Chapter III

Research Design

3.1 Objectives of the study
3.2 Review of Literature
3.3 Methodology
3.4 Sample Size
3.5 Significance of the Study
3.6 Limitations of the Study
Chapter - III

Research Design

The present study is confined to the Supply Chain Management in Indian Textile companies. The new era of business will pose a tough competition to these companies. Many of the companies are not highly concerned about strategically managing their supply chain. These companies should focus towards their supply chain. This study provides various aspects of the supply chain approach in textile industry. The finding of the study will be highly useful to textile companies to exploit the opportunities in the new arena of business.

3.1 Objectives of the study

The main objective of the present study is to examine the supply chain activities in the selected textile companies. More specifically the specific objectives of the study are as follows:
- To study the existing supply chain strategy in the textile industry.
- To study about creating value through supply chain integration.
- To analyse the impact of IT revolution on the supply chain.
- To identify the right supply chain strategy in the selected units.
- To examine the effect of change in the industry on the supply chain structure.
- To suggest the appropriate strategies in the concerned area

3.2 Review of Literature

In order to have proper insight it is important to take the view of several renowned scholars who had worked in the concerned area. Londe and Bernard suggests that supply chain management is the process of managing relationships, information and material flow across enterprise boarders to deliver enhanced customer service and economic value through synchronized management of the flow of physical goods and associated information from sourcing to consumption.1 Slater and Norver, has stated that value can be created at many points along the chain by making the customer firm at that point in the chain more
effective in serving its markets or more efficient and cost effective in its operation. Ingram states that salespeople need to possess skills and knowledge in strategic thinking, which requires the sales person to understand the strategic direction of the supply chain and that of supply chain partners. Highlighting the factors influencing the inventory policy Coyle, Bardi and Langley have included desired levels of customer service, production economies, purchasing economies, transportation savings, seasonality of demand or supply and supply source maintenance as an important factor in the supply chain. Lambart, Douglas and Stock argues that logistics can differentiate product or service offerings because distribution can be used as a primary reason why a target market will purchase and distribution can be designed as a unique offering not duplicated by competition. Christopher and Towill have given their views about agile supply chain. According to them agility is a business-wide capability, that embraces organisational structures, information systems, logistics processes and in particular mindsets. They ahve also suggested that agile supply chain are required to be market sensitive and hence nimble. Paulo and Gozolla pointed out
effective in serving its markets or more efficient and cost effective in its operation. Ingram states that salespeople need to possess skills and knowledge in strategic thinking, which requires the sales person to understand the strategic direction of the supply chain and that of supply chain partners. Highlighting the factors influencing the inventory policy Coyle, Bardi and Langley have included desired levels of customer service, production economies, purchasing economies, transportation savings, seasonality of demand or supply and supply source maintenance as an important factor in the supply chain. Lambart, Douglas and Stock argues that logistics can differentiate product or service offerings because distribution can be used as a primary reason why a target market will purchase and distribution can be designed as a unique offering not duplicated by competition. Christopher and Towill have given their views about agile supply chain. According to them agility is a business-wide capability, that embraces organisational structures, information systems, logistics processes and in particular mindsets. They also suggested that agile supply chain are required to be market sensitive and hence nimble. Paulo and Gozolla pointed out
that business success is associated with investments in control and integration technologies, as well as in logistics systems. According to them it is easier to successfully implement supply chain in those companies who have invested huge amount in strategic alliance with supplier to optimize logistics in technologies and material requirement planning than those lacking technological and logistics priorities. Porter was one of the first to draw attention to the importance of the value chain. According to Porter, one of the strategic keys to creating customer value is effective transportation and warehousing. Lijima, Ichiro and Minoura have pointed out that the concern of supply Chain Management is to achieve more cost effectiveness. Jeong and Young have proposed a multi-criteria supplier selection (MCSS) model based on Fuzzy-Set theory to deal with the supplier selection problems in the supply chain systems. According to them supplier selection involves several different types of criteria, a combination of different decision models, group decision-making and various forms of uncertainty. Many variables and factors affect how a firm goes about supplier selection. Petrflal proposed that information asymmetry is one of the most
powerful sources of inefficiencies in supply chain. Integration process of 
units in supply chain is based on communication, coordination and 
cooperative problem solving framework which can be very helpful in 
the integration process. Hausman in his paper “Supply Chain 
Performance Metrics” has suggested that business that use multi-
dimensional performance measures should recognize that not all 
dimensions are equally important and some trade offs are necessary. 
Understanding trade offs and as a result, knowing how to set priorities 
and targets are crucial. Arivalagan and Sudhakar in their joint paper 
entitled “Supply Chain and E-Commerce Cases from Paper Industry” 
suggested that supply chain management and e-commerce established 
strong bonds of communication and trust among all parties that they can 
effectively function as one virtual corporation, fully aligned to 
streamline business process and achieve customer satisfaction. 
Kumar and Blohowaik in their paper “Managing Constraints in the Food 
Service Supply Chain” have discussed the various factors in the 
Constraints Management. According to them the theory of Constraints 
challenges the supply chain participants to identify the one process or
resource within the integrated system that impedes the throughput of the entire system.\textsuperscript{14} Lakshman in her article "From Supply Chain to Customer Value – The McDonalds Way" has pointed out that the planning of the supply chain is so intense that if new product hits the market today the journey begin two year before that.\textsuperscript{15} Jeffrey and Yen–Chun suggested that the success of lean manufacturing also depends on a level production schedule i.e. the production of different items must be distributed evenly to minimize uncertainty for upstream operations and suppliers.\textsuperscript{16}

Stern and Reve have suggested that cooperative behaviour facilitates coordination and programming of activities within the channel that, in turn, provide potential cost advantages and improve competitive strength.\textsuperscript{17}

Mentzer and Konard reviewed that construction and use of performance measure forms increases the efficiency & effectiveness perspective,
provided and understanding of how performance measures should be
constructed and described the strength and weaknesses of their use.\textsuperscript{18}
Supply Chain can be viewed as a strategic issue. Jha has stated that
companies those adopt and implement major strategies in supply chain
management will be able to leverage competitive advantage.\textsuperscript{19} Now a
days various companies are going for postponement strategy. Shah and
Balram have suggested that as finished goods inventory are as high as
40 days in Indian Manufacturing Industries, the firms stand to gain
significantly by employing the postponement strategy.\textsuperscript{20}

The above mentioned studies related to the present work have been
conducted by the various scholars in the field but no such study
encompassed the supply chain management in Indian Textile Industry
in India and with special reference to Bhiwani Textile Mills (a unit of
Grasim Industries Limited) Bhiwani.

3.3 Methodology

The present study is based on both primary data and secondary data.
Primary data have been collected with the help of specifically designed
questionnaire, personal interviews and detailed discussions with the officials of the selected units. Questionnaire has been prepared with the help of academicians, professional managers, consultants and consultancy standard literatures in the area of supply chain management.

Secondary data needed for the study have been collected from the publications (Government of India), like Annual Reports – Reserve Bank of India / Ministry of Textiles, Journals and Newspapers. Relevant materials have been gathered from the published as well as unpublished work of eminent scholars associated with the field. Help has also been taken from several libraries in this respect including Delhi University, Delhi, Manipur University, Imphal, Kurukshetra University, Kurukshetra, M.D. University, Rohtak, Guru Jambheshwar University, Hisar, Jiwaji University, Gwalior, Management Development Institute, Gurgaon and The Technological Institute of Textile & Sciences, Bhiwani.

3.4 Sample Size

The researcher has sent 100 sets of questionnaire to the companies but the response was not satisfactory. It was only 10% i.e. 10. Besides
questionnaire, personal interviews have also been conducted with the officials of the selected units so as to get further information for research analysis.

Sample Size

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Nature of Units</th>
<th>No. of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yarn Manufacturing</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>Fabric Manufacturing</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>Garment Manufacturing</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

List of Respondent Companies:

Bhiwani Textile Mills (Grasim Industries Ltd.) Bhiwani
Chinar Syntex Ltd. Bhiwani
DCM Textiles Ltd. Hisar
Maral Overseas Ltd. Noida
Orient Craft Ltd. Gurgaon
Orient Fashions New Delhi
Rajasthan Spinning & Weaving Mills Ltd. Gulabpura
Shahi Exports Gurgaon
Sonar International New Delhi
Vardhman Spinning & General Mills Ltd. Ludhiana
3.5 Significance of the Study

The outcomes of the present study will be highly useful to the strategists/ top executives of the textile industries. The finding of this study will also be helpful to the Government machinery at the center / state level for taking up the necessary steps while drafting policies related to textile industry. Further this study will be helpful to researchers and academicians for carrying out further work in this area.

3.6 Limitations of the Study

The study has the following limitations:

➢ The title of the study itself is not easy to respond.

➢ Scholar had selected 100 units. Only 10% turnover by the questionnaire is there.

➢ Structured questionnaire is used so it was not possible on the part of the respondent to share his individual experiences.

➢ The respondent does not have very clear understanding of the concept of supply chain management being modern concept.
➢ At the time of personal meeting they were not able to give full attention and appropriate time.

➢ There were financial constraints with the researcher to visit the industries, so researcher within reach visited industries.

Despite of the above limitations, the findings of the study are quite useful to Indian Textile Companies in general and to selected companies under study in particular.
References


