

## **PREFACE**

During the last few years, both industry and academics have become interested in the area of Supply Chain Management (SCM), as well as research into SCM. A Supply Chain is a network of facilities and distribution options that performs the functions of procurement of materials, transformation of these materials into intermediate and finished products and the distribution of these finished products to customers. Supply Chain Management encompasses the planning and management of all activities, involved in sourcing, procurement, conversion and logistics management. It also includes the crucial components of coordination and collaboration with channel partners which can be suppliers, third party service providers and customers. In essence, Supply Chain Management integrates supply and demand management within and across companies and managing of the Supply Chain as a single entity.

FMCG, Fast Moving Consumer Goods usually refer to non-durable products. The fact that an FMCG has a low shelf life, a host of characteristics like frequent purchase, low involvement, low price etc exist which have considerable implications for any marketer. FMCG Industry in India is the fourth largest sector creating employment for more than three million people having Rs.85,000 crores market. The FMCG sector in India is expected to grow at 12% over the next few years to reach a size of US \$ 43 billion (Rs. 2,06,000 crores) by 2014 and US \$ 74 billion (Rs. 35,50,000 crores) by 2018.

The rapid developments in Information Technology have influenced business processes in a big way in the last few decades. Among other things, IT has brought about a phenomenal change to SCM throughout the world. Many European and American Companies have used IT in their Supply Chains to cut costs and increase profits. Although India is catching up fast with IT, it has done little to SCM in India. Many companies are yet to embrace IT as a tool in their Supply Chains. But it is necessary to gear up and utilize IT tools in SCM in order to remain competitive in

today's business environment. The modern trends and developments within the Information Technology and Software Engineering give unprecedented opportunities for integration and coordination. The modern computer networks have the ability to rapidly distribute information to all concerned entities of an enterprise. The networks also present an infrastructure for coordination of planning and operational processes, not only within organizations but also among them.

This research looks at SCM with an emphasis placed on the use of Information Technology (IT) as a tool for generating Supply Chain performance improvements. This research focuses specifically on the FMCG Industry and its use of SCM and IT to become more efficient and competitive in the delivering of goods to the consumer. The 21<sup>st</sup> century global market is electronically connected and dynamic in nature. Therefore companies are trying to improve their agility level with the objective of being flexible and responsive to meet the changing market requirements. In an effort to achieve this, many companies have decentralized their value adding activities by implementing IT. Considering the importance of IT in achieving effective SCM, an attempt has been made in this research to study and examine the impact of Information Technology integration with Supply Chain Management in FMCG industry. This provides an answer to paradigm shift of the industry and helps to register the changes happened and changes to come.

## **THE PLAN OF THE THESIS**

The present study has been divided into FIVE Chapters. The Chapter sequence and the topics dealt with are as follows:

**Chapter I** Provides introduction leading to the discussion on Supply Chain Management, Information Technology and its Impact on Supply Chain Management and FMCG Industry.

- Chapter II** Describes the various Theoretical issues in the area of Supply Chain Management and its expanding role in today's electronically connected markets.
- Chapter III** Reviews the theoretical bases for this study, supported by discussion on major contribution of the existing literature. The research gaps were identified based on the review. Also, this chapter discusses background of the study, research question and research purpose, objectives, hypotheses and research methodology. The research methodology deals with description of study area, research approach, research design, instrument selection, data collection, analysis and hypotheses testing.
- Chapter IV** Presents the data analysis, its results and related discussion in great detail related to the impact of Information Technology integration with Supply Chain Management in FMCG industry.
- Chapter V** Is the core of the dissertation in which research findings are presented, conclusions are drawn, recommendations are made and offers implications for future research.

  
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**B. NAGARJUNA**

*DEDICATED TO  
MY PARENTS*

**Dr. B. SADASIVA REDDY  
&  
Smt. B. BHRAMARAMBA**

*A Customer is the most important visitor on our premises.  
He is not dependent on us – we are dependent on him.  
He is not an interruption on our work – he is the purpose of it.  
He is not an outsider to our business – he is part of it.  
We are not doing him a favour by serving him – he is doing us a favour  
by giving us an opportunity to do so.*

**Mahatma Gandhi**