

# Role of Supply Chain Management in Indian Manufacturing

## Small and Medium Scale Enterprises

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### RESEARCH OBJECTIVE

- To define the practice of supply chain
- To define the role of SCM in SMEs
- To identify the prevailing problems in practicing SCM

### RESEARCH METHODOLOGY



### RESEARCH PHASES

- Phase 1: Literature Review
- Phase 2: Field Study
- Phase 3: Discussion

### DATA COLLECTION

- Data has been collected from 12 manufacturing SMEs whose products are majorly sub components
- Data has been collected from CEOs, departmental heads and business operations heads via in-depth interviews, expert interviews etc.



### LITERATURE

The problems related to acquiring enough capital, resources and skills are acute which has affected the full implementation of IT systems such as intranet, internet, extranet, and ERP

### FIELD VISIT

SMEs who are part of the large group of organizations do have resources and capacity, but are not willing to expand in order to confine within the limits of SMEs and enjoy the benefits

Some SMEs do have the problem stated in literature but the SMEs associated with large groups do not have this problem and they remain as SMEs by not upgrading themselves by practicing supply chain in order to enjoy benefits of SMEs and they use this business in order to compensate their other business pitfalls.

### LITERATURE

Supply chain decisions are totally taken by CEO and lack of awareness exists at functional level. Respective functional leaders are only involved in routing follow-up procedures.

### FIELD VISIT

Most of the decision making is done by CEO/MD and since most of them are technocrats, SMEs don't have department heads and no clear departmental boundaries.

The problem reported in the literature is still prevailing, as most of the owners are technocrats who runs their business and they look into only the technical side of the business and not the business operations when they think of upgrading themselves and that lack when they consider themselves for practicing supply chain.

### LITERATURE

Large enterprises manage SMEs at arm's length and if they want to continue in business they are expected to obey the norms. SME may lose the business with others by entering into long-term contract with particular contractor.

### FIELD VISIT

Most of the SMEs manufacture sub components of a product owned by a large firm, and if not they will be producing tax exempted products. Both of them enjoy their own comfort zone.

Large enterprises does not cause any hindrance for the growth of SMEs by not allowing them to have their own strategy adoptions in business operations like practicing supply chain as it mainly depends upon what the SMEs manufacture. SMEs producing tax exempted products do have the capacity but not aware of the benefits of practicing supply chain.

### LIMITATIONS

The particular study has been done focusing only on the manufacturing SMEs and most of them manufacture sub components and some produce tax exempted products and some are just the job workers for large enterprises.