

# **Paper Title: Factors Affecting Supply Chain in Al-Wefag Food Company**

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## **Summary**

The purpose of this research is to investigate the effect of Three different factors in supply chain on alwefag food company's performance. The research initially reviews previous studies conducted on this topic and based on these literatures, the research methodology is designed. The hypotheses of the research paper indicate the relationship between the selected variables and food manufacturing companies' performance. The independent variables are time Response, information Feasibility, and flexibility. To examine the theoretical and hypotheses of the research, a questionnaire was conducted. The gathered data from the survey had been evaluated by applying SPSS technique findings are presented and discussed to support the research hypotheses and help to manage the selected factors in order to obtain better results in companies.

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## **Introduction**

Supply chain management (SCM) is one of the performance effects in any organization. It is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers. SCM spans all manufacturing movement and storage of raw materials, work-in-process inventory, and finished goods from point -of-origin to point-of-consumption. The SCM philosophy seems to be originated from Hobbs (1996) organizational extension theory. Hobbs' theory was developed within a marketing framework, advocated extending the company include all members of the distribution channel, conceptually similar to Porter's Value System (Porter, 2000). Supply Chain Management is the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers. SCM spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point -of-origin to point-of-consumption.

## **Research Objectives:**

The purpose of this research is to study how the different factors in supply chain management affecting the food manufacturing companies' performance. Several articles have been written to compare and analyze different factors that influence the supply chain performance and eventually food manufacturing companies' performance. In this research, numbers of variables mostly argued by previous authors are selected as variables affecting the supply chain and food manufacturing companies' performance. Articles on performance measurement systems have

also been studied and compared to obtain better result and clearer understanding. Outcome of the research will be used as a comparison among the factors affecting the Alwefag food company's performance and subsequently to draw a conclusion on how to manage these factors in order to obtain better results in an organization.

**Significant Importance:**

Supply chain management is one of the major issues in manufacturing and business for the last three decades. Over the years, several studies have been conducted to demonstrate the effect of supply chain management in different industries and numerous articles have been published to examine different issues dealing with SCM. Practicing supply chain management in industry gives benefits to a company in terms of utilizing labour, machine, method and materials. This study attempts to show how considering important factors in the supply chain can affect a company and how it can be managed to improve performance. (Burnes, B. and New S. 1996) stated that the implementation of SCM gives various benefits to the organization. In order to reach maximum benefits in money consideration, each plant have to achieve these benefits:

- Reduced inventory.
- Improved quality.
- Lowering the costs.
- Reduced space requirements.
- Shorter lead time.
- Increased productivity

**Research Method**

Literature review will show the efforts of researchers to define performance measurement systems and analyze the effect of different variables on food manufacturing companies' performance. In this research, Three variables have been chosen to measure performance in supply chain and a conceptual framework will be introduced to investigate the relationship between these factors and the food manufacturing companies' performance. The independent variables adopted will be time, Information Feasibility, and flexibility; meanwhile the dependent variables will be the food manufacturing companies' performance. The authors suggest the following framework to investigate the relationship among the variables and effect of these factors on food manufacturing companies' performance.

**Theoretical Model**

There have been several studies on this topic and different variables were chosen and compared to measure performance. This paper does not base on a specific research conducted before, instead it is a comparison of previous studies and attempts to use variables which suggested frequently by other authors and seemed to influence food manufacturing companies' performance of the whole supply chain.

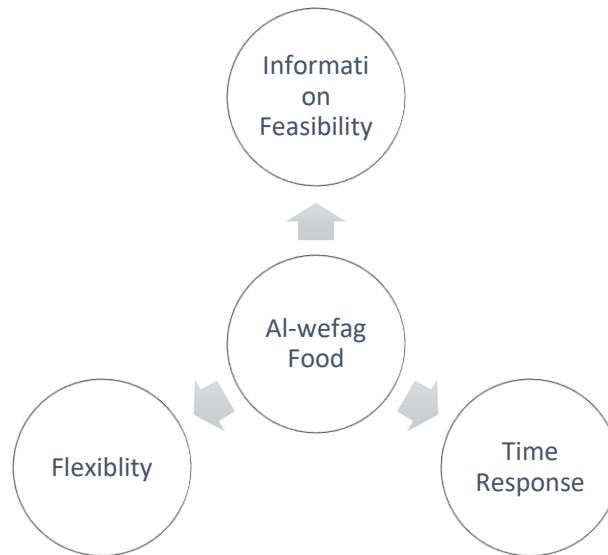


Figure 1.1

Theoretical model

In the above theoretical model, are the three factors that affecting most of the supply chain in Alwefag’s company and that is observed through my working experience for the five years I spent in the company.

**Sample**

The current study aimed to demonstrate the impact of supply chain capabilities in achieving competitive advantage in Alwefag’s food company in Jeddah Saudi Arabia. Therefore, the current chapter includes the study methodology the study society and its sample, describing the demographic variables of the study sample members, and tools Study, sources of access to information, statistical treatments used, as well as validity testing Study tool and stability. The current study is an analytical descriptive study to determine the nature of the implications of supply chain capabilities Achieve competitive advantage, determine the impact of supply chain capabilities to achieve competitive advantage in Alwefag’s food company in Jeddah.

Alwefag’s company has more than 500 employees and to be able to choose the one related is not that easy job. the departments that are under the supply chain purchasing, planning, logistics and customer services.

Other departments that are related such as finance and sales. those could be as well one of the respondents to be questioned and surveyed. The data collection was implemented on gradual basis by the help of colleagues as well. It took around two weeks. I have at first chosen my direct department managers as I have close relationship to them. Then I started by Planning, warehousing and customer services. Finally, the finance team and the sales departments. There is some limitation to the collection of data were experienced. By looking at the limitation of time and access, the sample size are deemed to be sufficient for the generalization of the research, though a larger sample size is more desirable and may lead to more optimum results.

## Result

This research paper was conducted in order to discover the importance of some factors in supply chain management and their effect on food manufacturing companies' performance. The research considered how the factors such as Information Feasibility, Time Response and flexibility should be managed in the supply chain to ultimately achieve more efficient result in company as well as which of these factors are more important and significant to look after?

Although previous studies which have been reviewed indicate that all of these variables more or less affect the performance in an organization, this research paper indicated some of these variables are more important as compare to the others. According to the regression analysis as well as factor analysis conducted in the previous chapter, quality and Time Response were proven to be more effectively influencing the food manufacturing companies. The analysis of the data illustrated that managing the quality and Time Response in supply chain is more important for the companies in order for them to achieve higher performance.

According to data analysis, the researcher believes that the explanation for extracting other factors may be lie on these points.

- Some of the factors which were presented as research questions in questionnaire had correlation and may affect negatively on each other.
- Although the independent variables selected for this research paper were all supported by the literature review, may not be the preeminent combination of variables to investigate the food manufacturing companies' performance.

By considering the result of the data analysis in support of or against the research hypotheses, the hypotheses can be divided in two categories:

### Accepted Hypotheses:

**H1:** Handling the Time Response in supply chain has optimistic result on Alwefag food company.

**H2:** The healthier is the Information Feasibility distribution among the supply chain the higher will be on Alwefag food company.

### Rejected Hypotheses:

**H3:** Flexibility of the company is to the business environment changes, has positive effect.

Rejecting hypotheses illustrate the data that gathered from the respondents are not supporting the hypotheses. This may have few reasons namely:

1. The data gathered from respondent are not precise as not all of the respondents are expert Supply Chain Management.

2. Saudi industries are not enough flexible to the environment changes and adapting to new situations is not taking seriously.
3. Saudi industries and companies are not as sensitive as the developed countries to the Time Response factor and business in Saudi is running more smoothly and steady.
4. There might be correlation among independent variables and they affect each other negatively and other combinations need to be examined.

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