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Sustainable Supply

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Description

Supply chain management literature has a variety of definitions to describe supply chain management. The original discussion was to discuss what is sustainable supply. Yet, it became apparent that this was not possible. In order to understand sustainable supply you first need to know what do we mean by supply. The focus of this paper to be relevant needed to focus its research to find the foundation of the definition of supply. To define supply, a literature review was conducted. The reviews specific attention focussed on finding a definition for supply from the various supply chain and supply chain management journals, theses and books. The result of the review found that the definitions were many and varied and could not provide a clear definition on what is supply. The definitions for supply chain and supply chain management lacked clarity, and focussed on business trends to shape and define this field. Becasue of the inability of finding a definition for supply it therefore highlights the need for developing a firm foundation with which to describe and define the management of supply before we can even consider the rewards of defining sustainable supply. Since supply chain management is about managing supply, it is suggested that further research be undertaken to change further research on answering the question; "what is supply". Further work then needs to be done to understand what we mean by sustainability. Upon completion of these two projects furhter work can occur to competently define the meaning of sustainable supply.

Location

iC - SBS Teaching Facility

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Title: Sustainable Supply

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Abstract

Supply chain management literature has a variety of definitions to describe supply chain management. The original discussion was to discuss what is sustainable supply. Yet, it became apparent that this was not possible. In order to understand sustainable supply you first need to know what do we mean by supply. The focus of this paper to be relevant needed to focus its research to find the foundation of the definition of supply. To define supply, a literature review was conducted. The reviews specific attention focussed on finding a definition for supply from the various supply chain and supply chain management journals, theses and books. The result of the review found that the definitions were many and varied and could not provide a clear definition on what is supply. The definitions for supply chain and supply chain management lacked clarity, and focussed on business trends to shape and define this field. Becasue of the inability of finding a definition for supply it therefore highlights the need for developing a firm foundation with which to describe and define the management of supply before we can even consider the rewards of defining sustainable supply. Since supply chain management is about managing supply, it is suggested that further research be undertaken to change further research on answering the question; "what is supply". Further work then needs to be done to understand what we mean by sustainability. Upon completion of these two projects furhter work can occur to competently define the meaning of sustainable supply.

Introduction

In recent times an unprecedented amount of natural, economic and industrial disasters. The earthquake that affected Japan, caused the loss of lives, the destruction of property, it also stopped production of essential products destined for overseas markets. In 2011, a Chinese factory experienced an explosion that disrupted the production of Apple's iPad2. It was reported that "*The explosion could affect the supply of iPads and investors were watching closely*." (Reuters, AFP 2011) As a result of the Global Financial Crisis" (GFC) in 2008, Michael Farr's (2011) article on "*the effects the GFC has had on your local store*" showed that of the 528,669 small businesses employing one to four staff just before the 2007 election only 497,141 were still operational prior to the 2010 federal election. The closure of 31,528 small businesses meant that there were approximately 30,000 to 126,000 lost employment opportunities. The downturn in small business would have affected the supply of labour, the supply of goods and services; this disruption would have also affected regional economies.

The analysis from a recent study of supply base among SME's around Australia confirmed that the readiness of supply chains and; "*supply networks that were once considered robust are in many cases vulnerable...*" (Styger, 2011) If these, natural, industrial and economic affects can disrupt the supply of goods and services, the supply of labour and money with great repercussions and consequences; if supply chain theory and principles in existence today which are there to help business work effectively; then why does it appear that these principles are not resilient enough for businesses to survive in times of chaos. It asks the more important question of how can we ensure supply?

Purpose

In answering the original question about sustainable supply, there needed to be some research undertaken to first define what is supply. It opened the door to ask the question; what foundation have supply chain management practitioners and academics built there understanding for managing supply chains on? What it is it that they are managing? The answer to that question is logical; they are; “Managing supply”. It should then raise the next pointed question - what is supply?

Methodology

To answer this question a literature review was conducted using several research databases. The search conducted used several key words and phrases: supply, supply definition, definition of supply, theory of supply, supply theory and derivatives of both theory and define. The search focussed on economics, management, supply chain, innovation, supply chain management. The search was modified because the phrase was too simplistic and would attract papers outside of the parameters of the search topic. Several key text books used in the study of supply chain management and strategic planning were also researched. From this review what became apparent were two areas of thought: A lack of clarity and a negative perception of what Supply Chain Management is and Supply Chain Management theory is driven by business trends.

One of the key papers used in looking at a wide range of definitions was by Stock & Boyer (2009). Their review of definitions of supply chain management was a historical overview and concluded that there were 2892 journal articles written about supply chain management between 1994 and 2008. They sourced their definitions from the 30 journal publications and 119 journal articles that focussed on a definition for supply chain management. Definitions from books and reports grew the number of definitions to a total of 173. Stock and Boyer (2009) found 3 Key themes used to define supply chain management. These key themes were; Activities, Benefits and Constituents/Components. Sub Themes that were consistent across the definitions that they researched included: Material/physical, services, finances and information flows; Networks of relationships (both internal an external); Value creation; Creates efficiencies; Customer satisfaction; Constituents or components parts (Stock & Boyer 2009). Their conclusion found that supply chain theory is an effective paradigm shift in business and management principles.

Lack of Clarity and a Negative perception of what Supply Chain Management is

Caddy & Helou (2007) note that the concepts of supply chain and supply chain management had a variety of meanings and finding a commonality to its purpose is limited. Supply chain management theory is a “*field...characterised by idealism and fragmentation". It uses overlapping terminology...drawn from multiple-disciplinary bases.”* (Storey et al, 2006). Menzer et al, (2000) and Svensson, (2002) commented that “*there remains considerable confusion to its meaning.”* (Svensson, 2002). Lambert, (2006) commenced the introduction of his book by noting that: “*There is a great deal of confusion regarding exactly what supply chain management is...*” (Lambert, 2006). McCormack & Kasper, (2002) noted that the definition of supply chains and supply chain management was not clear. Halldorsen et al, (2007) noted that the definitions that have been developed are solutions to ongoing relationship difficulties within the flow of goods and services but do not address *economic, strategic or socio-economic theory or rationale behind them*. (Halldorsen et al, 2007). What can be seen is that supply chain management is now a “*field...characterised by idealism and fragmentation. It uses overlapping terminology...drawn from multiple-disciplinary bases.”* (Storey et al, 2006)

Supply Chain Management theory driven by business trends

The development of Supply chain management theory is a result of *changing business trends* (Storey et al 2006, Chandra & Kumar 2000). For example, there has been a growth in the exploration of sustainability (Styger, (2011), Carter & Easton, (2011) and supply chain management. Marketing has been explored in the foundation theory of what is supply chain management with no attention given on defining what is supply. Svensson, (2002) Fawcett et al, (2007) view supply chain management as an economic theory for collaborative specialisation and advantage. Lambert speaks of the negative impact academia has made to defining supply chain management by following those who are leading in business practice (Lambert 2006). Supply chain management text book definitions varied and may be aligned with a particular supply chain or logistics organisation. Lummus & Vokurla, (1999) note that supply chain management is not driven specifically from a supply side.

The defences raised about defining supply chain management can be best described as trends of thoughts, philosophy's, descriptions and prescribed methods. Sub themes of supply chain management have had name changes, yet the name changes have not helped in changing the definition. Original phrases like *supply chain,* have been replaced by business trends like *demand chain, value networks and value chains etc can be used as synonyms* (Coyle et al, 2008). In assessing the development of these trends and the assistance that has been given to improve performance, Storey et al, (2006) makes the point that *trends imply progress...despite all the technology and the new techniques, supply chain performance in many instances has "never been worse"* (Storey et al, 2006).

Conclusion

In order to develope and define sustainable supply the "*starting point has to take into account the differences in the task of managing supply*." (Lamming et al, 2000). If supply chain management theorists cannot agree on a definition for their field or profession then how can we pursue defining sustainable supply. Rather than create another synonym that may help in ensuring less disruption in times of chaos in managing supply, it makes the purpose of this paper clear. To conduct further research to help create a definition that can become foundational in developing a consistent and reinforced management principles for managing supply. In doing so the negativity, lack of clarity, grasping for the support of business trends will disappear and a focussed and productive definition can then be created to support the management of supply.

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