A Conceptual Model: The Chain of Quality of Work Life, *Journal of Kuwait Chapter of the Arabian Journal of Business and Management Review*, vol.6; issue.5; pp: 44-58.

- Gilaninia,Sh; Danesh, SYS; Mousavian, SJ.(2011). Effective Factors in Green Supply Chain Management and Natural Environment Developed in Iran Tourism Industry: The Case of Small and Medium Tour Operators, International Journal of Business Administration, vol.2; issue.2; pp: 155-166.
- Gilaninia,Sh; Shah Mohammadi,S.(2016). A Review of the Role of Green Supply Chain on Performance of Tourism Enterprises, Journal of Kuwait Chapter of Arabian Journal of Business and Management Review,vol.6; issue.4, pp: 37-42.
- Millman, Zeeva, & Hartwick, Jon (1987). The impact of automated office systems on middle managers and their work MIS Quarterly, 11(4), 479-491.
- Raymond, L. (1987), "Validating and applying user satisfaction as a measure of MIS success in small organisations", Information & Management, Vol. 12, pp. 173-9.