# Factors Affecting Supply Chain Management Effectiveness

"A Case Study on Alokozay Group of Companies"

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### **Declaration of Authorship**

I hereby certify that the work embodied in this thesis project is the result of original research and has not been submitted for a higher degree to any other university or institution.

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#### ABSTRACT

This is a primary, quantitative and explanatory study on factors impacting supply chain management effectiveness in Alokozay Group of Companies. Supply chain management is a very important activity for every company as it leads to customer satisfaction and competitiveness in the market. It todays businesses market supply chain management plays the key role in every companies success as it allows companies to deliver the products to the end user on time.

As per the findings of this study, supply chain planning is done frequently and occasionally in the target population of the study, but the company relies on a limited number of suppliers and the company is not successful in maintaining and making a long term relationship with the suppliers

The researcher recommends for the company to regularly plan for supply chain to make sure the inflow of the raw material and outflow of the finished products are done on time and without delays and should maintain a good relationship with the suppliers by meeting them regularly.

## LIST OF ACRONYMS:

- SCM Supply Chain Management
- SCMP Supply Chain Management Expert
- HR Human Resource
- RFI Request for Information
- RFP Request for Proposal
- RFQ Request for Quotation
- LOR List of Requirements
- AVL Approved Vendor List
- POS Point of Sale
- JIT Just in Time
- VMI Vendor Managed Inventory

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## CHAPTER ONE INTRODUCTION

#### **1.1INTRODUCTION:**

This study aims to examine the factors affecting supply chain management in Alokozay group of companies. Supply chain management is the management of the progression of goods and services and incorporates all procedures that change raw materials into final items. It includes the dynamic streamlining of a business' supply side exercises to amplify customer value and addition an upper hand in the commercial market.

In the age of information, organizations become dynamic and uncertain step by step and control of these organizations requires novel hierarchical and the executives' creativities (Daneshyan et al., 2014). The supply chain is a system of customers and providers (Heydari et al., 2007). The fundamental objective of each supply chain is to augment the total created esteem (Choprs, Mindle, 2001). Examination of variables impacting the supply chain of organizations in the mechanical condition is one of the essential and significant requirements for creating improvement programs.

On the other hand, business undertakings have acknowledged in the current focused condition that they can't figure out how to deal with everything all alone. Supply chain management as one of the regular issues of the most recent decades has caused significant changes in the creation segment of modern nations (Daneshyan et al., 2014). Supply chain management is known as one of the infrastructural bases of business usage on the planet. Customers' interest for high caliber and fast managements has prompted the rise of weights that didn't exist previously. In the current aggressive market, financial undertakings and assembling organizations wind up needing the board and supervision of assets and columns outside their organizations. As needs be, exercises, for example, item assembling and arranging, stock control, appropriation, conveyance, and serving customers are moved to the supply chain level (Shahbandarzadeh, Peykam, 2012).

Supply chain management is a deliberate investigation that covers the coordination and synchronization of the progression of assets in the system of providers, generation offices, dissemination focuses and customers. Chain management means to run the previously

mentioned procedure such that customers are empowered to get dependable managements or items at the most minimal expense and rapidly. Supply chain management is liable for incorporation of hierarchical units all through the supply chain and coordination of the progressions of materials, data and funds in order to fulfill the end customer's need and improve supply chain aggressiveness (Shahbandarzadeh, Peykam, 2012). With logical and objective management of the chain of providers, as the significant components of key management, it is conceivable to get upper hand. As of late, the development of new advancements and monstrous advancements in the worldwide markets has added to the need of supply chain management. Thus, various organizations need to utilize supply chain management to accomplish and set up their aggressive status. This study will examine all the factors that can impact the supply chain management of Alokozay Group of companies and will provide this agency with constructive feedbacks on its supply chain management to help them in maintaining their competitive advantage in the market.

#### **1.2 BACKGROUND OF THE STUDY:**

The 1980s was the time of changes in the frames of mind toward the job of procurement in authoritative techniques. In any case, during the 1990s the scientists were centered around the combination and strategies for perceiving buy as a progressively significant factor impacting authoritative execution (Ellram, Carr, 1994). Doorman (2002) in his incredible work on powers molding modern challenge presents buyers and providers as two of the power imperative powers. As per Porter's model, when there are less buyers in the business advertise the bartering intensity of buyers diminishes. Along these lines, providers will expand quality and decrease costs. Then again, when there are less providers, the haggling intensity of providers develops and they can decide the quality and cost of items (Akdogan, Dwmirtas, 2014).

In such manner, each venture in the market contends with providers and buyers for higher net revenue. Bowersax et al. (2002) characterize an incorporated supply chain as a multi-endeavor relationship the executives inside the system of limit restrictions, data, significant skills, capital and HR. In such conditions, the supply chain structure and system lead to endeavors to build up an operational connection between the organization and its customers just as between the organization and supply/dissemination systems. These endeavors are gone for accomplishment of upper hand. In this manner, the whole hierarchical activity (from the acquisition of raw

materials to the conveyance of items and managements to the end customers) is incorporated (Akdogan, Dwmirtas, 2014).

Supply chain is a chain that contains the entirety of the exercises related with the progression of goods and transformation of raw materials (from the early planning stage to the conveyance of the final result to the buyer) (Javadian et al., 2012). The transmission incorporates the progression of materials as well as spreads the progression of data and accounts (Houshmandi Maher et al., 2012).

A definitive objective of supply chain is to display items and managements to the end customer by setting up organizations and coordinated efforts between various organizations. In such manner, capital, data, raw material, middle goods, and such decide the type of the coordinated effort between the organizations (Tabibi, Mazlumi, 2009). As such, it could be expressed that adequacy and productivity of each organization are the results of the management execution and structure of the supply chain of that organization (Rahmani Seresht, 2008).

Generally, supply chain management (SCM) was the incorporated and composed direction of the entirety of the supply chain individuals with a mean to improve the presentation and increment the organization's gainfulness and interests. Supply chain supervisors additionally wanted fast conveyance of goods and services, decreased expenses and expanded quality. In any case, this methodology does exclude the improvement of the green supply chain idea and the importance of social expenses and ecological harms (Ansari, Sadeqi Moqadam, 2014). In the previous two decades, supply chain management has been viewed as one of the key components of rivalry and accomplishment of organizations and has drawn the consideration of numerous scientists and specialists at creation and activity the board (Choprs, Mindle, 2001). Supply chain management is centered around the coordination of supply chain exercises and data streams identified with those exercises by improving the chain relations. A definitive objective of supply chain management is to accomplish solid and dependable upper hand. Thus, supply chain management is the way toward incorporating supply chain and the related data streams by improving and planning the generation and appropriation of items in the supply chain (Vaezi, Shahraki, 2011).

#### **1.3 PROBLEM STATEMENT:**

Supply chain management productivity and adequacy has significant impact on any association's capacity to satisfy its client's needs, maintain its image and reputation, and its financial benefits. Several investigations perceive that an effective Supply Chain Management (SCM) is the strongest tool to accomplish cost advantage and a progressively gainful result for all parties in the organization (Davis, 2008). In Afghanistan companies are mostly importing raw material from outside the country and this negatively impacts their supply chain management effectiveness as it causes delays, and secondly companies are not using the most updated technology in their supply chain management of these companies and will help them to overcome all these challenges.

#### **1.4 OBJECTIVES OF THE STUDY:**

The main purposes of this research paper are:

 To investigate the effect of Customer, Supplier, Supply Chain Management Practices on supply management

#### **1.5 RESEARCH QUESTIONS:**

1. What is the extent of effect of Customer, Supplier, Supply Chain Management Practices on supply management

### **1.6 SIGNIFICANCE OF THE STUDY:**

Supply chain management is a very important activity for every company as it leads to customer satisfaction and competitiveness in the market. It todays businesses market supply chain management plays the key role in every companies success as it allows companies to deliver the products to the end user on time. In Afghanistan companies are mostly importing raw material from outside the country and this negatively impacts their supply chain management effectiveness as it causes delays, and secondly companies are not using the most updated technology in their supply chain management process. This study will allow the target population of the study and other companies to identify the factors that can positively or

negatively impacts supply chain management and with the help of this study they can further develop the effectiveness of their supply chain management to perform better in the market, be competitive and maintain customers' satisfaction.

## **1.7 SCHEME OF THE STUDY:**

This paper is consisting of five main parts and chapters as below:

- Chapter 1: This chapter provides overall information on "factors affecting supply chain management" which entails introduction of the report, problem statement, objectives of the research, and signification of the research.
- Chapter 2: This chapter is called literature review and the author will add the findings of other researchers inside or outside the country similar to this report title "factors affecting supply chain management"
- Chapter 3: This is one of the most important parts of this study which talks about the methodology of this research. Without using the proper methodology a thesis cannot be credible and reliable. This chapter talks about the target population, sample size, data collection methods and other technical parts of the report.
- Chapter 4: This chapter presents the findings of this research which is based on primary data collection. The findings are in percentage and are displayed by pie charts and tables with a short interpretation of the results.
- Chapter 5: This is the last part of this report which entails the conclusion of the overall thesis and the recommendations based on the findings of this research.

## **CHAPTER TWO**

## **Literature Review**

#### **2.0 INTRODUCTION:**

This chapter presents and reviews the related works done by other researchers in the field of supply chain management. The literature review in this study doesn't only provide information on what has been done in this area but will also entails strengthens and weakness of them for a better research paper.

#### 2.2 SUPPLY CHAIN MANAGEMENT:

Kannan (2002) characterizes supply chain as all between connected assets and exercises expected to make and convey items and managements to customers. The creator likewise characterizes supply chain management as the board of the procedure of market interest, sourcing raw materials and parts, assembling and gets together, dispersion over all channels, and conveyance to the customer (Kannan, 2002).

The term supply chain as per Kannan (2002) incorporates all exercises related with the stream and change of products from the raw materials arranges, through to end customers, just as the related data streams. Materials and data stream both here and there the supply chain. The supply chain incorporates all exercises of changing over materials through the information organize, transformation stage and yields. The cycle is regularly rehashed a few times in the adventure from the underlying maker to a definitive customer as on organization's done great is another's info. The auxiliary substance of the supply chain is worried about exercises, for example, make, change, move and store. Essential supply chains are those that at last give the products or managements to the customer (Kannan, 2002).

What supply chain management is about is the linkage of the quick merchant/purchaser relationship into a more drawn out arrangement of occasions. An organization's providers have their own providers, and frequently our immediate customers are not definitive customers. Supply chain management considers the to be purchasers and merchants as a major aspect of a continuum, and perceives the advantage to be gotten from endeavoring to take a key perspective

on the chain. Store chain management is worried about the planned progression of materials and managements from sources through providers into and through the organization and onto a definitive purchaser so as to expand esteem included and limit cost. Related progressions of data and assets are additionally included. This can be imagined through the progression of goods (Baily, et al 2005). As per Monezka et al (2002) Supply chain management is the reconciliation of exercises through improved supply chain connections to accomplish an upper hand. Supply chain management is the way toward arranging, actualizing and controlling the tasks of the supply chain with the reason to fulfil customer necessities as proficiently as could be allowed.

Kharbanda (1990)see supply chain management as a cross-practical way to deal with dealing with the development of raw materials into an organization and the development of completed goods out of the organization close to the end-shopper. As companies endeavor to concentrate on center skills and become progressively adaptable, they have diminished their responsibility for materials sources and dissemination channels. These capacities are progressively being out sourced to different companies that can play out the exercises better or more cost successfully. The impact has been to expand the quantity of organizations associated with fulfilling customer request, while diminishing management control of day by day coordination's activities. Not so much control but rather more supply chain accomplices prompted the formation of supply chain management idea (Kharbanda, 1990)s.

Kraljic (1983) characterized supply chain management as the management of the whole value included chain, from the provider to make directly through to the retailer and the last customer. It is the oversight of materials, data and funds as they move in a procedure from provider to producer to distributer to retailer to customer. Supply chain management includes organizing and planning and incorporating these streams both inside and among organizations. It is said that a definitive objective of any viable supply chain Management framework is to lessen stock. As per sanctioned supply chain management, experts (SCMP).Supply chain management incorporates the arranging and the board of all exercises associated with sourcing and acquirement (Kraljic, 1983).

Baily and Farmer (2000) placed that the organization way to deal with provider is a piece of the idea of supply chain management. This methodology is more extensive than the straightforward

connection between the providers and purchasers of independent organizations. It manages the total idea of overseeing materials in a positive manner, all perspectives from the providers and subcontractors through buying, stock control and circulation to the last customer. It is worried about accomplishing the least cost in the entire assembling and supply process by recognizing and adjusting the connection between the different connections in the supply chain and guaranteeing that the entire chain works at the most minimal absolute expense and the greatest proficiency. There is a connection between the purchaser's organization and the provider as this is a fundamental component in guaranteeing progression of supply.

#### **2.3 THEORETICAL LITERATURE REVIEW:**

#### 2.3.1 Economic Theory of Competition:

Rivalry between supply chains could likewise be viewed as developing, alongside different structures, for example, co-opetition and national challenge whereby the conduct causing rivalry emerges from the collaboration between supply chains for assets, advancement and favorable position of specific sort. Expanding on the procedure direction examined above, development stretches out this plan to an obvious end result by taking a gander at collaboration from the far edge, for example as far as results. In this manner, rise centers on the social result of connections among elements and treats these results because of the exceptionally same cooperation between substances. After some time, this ought to permit certain outcomes normal of specific sorts of organization and potentially the other way around. In light of this, rise explicitly accepts that challenge (aggressive communication) must include more than one substance. To be pleasing to supply chain versus supply chain rivalry, speculations must place equivalent accentuation on process direction as they do on rise. For supply chains, doing this might be instrumental to seeing how a portion of the complexities of supply anchors play in to influence how supply chains contend (Liker, 2000).

#### **2.3.2 Operation Management Theory**

Activities comprise of the employments or undertakings made out of at least one component or subtasks, performed normally in one area tasks change asset or information contributions to wanted products, managements, or results, and make and convey an incentive to the customers. Tasks the executives is the plan, improvement, and the management of the change forms that

make an incentive by changing over information sources, for example, raw materials, work, and additionally customers into yields, for example, goods or managements. Activities the board is worried about Systems and how to cause them to work Better, regardless of whether all the more proficiently, more successfully, at a more elevated level of value, at decreased expense, and additionally at lower natural outflows, utilizing the fitting standard or criteria dictated by the organization (Liker, 2000).

#### 2.4 Procedures Involved in Supply Chain Management:

#### 2.4.1 Identification of Needs:

The initial step engaged with supply chain management is distinguishing proof of requirements for materials to be provided including the amount of provisions, kind of provisions, the separation to be secured, the method of transportation to be utilized, money related assets expected to finish the undertaking just as HR expected to finish the errand. Every one of these requirements must be recognized before the stock procedure starts (van Weele, 2005).

#### 2.4.2 Identification of Suppliers:

The subsequent stage is ID of providers. Providers can be distinguished among the old, wellknown providers or through a market study. A rundown is made of the potential up-and-comers and a Request for Information (RFI) is sent to the ones on the rundown (van Weele, 2005). In light of the data a shorter rundown of providers is drawn up, and a Request for Proposal (RFP) is sent to this constrained measure of potential applicants.

#### 2.4.3 Supplier selection:

The most significant advance of the procedure is provider selection that should be performed with care to maintain a strategic distance from mistakes that may have dependable impacts to an organization There are two different ways to choose which provider to pick: aggressive offering and arrangements. After the offers mentioned in the RFP show up, the buyer settles on choice dependent on data gave in offers or welcome the providers to assist dealings (Monczka et al., 2005). Offering is the best when the value is a predominant rule and item particulars are all around characterized. Dealings, then again, are the most reasonable alternative if the buy

prerequisites are mind boggling, there are a few presentation factors that should be concurred on, or there are a few dangers that should be talked about (Monczka et al., 2005). Subsequent to offering, dealings, or both, a proposition for selection is made.

#### 2.4.4 Supplier Evaluation and Selection:

Among the most pieces of the acquirement procedure is provider assessment and choice. Monczka et al. (2005) express that the initial step includes perceiving there is a prerequisite to assess and choose a provider for a thing or management. The acknowledgment that a need exists to assess providers can happen from numerous points of view. Provider selection starts with detailing of the criteria that will be utilized to choose providers.

The subsequent advance is to recognize key sourcing necessities. These as indicated by Magretta (1998) are the Program of Requirements. They include that a qualification is made among utilitarian and specialized details. Practical details depict what the great or management really needs to do or give. Specialized selections depict which item/management is searched for. They incorporate management capacity; representative abilities; cost structure; absolute quality execution, frameworks and reasoning; procedure and innovation capacity; natural guideline consistence; monetary security; creation booking and control frameworks; provider's sourcing systems, strategies and methods and Longer-term relationship potential (Magretta, 1998).

Nellore et al. (2009) include that a particular is an archive that is utilized to assemble an item. To reinforce correspondence and dodge disarray related mistakes, excess explanations should be limited. They refer to Clark and Wheelwright (2003) who point to four methods of correspondence that have extraordinary essentialness in the connection among selections and the providers.

The third step in provider selection and assessment involves deciding the sourcing procedure. No single sourcing procedure approach will fulfill the prerequisites all things considered (Telgen et al. 2005; Monczka et al. 2005). Along these lines, the acquisition system received for a specific thing or management will impact the methodology taken during the provider assessment and selection process. A portion of the choices that a buyer needs to make when building up a sourcing methodology include: single versus various sources; present moment

versus long haul contracts and so forth. It involves an unmistakable comprehension of the separations in obtaining.

The fourth step is to recognize potential stock sources. How much a purchaser must look for data or the exertion set forth toward the hunt is an element of a few factors, including how well providers can fulfill cost, quality, or other execution factors. Wellsprings of data that is useful when trying to distinguish potential stock sources include: providers, deal delegates and data information bases. The fifth step is pre-capability. The point of this progression is to confine providers in choice pool. By methods for a Request for Information (RFI), a buyer gets some essential data from a selection of providers about their organization as well as their item run. Because of constrained assets and fluctuation in the exhibition of providers, buyers play out a previously cut of potential stock sources (Telgen et al. 2005). Next, a Request for Quotation (RFQ) joined by a List of Requirements (LOR) is utilized to request that providers present an offer. By and by, a citation is now and then likewise alluded to as offer or delicate (Telgen et al. 2005). De Boer et al. (2001) have outlined this stage as arranging as opposed to positioning and characterize pre-capability as the way toward decreasing the arrangement of all providers to a littler arrangement of value providers.

Sarkar and Mohapatra (2006) propose that pre-capability of providers shares various components for all intents and purpose with supply base decrease. A pre-essential for building up a solid purchaser provider relationship they contend is to have few providers. In most obtainment substances, the quantity of enlisted providers is enormous, however just a little division of providers really get the business a seemingly endless amount of time after year. Sarkar and Mohapatra (2006) continue to see that a great part of the data on obscure providers gathered through web, peer input and on location visit will need quantitative estimation. Indeed, even data on realized providers might not have been put away in a structure that fits quantitative change. To assess these providers against the components, the purchasing group needs to depend on emotional, subjective appraisal.

#### 2.4.5 Supplier Final Selection:

This stage comprises the 6th and seventh step in the Monczka et al. (2005) process. As per Monczka et al. (2005), this is provider assessment and selection utilizing a rundown of supposed affirmed providers from the Approved Vendor List (AVL). Subsequently, provider

choice involves more than one choice. Inside buying the executives, one of the prime capacities is provider choice. Provider selection is one of the most significant basic leadership issues since choosing the correct providers fundamentally lessens the acquiring costs and improves corporate intensity. Vokurka et al. (2006) unequivocally expresses that, it is plausible that of the considerable number of obligations which might be said to have a place with the obtaining officials, there is none more significant than the selection of an appropriate source.

What is seen as purchasing in its most usable level happens after provider selection. Issuance of procurement arranges and catch up is isolated into four stages. Initial, a buy request (or a more drawn out term contract) is arranged and gave (Dobler et al., 2006). It can incorporate a request for just a single item or spread a few routine rebuys for a more drawn out timeframe. In the last case the request is known as a cancel or an edge understanding. In the wake of submitting the request, particularly on account of items with long conveyance times, it ought to be followed up. The follow-up of the request alludes to watches that are made as a rule by telephone or email once or a few times during the conveyance time to guarantee that the provider is empower to convey the item as concurred. The following stage in the process is to get the item and review that it coordinates the request (Mensah, 2009)

The reviews are significant in light of the fact that deficiencies and harms in the conveyance are identified before the item is taken into utilization. The last advance is installment. Nonetheless, it shouldn't be made before the buyer has watched that the buy request, the got item, and the receipt are proportionate If there aren't any issues, the request can be shut (Dobler et al., 2006). The last advance is the upkeep of the records. It normally includes assembling and putting away the reports created all the while yet in addition breaking down which significant archives to keep and which to discard. An indispensable point in record the board is simple access. An organization ought to in any event have records of the buy requests, wares, and providers (Leenders et al., 2002).

#### **2.4.6 Supplier Management:**

As indicated by Kannan et al. (2002) there are three measurements that underlie provider the executives: successful provider choice, important evaluation components of provider execution, and imaginative provider improvement procedures. Carr et al. (2009) and Wagner (2006) reach out from the three measurements by including distinguishing proof and pre-choice

of the providers. Another viewpoint taken into provider the board is the key point of view that is increasingly dynamic contrasted with the past ones. The vital point of view underscores the making of long haul understandings and key connections just as the coordination of acquiring, assembling, and innovation into the item esteem chain (Monczka et al., 2003).

Likewise, Van Weele (2005) sees provider the board from the vital perspective. He expresses that the primary component of provider the executives is technique. While building the structure, right off the bat, it is significant that the vital viewpoint is thought about on the grounds that provider the board methodology ought to be lined up with the requirements of the business (Handfield, 2006). Generally acquiring capacities have had exceptionally far off point of view toward providers. The primary spotlight has been on choosing the least expensive provider (Iloranta et al., 2008). Be that as it may, these days the originations have changed towards understanding the key viewpoint identified with providers and the need to build up certain plans and rules for overseeing them (Iloranta et al., 2008). Numerous organizations have a large number of obtained items and providers, and not every one of them ought to or could be overseen similarly. In this way, making systems for fragments that contain the providers of comparative items appears to be discerning. The greatest advantage of division is that it assists organizations with designating better their rare assets (Iloranta et al., 2008).

Initially the acquiring portfolio model utilized for division was created by Peter Kraljic (1983). The division depends on two criteria: key effect to the business and level of supply hazard. Vital effect can allude to high buying volume yet in addition to impact on the center business. On the off chance that the key effect is high, the provider majorly affects income, customers, and notoriety of the organization (Handfield, 2006).

Supply chance alludes to the danger of disappointment conveyance by the providers. Hazardous providers are providers who are not 100 sure that they can convey wares as per the particulars and necessities for amount and conveyance time span. A difficult market circumstance might be brought about by long time spans for acquiring an item, significant expenses, or a few troubles with exchanging a provider (Handfield, 2006). The determinant of the level of hazard a provider presents is accessibility (van Weele, 2005). For instance publicizing offices that have some exceptional skills can be viewed as bottleneck providers (Handfield, 2006). In this way, an

exertion ought to be made to locate some new wellsprings of supply to improve accessibility of required products or managements (Monczka, 2005).

#### **2.4.7 Supplier Sourcing:**

Provider sourcing comprises of three components: geological region, width of provider base, and level of pledge to the relationship. The decision of the topographical region is made among neighborhood and worldwide. Neighborhood souring has benefits like progressively reliable help yet then again worldwide sourcing is aggressive in zones, for example, value, quality, and greater assortment (Leenders et al., 2002). The width of the provider base relies upon the choices whether the organization needs to purchase certain wares from one, few or a few providers. A typical guideline is that the more extensive the provider bases the littler the hazard. The degree of promise to the relationship alludes to the decision whether the organization needs to purchase certain items from an accomplice provider or from a provider with whom it has a relationship (van Weele, 2005).

Notwithstanding sourcing, the way to deal with contracts should be viewed as when creating provider the board procedures. Choices should be made around two issues: regardless of whether to make an agreement at all and whether the agreement ought to be attached to cost or execution. In the first place, the volume of the ware and the circumstance in the market should be dissected (van Weele, 2005). In the event that the volume is little the product ought to be purchased on spot premise as opposed to making an agreement with a provider. The advantage of making an agreement is that the cost and conveyance are verified, which encourages arranging and planning. Be that as it may, if the agreement is long the organization may lose its contact to the market and the most recent improvements (van Weele, 2005).

On the off chance that the organization chooses that an agreement ought to be made, the following issue to consider is the thing that the agreement ought to resemble. The choices are contracts dependent on cost or management level. The agreement dependent on cost is clear though the management level understanding spreads numerous issues, for example, ensures, upkeep, and tests. The last is for the most part utilized in management and ventures gear buys (van Weele, 2005).

#### 2.4.8 Supplier Selection Criteria:

Conversely, during the selection stage, items, costs, and other conveyance related issues of the qualified providers are evaluated, and a choice is made which provider to work with. Besides, pre-choice can be directed to potential providers dissimilar to the real provider selection. That way the purchasing organization can have a rundown of affirmed providers that can be utilized when the buy need emerges. (de Boer et al., 2001). The pre-choice procedure contains two stages: criteria detailing and provider pre-choice dependent on the criteria (de Boer et al., 2001). There are two sorts of criteria: autonomous and subordinate. The autonomous criteria are utilized when screening for qualified providers, and they identify with a provider's organization and its success (de Boer et al., 2001).

Provider selection criteria are arranged into four gatherings: general business condition and monetary issues, organization and procedure, innovation, and different elements. The initial two gatherings identify with the providers' monetary prosperity and the executives ability. The third gathering spreads the specialized issues that are connected straightforwardly to the generation of the item or the management. The fourth criteria center on supportability and related dangers. Other criteria incorporate; business condition and monetary execution money related issues, budgetary soundness, monetary control framework, intensity, organization and vital issues, hierarchical structure, staff, provider's methodology (for example cost-proficiency or particular maker), wellbeing record, quality and natural frameworks and topographical areas (de Boer et al., 2001).

The correct technique for social occasion provider data is picked relying upon the money related value or significance of the items, or measure of information about the organizations heretofore. The principle techniques are studies, money related examinations, provider visits, capacity investigations, and outsider assessments. The overviews and budgetary investigations are normally the ones in the first place (Burt et al., 2003). A review incorporates a progression of inquiries which potential providers answer (Burt et al., 2003). In this way, the review is in reality fundamentally the same as the Request for Information (RFI). The study gives a general image of the size and the state of the organization. For firsthand encounters the evaluator can reach a portion of the references on the customer reference list (IMA, 1999).

A decent overview is complete, objective, and adaptable. It ought to incorporate all the important inquiries to have the option to settle on pre-choice choices, and the inquiries ought to be set in a non-one-sided way. Moreover, it should be conceivable to make some minor alterations to the inquiries as a result of changing buying necessities (Monczka et al., 2005).

Particularly with high-esteem, high-volume items there is a requirement for a few extra and determining questions However, the overview can never completely cover all the autonomous criteria displayed. For instance the appraisal of the providers' aggressiveness can't exclusively be made with the overview. Provider visits or ability investigations can be used if an increasingly careful assessment is required (Leenders et al., 2002).

Regardless of whether the providers were gotten some information about their business, benefits, and FICO scores in the review, a target budgetary investigation ought to be set up by the money related branch of the purchasing organization. In the event that the aftereffects of the investigation are exceptionally negative, the provider can be rejected from further contemplations since it is clearly unequipped for performing satisfyingly.

The monetary prosperity of a provider is indispensable supposing that an agreement is made with a provider which is in a terrible budgetary condition, a hazard is taken that the provider fails, has no assets for speculations, or turns out to be monetarily reliant on the purchasing organization (Monczka et al., 2005). Along these lines, the budgetary investigation ought to be made in the start of provider pre-choice procedure. Another technique for provider revelation is provider visits. During the visit the purchasing organization gets some firsthand data about the assembling and specialized capacities of the provider which can't be acquired through any reviews. A group leading the visit can comprise of just buyers yet in addition of designers or different specialists (Burt et al., 2003). To have the option to get the most advantage out of the visit it is significant that the provider is approached to give all conceivable data in advance, and a diagram is made of the issues to be talked about before the outing. Thereafter a report ought to be composed to represent the discoveries (Leenders et al., 2002). Frequently the group playing out the visit has a restricted measure of time to mention objective facts in the office.

Contingent upon the purchasing organization and the providers being referred to explicit examinations of the providers' abilities can be made. Quality, limit and capacity are issues of significance. On the off chance that a provider's quality level doesn't coordinate the necessities of the purchasing organization, the assessment procedure ought not go further with that provider (Burt et al., 2003). The explanation is that the item the provider is offering has colossal lifecycle costs brought about by top notch deformity costs. It might be hard to locate a straightforward strategy for assessing quality; thus these days numerous organizations expect that the providers have quality declarations to demonstrate their capacities. Likewise, the executive's abilities could bear some significance with the purchasing organization (Leenders et al., 2002).

#### 2.4.9 Key classes in Supply Chain Management:

While the value chain and advertising approaches propose conventional thoughts and abilities, defenders of the supply chain approach go above and beyond and distinguish explicit exercises, supported by point by point forms that can improve a company's upper hand and achievement. Supply chain management includes start to finish the executives of an item or management (Hakanson, 2009). All parts and items inside the supply chain must be conveyed to manufacturing plants, wholesalers, and customers. The decision of the vehicle mode (air, ocean, or land) influences every other region of supply chain management, for example, warehousing, generation, bundling, arranging, area (of providers, assembling, and customers), stock control, and data the board (Coyle, et al, 2006). Along these lines factors, for example, travel time, dependability, openness, security, sway on stock, item corruption or outdated nature, follow capacity, etc are significant. When the bearer is chosen, PC models are utilized to streamline directing. The general adequacy of the delivery work is a significant method to lessen costs (Council of Logistics Management, 2001).

All the more as of late, dealing with the reverse flow of items has become a significant capacity. Turn around Logistics is the management of the switch stream of items. This incorporates customer disappointment with the item or toward the finish of the item life cycle, when the item is returned for reusing. Turn around coordination's is driven by misfortunes from customer disappointment or the expense and difficulties of reusing (Kannan, 2002). All assembling or supply of managements begins with a gauge of interest. The issue is that gauge mistakes can bring about lost business (whenever figure is low) or high inventories (whenever conjecture is excessively high). Estimate mistakes lead to the "bullwhip" impact and can cause unreasonable

inventories, poor customer support, lost incomes, misinformed limit designs, and missed generation plans (Lee, et al, 1997).

Besides providers regularly push items to showcase, however more as of late the retailers are keen on stocking just what the customer will purchase. The answer for the "bullwhip" impact is supply chain joint effort – a movement requiring at least two organizations to share duty of trading basic arranging, the executives, execution, and execution estimation data (Anthony, 2008). Such a community oriented relationship changes how data is shared among organizations and drives change to the basic business forms. Normally, the procedure is to get information from Point of Sales (POS) frameworks, which is sent back to the producer, who organizes brisk recharging. Thusly, generation volumes and deals to retailers depend on sell-through data (Poirier, 2009).

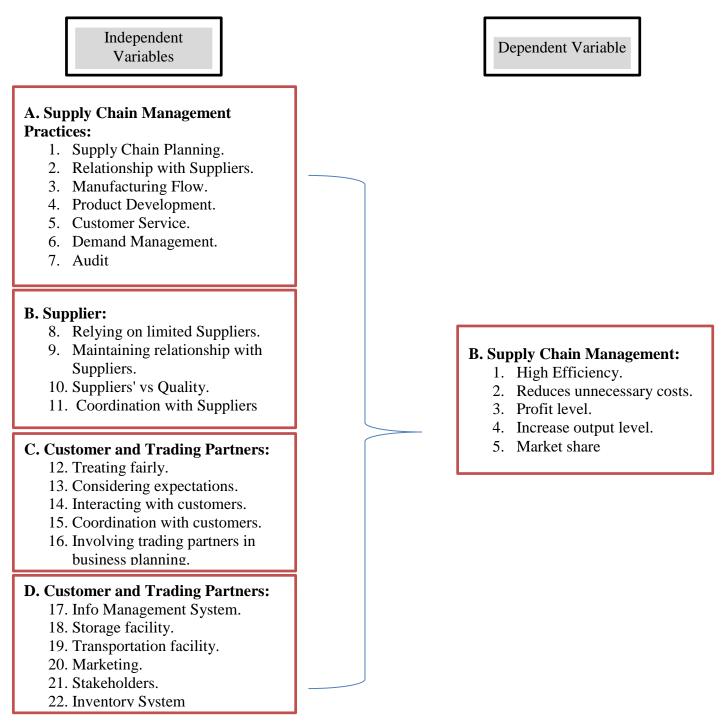
The sell-through information is utilized to recharge items at a retailer through a procedure called constant renewal. Subsequently, if a firm can see continuous market request and react rapidly it is conceivable to fabricate just what sells in the market. This constant renewal process or the synchronized supply chain faces different boundaries including absence of versatility (Barret and Oliveira, 2001). With precise powerful figures produced using customer request and advancements, the right raw material stock can be supplied. Besides, buying turns into a key capacity – subsequently key sourcing is started to rearrange the organization's supply base for materials and managements so as to diminish outside uses and interior handling costs (Banfield, 2009).

Forceful organizations have collaborated with providers to diminish the quantity of providers by 40 % to 85% (Banfield, 2009). This provider decrease program additionally diminishes inside handling costs as bigger requests go to less providers. Also, forceful organizations audit their provider's cost structure and specialized abilities so as to choose the best provider. They additionally set up inward supply supervisory groups to deal with the supply procedure (Kraljic, 1983). These activities bring about higher volumes with better costs and quality from the short-recorded providers. Expenses can be decreased through industry joint effort and offering by means of the supply chain. Ordinarily, bidders endeavor to situate themselves as a minimal effort or separated (esteem included) provider. There was a solid accentuation on resource the executives by means of lower inventories and stockroom space. Organizations perceive that

item inventories are costly to hold. In this way numerous organizations actualized Just-In-Time (JIT) conveyances of parts, a strategy at first executed by Toyota Motor Company (Shingo, 2001). A few organizations have been progressively forceful and have actualized vendor managed inventory (VMI).

## 2.6 THEORETICAL FRAMEWORK OF THE STUDY:

The theoretical framework of the study shows the relationship among the variables in this study.



Source: (Mensah, 2009) (Kannan, 2002) (Ansari, 2014) (Vaezi & Alireza, 2011)

## CHAPTER THREE RESEARCH METHODOLOGY

#### **3.0 INTRODUCTION:**

This chapter will describe the methodology of the study, which will contain of the research methods used, such as population, sampling, data collection procedure used and limitation of the study.

#### **3.1 POPULATION OF THE STUDY:**

The target population refers to the place where the researcher gathers the primary information from. And the target population in this research refers to Alokozay Group of Companies in Kabul, Afghanistan; where the researcher gathered the primary information based on the developed questionnaire.

#### **3.2 SAMPLE SIZE & SAMPLING TECHNIQUE:**

Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample (Altman DG, 1991). And In order to complete this thesis, the researcher collected the data from 60 employees of Alokozay Group of Companies which is the target population for this study. Non-probability sampling method is used for determining the number of respondents and under this method all individuals in the target population are not given equal chance of being interviewed.

There are around 200 employees working with this company in Kabul, and the researcher couldn't collect the primary information from all the employees in this company, and due to this the researcher relied on non-probability sampling method and collected the information from 60 employees of this agency.

#### **3.3 PROCEDURE:**

The researcher developed a questionnaire based on the objectives of the research and distributed the questionnaires to the respondents and collected it back from them. The researcher also filled

the questionnaire for some of the employees and had some personal interactions with the employees of the company. The gathered primary information from the target population was analyzed through SPSS software and the findings are represented in chapter four of this research paper.

## **3.4 TIME FRAME:**

The given time for writing this report was three months.

## **3.5 RESEARCH TOOLS:**

For gathering the primary information, the researcher used the following two tools:

#### **3.5.1 Primary Data**

The primary data is collected through:

• Questionnaire: For gathering the primary information from the target population.

#### 3.5.2 Secondary Data

The secondary data is collected from reliable sources which include various reports on supply chain management.

## **3.6 INSTRUMENT OF RESEARCH:**

There are a total number of 27 questions in the developed questionnaire. The questions are developed in five categories, one for dependent variable and four for the independent variable of the study and multiple choice question and likert scale is used. The questionnaire categories are as below:

- Supply chain management practices.
- Supplier.
- Customer & Trading Partners.
- Other factors to supply chain management.
- And supply chain management.

## **3.7 NATURE OF THE STUDY:**

The nature of this study is explanatory, undertaken to explore on the factors affecting supply chain management effectiveness of Alokozay Group of Companies. And the study has explored on different factors which negatively and positively impacts supply chain management in this company.

## **3.9 LIMITATION OF THE STUDY:**

While developing this research, the researcher faced with the following challenge as below:

• Collection of the primary information from the target population of the study was time taking as the respondents were not cooperating in answering the questions in the questionnaire. The respondent allocated enough time for this activity to get them filled by the respondents in the ministry of labor and social affairs.

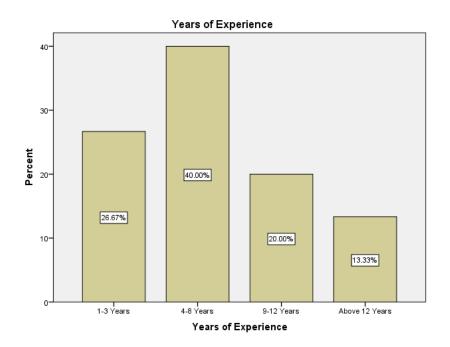
## CHAPTER FOUR FINDINGS AND ANALYSIS

### **4.0 INTRODUCTION:**

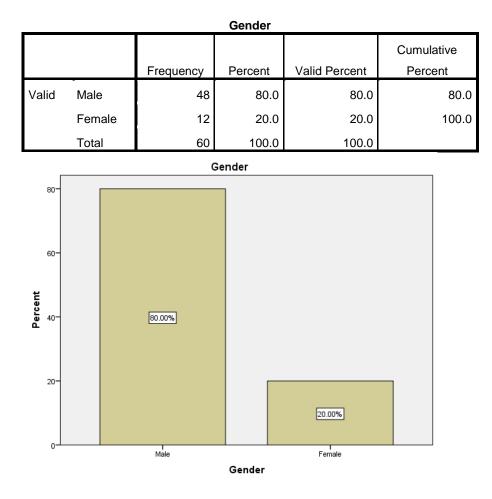
This part of the study presents the research analysis. There were twenty six quantitative questions in different categories; and the findings results for this study are as below:

## 4.1 INFORMATION OF THE RESPONDENTS:

	Years of Experience						
					Cumulative		
		Frequency	Percent	Valid Percent	Percent		
Valid	1-3 Years	16	26.7	26.7	26.7		
	4-8 Years	24	40.0	40.0	66.7		
	9-12 Years	12	20.0	20.0	86.7		
	Above 12 Years	8	13.3	13.3	100.0		
	Total	60	100.0	100.0			

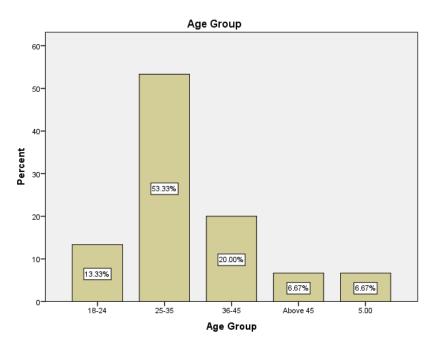


As per the chart and table above, 40 percent of the respondents have 408 years of experience, 26 percent of them have 1-3 years of experience, 20 percent of them have 9-12 years of experience and 13 percent of them have above 12 years of working experience.



As per the above chart and table most of the respondents for this study are male (80 percent of them), and 20 percent of the respondents are female employees of the target population for this study.

	Age Group							
	Frequency Percent Valid Percent							
	-	Frequency	I EICEIII	valiu reicent	Percent			
Valid	18-24	8	13.3	13.3	13.3			
	25-35	32	53.3	53.3	66.7			
	36-45	12	20.0	20.0	86.7			
	Above 45	4	6.7	6.7	93.3			
	Total	60	100.0	100.0				



The respondents for this study are in different age categories. 53 percent of them are between 25 - 35 years old, 20 percent of them are between 36-45; 13 percent of them are between 18-24; and six percent of them are above 45.

## **4.2 RELIABILITY STUDY:**

Case Processing Summary				
N %				
Cases	Valid	60	100.0	
	Excluded <sup>a</sup>	0	.0	
	Total	60	100.0	

a. List wise deletion based on all variables in the procedure.

#### **Interpretation:**

The result of the case processing summary shows that 60 cases were included (The primary information from 60 respondents are included into the analysis) and no cases were excluded from the SPSS analysis.

	Relaiability Statistic				
		Cronbach's Alpha			
	Cronbach's	Based on			
Variables	Alpha	Standardized Items	N of Items		
Supply Chain					
Management	.728	.766	7		
Practices					
Supplier	.636	.705	4		
Customer	.559	.634	5		
Other Factors of SCM	.697	.703	6		

#### **Interpretation:**

As the table above shows the Cronbach's Alpha is 0.893 which shows almost a high level of consistency for the scale. The higher consistency between the variables of the study is a positive point.

#### **4.3: REGRESSION ANALYSIS:**

Model Summary						
Adjusted R Std. Error of the						
Model	R	R Square	Square	Estimate		
1	.847ª	.717	.714	.37614		

a. Predictors: (Constant), Other Factors of SCM, Customer, Supplier, Supply Chain Management Practices

#### Interpretation:

The R Square explains how well the model is fit for the data, as the above table shows the R Square is .717 which means the dependent variable of the study is affected by 71% percent by the independent variables. Higher R Square means a good fit for the data. This table simply shows how strength relationship exists between the model and the dependent variable.

	ANOVAª								
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	4.760	4	1.190	10.440	.000 <sup>b</sup>			
	Residual	6.269	55	.114					
	Total	11.029	59						

.....

a. Dependent Variable: Supply Chain Management

b. Predictors: (Constant), Other Factors of SCM, Customer, Supplier, Supply Chain Management Practices

#### **Interpretation:**

The ANOVA table shows if the condition means were significantly different from one another or it was the same and it will specify if the independent variable had an effect on the dependent variables. If the Sig is equal of less than 0.05, it shows that there are significant differences between the condition means. As the above tables shows the Sig is less than 0.05 thus it is acceptable.

	Coefficients <sup>a</sup>								
		Unstandardized Coefficients		Standardized Coefficients					
Model		В	Std. Error	Beta	t	Sig.			
1	(Constant)	1.315	.262	-	5.016	.000			
	Supply Chain Management Practices	.658	.221	.990	2.983	.004			
	Supplier	.127	.096	.241	1.322	.000			
	Customer	.101	.140	.188	.721	.004			
	Other Factors of SCM	.024	.194	.027	.121	.001			

a. Dependent Variable: Supply Chain Management

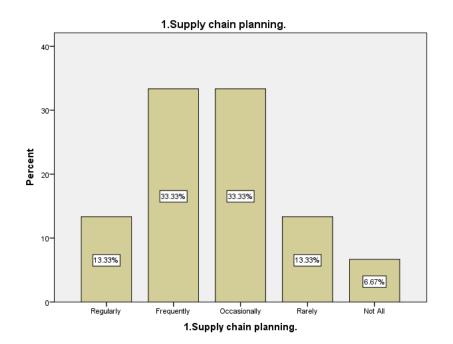
#### **Interpretation:**

The coefficients table shows the significance for each of the independent variables separately and based on the above table the sig for most of variables are less than 0.05 and are acceptable and statistically significant. As an example the coefficient for supplier is .241 and sig is .0 this means that the variable is related and affects the dependent variable of the study and if it is improve by 24 percent there will be a positive change on supply chain management.

## 4.4 Frequency Analysis:

#### **A. Supply Chain Management Practices:**

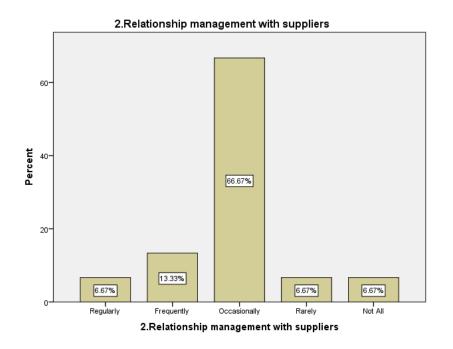
	1. Supply chain planning.						
		Frequency	Percent	Valid Percent	Cumulative Percent		
Valid	Regularly	8	13.3	13.3	13.3		
	Frequently	20	33.3	33.3	46.7		
	Occasionally	20	33.3	33.3	80.0		
	Rarely	8	13.3	13.3	93.3		
	Not All	4	6.7	6.7	100.0		
	Total	60	100.0	100.0			



As per the analysis of the study, most 33 percent of the respondents believe that supply chain planning is done frequently and occasionally in the target population of the study, 13 percent of them believe it is done regularly, and 13 percent of them believe it is done rarely.

17 C						
					Cumulative	
		Frequency	Percent	Valid Percent	Percent	
Valid	Regularly	4	6.7	6.7	6.7	
	Frequently	8	13.3	13.3	20.0	
	Occasionally	40	66.7	66.7	86.7	
	Rarely	4	6.7	6.7	93.3	
	Not All	4	6.7	6.7	100.0	
	Total	60	100.0	100.0		

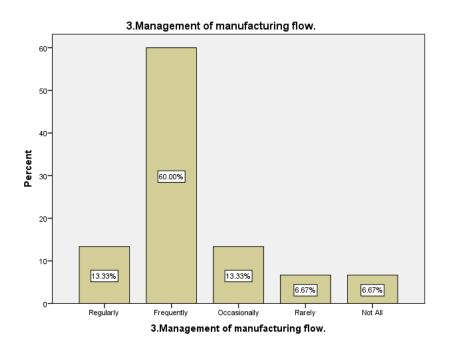
2. Relationship management with suppliers



As per the findings of the study, 67 percent of the respondents believe that relationship management with suppliers is done occasionally, 6 percent of them believe it is done regularly, 13 percent of them believe it is done frequently, and 6 percent of them believe it is done rarely or not at all.

	3. Management of manufacturing flow.							
		Frequency	Percent	Valid Percent	Cumulative Percent			
Valid	Regularly	8	13.3	13.3	13.3			
	Frequently	36	60.0	60.0	73.3			
	Occasionally	8	13.3	13.3	86.7			
	Rarely	4	6.7	6.7	93.3			
	Not All	4	6.7	6.7	100.0			
	Total	60	100.0	100.0				

Management of manufacturing flow.



As per the analysis, 60 percent of the respondents believe that manufacturing flow is managed frequently, 13 percent of them believe it is done regularly, 13 percent of them believe it is done occasionally, and 6.7 percent of them believe it is done rarely or not all.

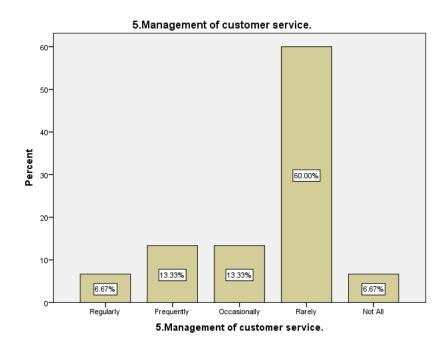
	4. Management of product development.							
		Frequency	Percent	Valid Percent	Cumulative Percent			
		Frequency	Feiceni	Vallu Feiceili	Feiceill			
Valid	Regularly	4	6.7	6.7	6.7			
	Frequently	4	6.7	6.7	13.3			
	Occasionally	16	26.7	26.7	40.0			
	Rarely	32	53.3	53.3	93.3			
	Not All	4	6.7	6.7	100.0			
	Total	60	100.0	100.0				

4.Management of product development. 60-50-40-Percent <sup>30.</sup> 53.33% 20-26.67% 10-6.67% 6.67% 6.67% 0 Regularly Frequently Rarely Not All Occasionally 4.Management of product development.

As per the analysis of the study, most of the respondents believe that product development management is done rarely, 6.7 percent of them believe it is done regularly and frequently and 26 percent of them believe it is done occasionally.

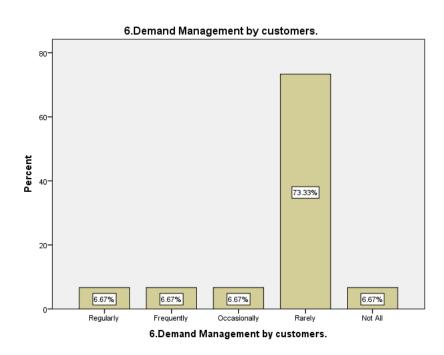
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Regularly	4	6.7	6.7	6.7
	Frequently	8	13.3	13.3	20.0
	Occasionally	8	13.3	13.3	33.3
	Rarely	36	60.0	60.0	93.3
	Not All	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

5. Management of customer service.



As per the analysis of this study, most of the respondents believe that customer service management is done rarely, 13 percent of them believe it is done frequently, 7 percent of them believe it is done occasionally.

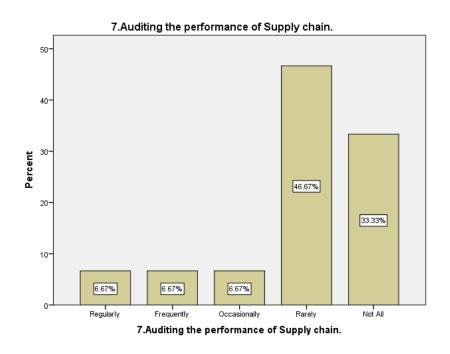
	6. Demand Management of customers.							
					Cumulative			
		Frequency	Percent	Valid Percent	Percent			
Valid	Regularly	4	6.7	6.7	6.7			
	Frequently	4	6.7	6.7	13.3			
	Occasionally	4	6.7	6.7	20.0			
	Rarely	44	73.3	73.3	93.3			
	Not All	4	6.7	6.7	100.0			
	Total	60	100.0	100.0				



As per the analysis of the study, most of the respondents believe that customers' demand management is done rarely and 7 percent of them believe it is done regularly, frequently and occasionally.

		<u> </u>			
					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Regularly	4	6.7	6.7	6.7
	Frequently	4	6.7	6.7	13.3
	Occasionally	4	6.7	6.7	20.0
	Rarely	28	46.7	46.7	66.7
	Not All	20	33.3	33.3	100.0
	Total	60	100.0	100.0	

7. Auditing the performance of Supply chain.

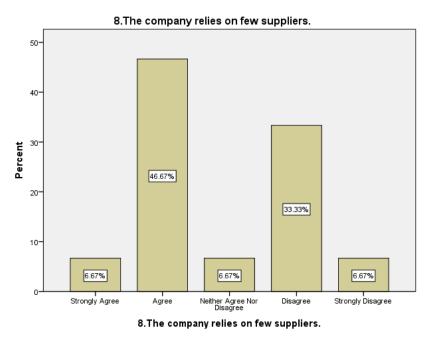


As per the analysis of the study, 46 percent of the respondents believe that auditing the performance of supply chain is done rarely, 33 percent of them believe it is done not at all and 6.7 of them believe it is done regularly, and frequently.

#### **B. Supplier:**

	8. The company relies on few suppliers.							
					Cumulative			
		Frequency	Percent	Valid Percent	Percent			
Valid	Strongly Agree	4	6.7	6.7	6.7			
	Agree	28	46.7	46.7	53.3			
	Neither Agree Nor Disagree	4	6.7	6.7	60.0			
	Disagree	20	33.3	33.3	93.3			
	Strongly Disagree	4	6.7	6.7	100.0			
	Total	60	100.0	100.0				

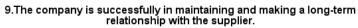


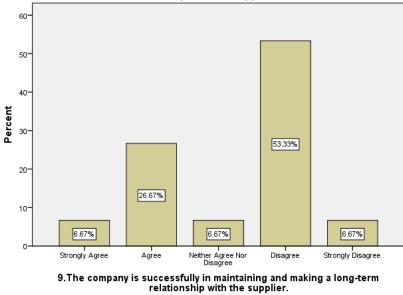


As per the analysis of the study, 46 percent of the respondents believe that the company relies on a limited number of suppliers; although 33 percent of the respondents disagree with that and they believe the company doesn't rely on limited number of suppliers.

	the supplier.									
					Cumulative					
		Frequency	Percent	Valid Percent	Percent					
Valid	Strongly Agree	4	6.7	6.7	6.7					
	Agree	16	26.7	26.7	33.3					
	Neither Agree Nor Disagree	4	6.7	6.7	40.0					
	Disagree	32	53.3	53.3	93.3					
	Strongly Disagree	4	6.7	6.7	100.0					
	Total	60	100.0	100.0						

# 9. The company is successfully in maintaining and making a long-term relationship with the supplier.



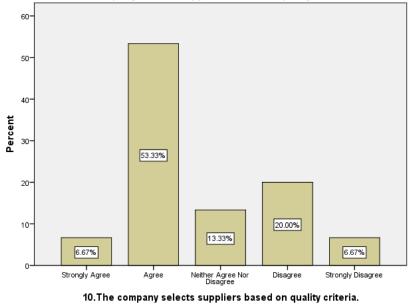


As per the analysis of the study most of the respondents believe that the company is not successful in maintaining and making a long term relationship with the suppliers, although 33 percent of the respondents disagree with that and 6 percent of the respondents responded neutral.

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	32	53.3	53.3	60.0
	Neither Agree Nor Disagree	8	13.3	13.3	73.3
	Disagree	12	20.0	20.0	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

10. The company selects suppliers based on quality criteria.

10.The company selects suppliers based on quality criteria.

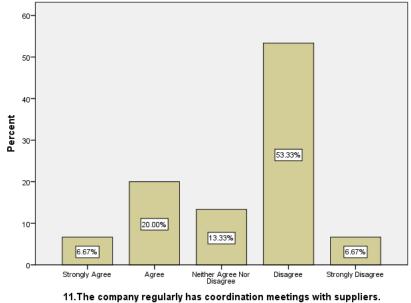


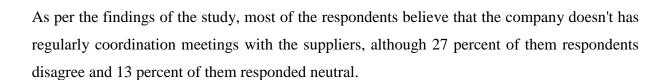
As per the findings of the study, 60 percent of the respondents believe that suppliers are selected based on quality criteria by the target population of the study, although 27 percent of them disagreed and 14 percent of them responded neutral.

		Frequency	Percent	Valid Percent	Cumulative Percent
	-	ricqueriey	1 croom	Valia i crocint	relocit
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	12	20.0	20.0	26.7
	Neither Agree Nor Disagree	8	13.3	13.3	40.0
	Disagree	32	53.3	53.3	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

11. The company regularly has coordination meetings with suppliers.

11.The company regularly has coordination meetings with suppliers.

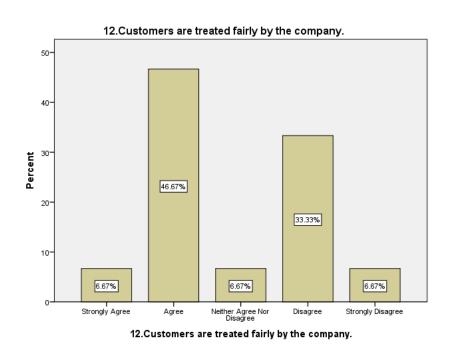




### **C. Customer & Trading Partners:**

	,, , ,					
		<b>F</b>	Demont		Cumulative	
		Frequency	Percent	Valid Percent	Percent	
Valid	Strongly Agree	4	6.7	6.7	6.7	
	Agree	28	46.7	46.7	53.3	
	Neither Agree Nor Disagree	4	6.7	6.7	60.0	
	Disagree	20	33.3	33.3	93.3	
	Strongly Disagree	4	6.7	6.7	100.0	
	Total	60	100.0	100.0		

12. Customers are treated fairly by the company.

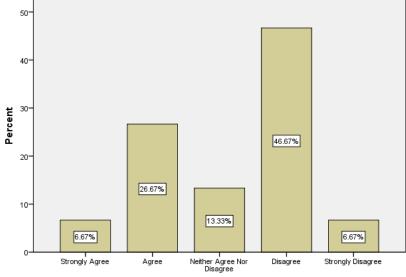


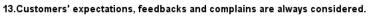
As per the findings of the study, most of the respondents believe that customers are treated fairly by the company, although forty percent of the respondents disagreed with that and 7 percent of them responded neutral.

_	15. Customers expectations, reedbacks and complains are always considered.							
					Cumulative			
		Frequency	Percent	Valid Percent	Percent			
Valid	Strongly Agree	4	6.7	6.7	6.7			
	Agree	16	26.7	26.7	33.3			
	Neither Agree Nor Disagree	8	13.3	13.3	46.7			
	Disagree	28	46.7	46.7	93.3			
	Strongly Disagree	4	6.7	6.7	100.0			
	Total	60	100.0	100.0				

13. Customers' expectations, feedbacks and complains are always considered.

13.Customers' expectations, feedbacks and complains are always considered.

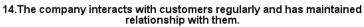


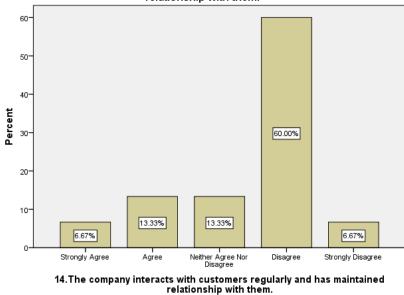


As per the findings of the study, most of the respondents believe that customers' expectations, feedbacks and complains are not always considered, although 32 percent of the respondent disagreed and 13 percent of them responded neutral.

-					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	8	13.3	13.3	20.0
	Neither Agree Nor Disagree	8	13.3	13.3	33.3
	Disagree	36	60.0	60.0	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

#### 14. The company interacts with customers regularly and has maintained relationship with



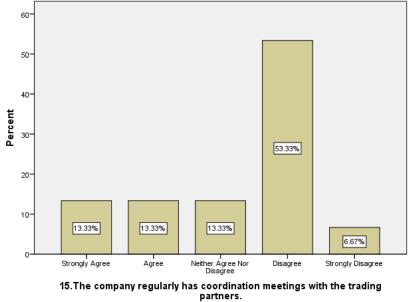


As per the findings of the study, 66 percent of the respondents believe that the company is not interacting with customers regularly and has not maintained relationship with them, although 20 percent of them disagreed with this and 13 percent of them responded neutral.

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Strongly Agree	8	13.3	13.3	13.3
	Agree	8	13.3	13.3	26.7
	Neither Agree Nor Disagree	8	13.3	13.3	40.0
	Disagree	32	53.3	53.3	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

15. The company regularly has coordination meetings with the trading partners.

15. The company regularly has coordination meetings with the trading partners.



As per the findings of the study, most of the respondents believe that the company doesn't have regular coordination meetings with the trading partners, although 26 percent of them disagreed and 13 percent of them respondents neutral.

		Frequency	Percent	Valid Percent	Cumulative Percent
	-	пециенсу	reicent	valiu reicent	reiceni
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	20	33.3	33.3	40.0
	Neither Agree Nor Disagree	6	10.0	10.0	50.0
	Disagree	26	43.3	43.3	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

16. Trading partners are involved in business planning.

16.Trading partners are involved in business planning.

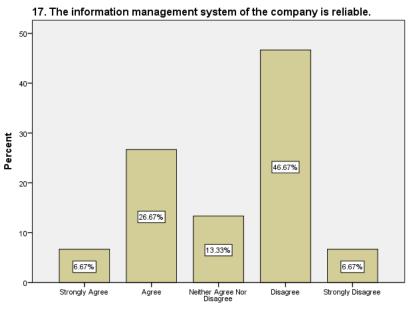


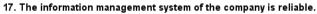
As per the findings of the study, most of the respondents believe that trading partners are not involved in business planning, although 40 percent of them disagreed with this and 10 percent of them respondents' neutral.

#### **D.** Other factors of SCM:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	16	26.7	26.7	33.3
	Neither Agree Nor Disagree	8	13.3	13.3	46.7
	Disagree	28	46.7	46.7	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

17. The information management system of the company is reliable.

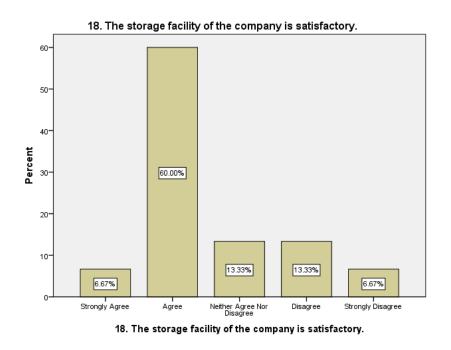




As per the findings of the study, most of the respondents believe that the information system management of the company is not reliable although 32 percent of the respondents disagreed with that and 13 percent of them responded neutral.

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	36	60.0	60.0	66.7
	Neither Agree Nor Disagree	8	13.3	13.3	80.0
	Disagree	8	13.3	13.3	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

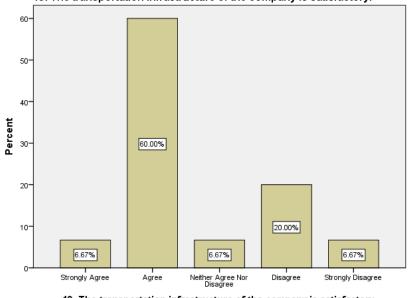
18. The storage facility of the company is satisfactory.



As per the findings of the study, most of the respondents believe that the storage facility of the company is satisfactory, although 20 percent of the respondents disagreed with that and 13 percent of them responded neutral.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	36	60.0	60.0	66.7
	Neither Agree Nor Disagree	4	6.7	6.7	73.3
	Disagree	12	20.0	20.0	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

19. The transportation infrastructure of the company is satisfactory.



19. The transportation infrastructure of the company is satisfactory.

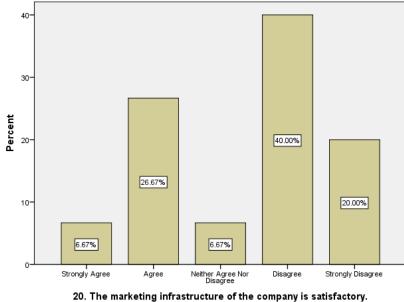


As per the analysis of the study, most of the respondents believe that the transportation infrastructure of the company is satisfactory, although 26 percent of the respondents disagreed with that and 6 percent of them responded neutral.

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	16	26.7	26.7	33.3
	Neither Agree Nor Disagree	4	6.7	6.7	40.0
	Disagree	24	40.0	40.0	80.0
	Strongly Disagree	12	20.0	20.0	100.0
	Total	60	100.0	100.0	

20. The marketing infrastructure of the company is satisfactory.

20. The marketing infrastructure of the company is satisfactory.

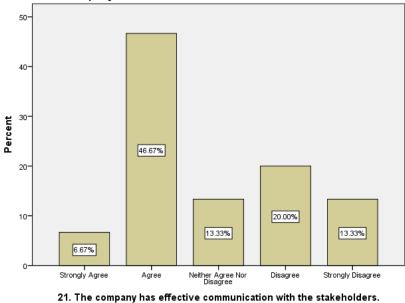


As per the analysis of the study, 60 percent of the respondents believe that marketing infrastructure of the company is not satisfactory, although 32 percent of the respondents disagreed with that and 7 percent of these respondents responded neutral.

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	28	46.7	46.7	53.3
	Neither Agree Nor Disagree	8	13.3	13.3	66.7
	Disagree	12	20.0	20.0	86.7
	Strongly Disagree	8	13.3	13.3	100.0
	Total	60	100.0	100.0	

21. The company has effective communication with the stakeholders.

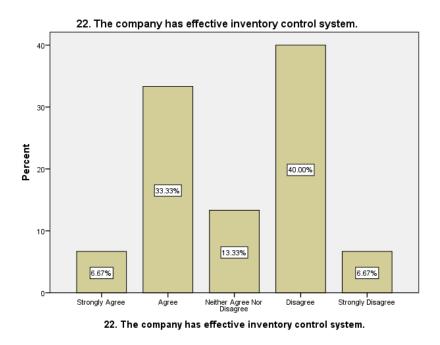
21. The company has effective communication with the stakeholders.



As per the analysis of this study, most of the respondents believe the company has effective communication with stakeholders, although 33 percent of them disagreed and the remaining 13 percent of them responded neutral.

					Cumulative	
		Frequency	Percent	Valid Percent	Percent	
Valid	Strongly Agree	4	6.7	6.7	6.7	
	Agree	20	33.3	33.3	40.0	
	Neither Agree Nor Disagree	8	13.3	13.3	53.3	
	Disagree	24	40.0	40.0	93.3	
	Strongly Disagree	4	6.7	6.7	100.0	
	Total	60	100.0	100.0		

22. The company has effective inventory control system.



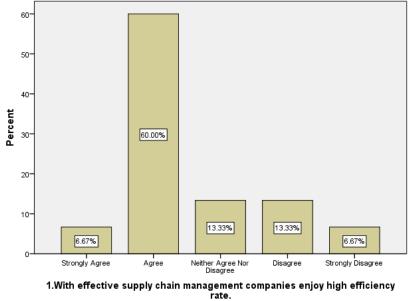
As per the analysis of the study, most of the respondents believe the company doesn't have effective inventory system, although some of the respondents disagreed with that and 13 percent of the respondents responded neutral.

### **E. Supply Chain Management:**

					Cumulative
		Frequency	Percent	Valid Percent	Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	36	60.0	60.0	66.7
	Neither Agree Nor Disagree	8	13.3	13.3	80.0
	Disagree	8	13.3	13.3	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

#### 1. With effective supply chain management companies enjoy high efficiency rate.



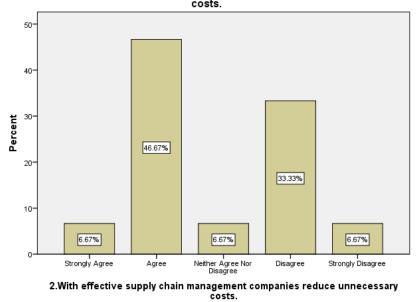


As per the findings of the study, most of the respondents believe that with effective supply chain management the company can enjoy high efficiency rate, although some of the respondents disagreed with this and 13 percent of them responded neutral.

-	with enective supply cha				Cumulative
	_	Frequency	Percent	Valid Percent	Percent
Valid	Strongly Agree	4	6.7	6.7	6.7
	Agree	28	46.7	46.7	53.3
	Neither Agree Nor Disagree	4	6.7	6.7	60.0
	Disagree	20	33.3	33.3	93.3
	Strongly Disagree	4	6.7	6.7	100.0
	Total	60	100.0	100.0	

2. With effective supply chain management companies reduce unnecessary costs.

2.With effective supply chain management companies reduce unnecessary costs.

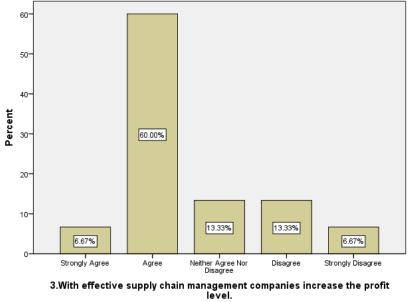


As per the findings of the study, most of the respondents believe that with effective supply chain management, the company can reduce unnecessary costs, although some of the respondents disagreed and 7 percent of them responded neutral.

	3. With elective supply chain management companies increase the profit level.						
					Cumulative		
		Frequency	Percent	Valid Percent	Percent		
Valid	Strongly Agree	4	6.7	6.7	6.7		
	Agree	36	60.0	60.0	66.7		
	Neither Agree Nor Disagree	8	13.3	13.3	80.0		
	Disagree	8	13.3	13.3	93.3		
	Strongly Disagree	4	6.7	6.7	100.0		
	Total	60	100.0	100.0			

3. With effective supply chain management companies increase the profit level.



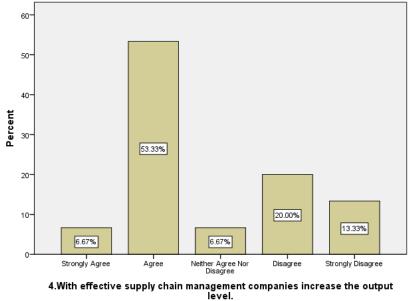


As per the findings of the study, most of the respondents believe that with effective supply chain management, the company can increase its profit level, although a minor part of the respondents disagreed and 14 percent of the respondents responded neutral.

4. With elective supply chain management companies increase the output level.									
					Cumulative				
		Frequency	Percent	Valid Percent	Percent				
Valid	Strongly Agree	4	6.7	6.7	6.7				
	Agree	32	53.3	53.3	60.0				
	Neither Agree Nor Disagree	4	6.7	6.7	66.7				
	Disagree	12	20.0	20.0	86.7				
	Strongly Disagree	8	13.3	13.3	100.0				
	Total	60	100.0	100.0					

4. With effective supply chain management companies increase the output level.

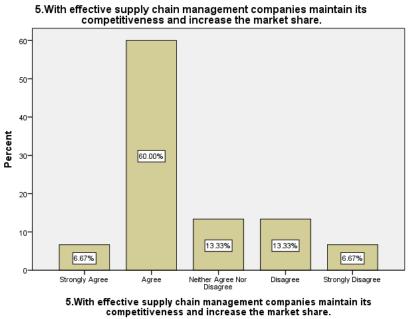




As per the findings of the study, most of the respondents believe that with effective supply chain management, the company can increase the output level, although some of the respondents disagreed with that and 6 percent of them responded neutral.

increase the market share.								
					Cumulative			
		Frequency	Percent	Valid Percent	Percent			
Valid	Strongly Agree	4	6.7	6.7	6.7			
	Agree	36	60.0	60.0	66.7			
	Neither Agree Nor Disagree	8	13.3	13.3	80.0			
	Disagree	8	13.3	13.3	93.3			
	Strongly Disagree	4	6.7	6.7	100.0			
	Total	60	100.0	100.0				

5. With effective supply chain management companies maintain its competitiveness and increase the market share



As per the findings of the study, most of the respondents believe that with effective supply chain management, The Company can maintain its competitiveness and increases its market share, although some of the respondents disagreed with this and 13 percent of them responded natural.

# CHAPTER FIVE CONCLUSION AND RECOMMENDATIONS

#### **5.0 INTRODUCTION:**

This chapter presents the concluded findings of this study along with the recommendations of the researcher for the target population of the study on factors affecting supply chain management.

## **5.1 CONCLUSION:**

Supply chain management is a very important activity for every company as it leads to customer satisfaction and competitiveness in the market. It todays businesses market supply chain management plays the key role in every companies success as it allows companies to deliver the products to the end user on time. In Afghanistan companies are mostly importing raw material from outside the country and this negatively impacts their supply chain management effectiveness as it causes delays, and secondly companies are not using the most updated technology in their supply chain management process. The concluded findings of this report on factors affecting supply chain management effectiveness of Alokozay Group of Companies are as below:

- As per the analysis of the study, most 33 percent of the respondents believe that supply chain planning is done frequently and occasionally in the target population of the study, 13 percent of them believe it is done regularly, and 13 percent of them believe it is done rarely.
- As per the findings of the study, 67 percent of the respondents believe that relationship management with suppliers is done occasionally, 6 percent of them believe it is done regularly, 13 percent of them believe it is done frequently, and 6 percent of them believe it is done rarely or not at all.
- As per the analysis, 60 percent of the respondents believe that manufacturing flow is managed frequently, 13 percent of them believe it is done regularly, 13 percent of them believe it is done rarely or not all.

- As per the analysis of the study, most of the respondents believe that product development management is done rarely, 6.7 percent of them believe it is done regularly and frequently and 26 percent of them believe it is done occasionally.
- As per the analysis of this study, most of the respondents believe that customer service management is done rarely, 13 percent of them believe it is done frequently, 7 percent of them believe it is done regularly, and 13 percent of them believe it is done occasionally.
- As per the analysis of the study, most of the respondents believe that customers' demand management is done rarely and 7 percent of them believe it is done regularly, frequently and occasionally.
- As per the analysis of the study, 46 percent of the respondents believe that auditing the performance of supply chain is done rarely, 33 percent of them believe it is done not at all and 6.7 of them believe it is done regularly, and frequently.
- As per the analysis of the study, 46 percent of the respondents believe that the company relies on a limited number of suppliers; although 33 percent of the respondents disagree with that and they believe the company doesn't rely on limited number of suppliers.
- As per the analysis of the study most of the respondents believe that the company is not successful in maintaining and making a long term relationship with the suppliers, although 33 percent of the respondents disagree with that and 6 percent of the respondents respondents responded neutral.
- As per the findings of the study, 60 percent of the respondents believe that suppliers are selected based on quality criteria by the target population of the study, although 27 percent of them disagreed and 14 percent of them responded neutral.
- As per the findings of the study, most of the respondents believe that the company doesn't have regularly coordination meetings with the suppliers, although 27 percent of them respondents disagree and 13 percent of them responded neutral.
- As per the findings of the study, most of the respondents believe that customers are treated fairly by the company, although forty percent of the respondents disagreed with that and 7 percent of them responded neutral.
- As per the findings of the study, most of the respondents believe that customers' expectations, feedbacks and complains are not always considered, although 32 percent of the respondent disagreed and 13 percent of them responded neutral.

- As per the findings of the study, 66 percent of the respondents believe that the company is not interacting with customers regularly and has not maintained relationship with them, although 20 percent of them disagreed with this and 13 percent of them responded neutral.
- As per the findings of the study, most of the respondents believe that the company doesn't have regular coordination meetings with the trading partners, although 26 percent of them disagreed and 13 percent of them respondents neutral.
- As per the findings of the study, most of the respondents believe that trading partners are not involved in business planning, although 40 percent of them disagreed with this and 10 percent of them respondents' neutral.
- As per the findings of the study, most of the respondents believe that the information system management of the company is not reliable although 32 percent of the respondents disagreed with that and 13 percent of them responded neutral.
- As per the findings of the study, most of the respondents believe that the storage facility of the company is satisfactory, although 20 percent of the respondents disagreed with that and 13 percent of them responded neutral.
- As per the analysis of the study, most of the respondents believe that the transportation infrastructure of the company is satisfactory, although 26 percent of the respondents disagreed with that and 6 percent of them responded neutral.
- As per the analysis of the study, 60 percent of the respondents believe that marketing infrastructure of the company is not satisfactory, although 32 percent of the respondents disagreed with that and 7 percent of these respondents responded neutral.
- As per the analysis of this study, most of the respondents believe the company has effective communication with stakeholders, although 33 percent of them disagreed and the remaining 13 percent of them responded neutral.
- As per the analysis of the study, most of the respondents believe the company doesn't have effective inventory system, although some of the respondents disagreed with that and 13 percent of the respondents responded neutral.
- As per the findings of the study, most of the respondents believe that with effective supply chain management the company can enjoy high efficiency rate, although some of the respondents disagreed with this and 13 percent of them responded neutral.

# **5.2 RECOMMENDATIONS:**

Following are the specific recommendations of the researcher for Alokozay Group of Companies on its supply chain management:

- The researcher recommends for the company to regularly plan for supply chain to make sure the inflow of the raw material and outflow of the finished products are done on time and without delays. And should maintain a good relationship with the suppliers by meeting them regularly.
- It is recommend for Alokozay Group of Companies not to rely on a limited number of suppliers and should have many suppliers on the list in order to make sure they receive the raw material on time. And secondly the suppliers should be selected based on quality and reliability.
- The researcher recommends for Alokozay Group of companies to treat all its customers fairly; the company should consider their feedbacks, complains, and expectations and continuously listen to them. This will positively impacts the supply chain management and the company will be able to maintain its customers in the market.
- As per the findings of the study, Alokozay group of companies doesn't have a reliable information system. The researcher strongly recommends for this company to develop a relation information management system. This will allow the company to effectively plan for supply chain as they will have the required information on what materials are needed and what is the outflow status. In addition this will help the company to effectively control the inventory system of the company

### **5.2.1.** Area for further Study:

The research recommends further studies in the field of supply chain management targeting other companies and industries, and would be interesting if other researchers study on the impacts of organizational culture on supply chain management and impact of workplace environment on supply chain management.

### **6. APPENDIXES**

#### **6.1 REFERENCES:**

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### Questionnaire form This questionnaire is developed to gather the primary information on factors affecting the supply chain management effectiveness.

I. Gender □Male	□. Female								
II. Age □. 18-24	□. 25-35	□. 36-45	$\Box$ . 45- above						
III. Years of Experience : □ 1-	3 □ 4-8	□ 9-12	2 □ Above 12						
				Answers					
Quest	ions		Regul arly	Freq uentl y	Occasion ally	Rarely	Not all		
A. Supply chain management practices:									
1. Supply chain planning.			1	2	3	4	5		
2. Relationship management v	with suppliers		1	2	3	4	5		
3. Management of manufactur	ring flow.		1	2	3	4	5		
4. Management of product de	velopment.								
5. Management of customer s	ervice.			2	3	4	5		
6. Demand Management by c	ustomers.		1	2	3	4	(5)		
7. Auditing the performance of	of Supply chain.		1	2	3	4	5		
			Answers						
Quest	ions		Stro ngly agre e	Agr ee	Neither Agree nor disagre e	Disagr ee	Strongly Disagree		
B. Supplier									
8. The company relies on few	suppliers.								

Thank you!

<ol> <li>The company is successfully in maintaining and making a long-term relationship with the supplier.</li> </ol>				
10. The company selects suppliers based on quality criteria.				
11. The company regularly has coordination meetings with suppliers.				
C. Customer & Trading Partners:				
12. Customers are treated fairly by the company.				
13. Customers' expectations, feedbacks and complains are always considered.				
14. The company interacts with customers regularly and has maintained relationship with them.				
15. The company regularly has coordination meetings with the trading partners.				
16. Trading partners are involved in business planning.				
D. Other factors of SCM:	1	L	L	
17. The information management system of the company is reliable.				
18. The storage facility of the company is satisfactory.				
19. The transportation infrastructure of the company is satisfactory.				
20. The marketing infrastructure of the company is satisfactory.				
21. The company has effective communication with the stakeholders.				

<ul><li>22. The company has effective inventory control system.</li><li>E. Supply Chain Management (Dependent Variable)</li></ul>			
	1		
<ol> <li>With effective supply chain management companies enjoy high efficiency rate.</li> </ol>			
2. With effective supply chain management companies reduce unnecessary costs.			
3. With effective supply chain management companies increase the profit level.			
4. With effective supply chain management companies increase the output level.			
5. With effective supply chain management companies maintain its competitiveness and increase the market share.			