A CONCEPTUAL FRAMEWORK FOR MEASURING SUPPLY CHAIN PERFORMANCE

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ABSTRACT

In today’s world, Supply Chain Management (SCM) plays a key strategic role in increasing organizational effectiveness and accomplishment of organizational goals such as enhanced competitiveness, better customer service and increased profitability. The process of choosing appropriate supply chain performance measures is difficult due to the complexity that various processes are linked with each other. This paper presents a broad conceptual framework for measuring supply chain performance that suggests aligning performance measures with goals, processes, and performance dimensions. Further, performance measures are identified based on supply chain processes and performance dimensions of these processes or activities. The key argument here is that every firm has a different supply chain model and different supply chain goal. It is necessary to identify the supply chain processes and performance dimensions before hand and use that framework as the means to organize specific measurements in to support operational decisions.

KEYWORDS: performance measurement system; supply chain management; performance dimensions; supply chain processes; performance measures.