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**THE IMPACT OF SUPPLY CHAIN MANAGEMENT ON COMPETITIVE
ADVANTAGE AND ORGANIZATIONAL PERFORMANCE**

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Abstract.

The aim of this study is to identify the impact of supply chain management on competitive advantage and organizational performance. The study concluded the number of results: impact of supply chain management (suppliers relationship, brokers and distributors relationship and customers relationship) to improve organization performance.

the study made a number of recommendations including: the adoption strategic entrance to the supply chain management, based on the establishment of long-term with suppliers relationships, communication effective, and suppliers partnership, because efficiency in supply chain management is the key to the success of the organization in the long run.

Keywords: Supply Chain Management - Organization Performance - competitive advantage

1- Introduction.

Supply chains have become an important phenomenon because of Cost

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reduction, through which the company can achieve its goals, As well as the possibility to benefit from the treatment of the company with its customers and suppliers.

Supply chain management is concerning the management of the flow of information, materials and services and money across any activity Namely that maximize the effectiveness of these processes. Also offers new tools or change or modify old methods, The supply chains are the most interaction with internal and external environment and also has a great role in the development of performance.

it is the foundation for the success or failure of performance of any company(Tracy ,et al.2009)

The purpose of the supply chain is the creation of a sort of integration between of company main activities of the beginning of the planning and control of materials, supplies and services and the flow of information from the supplier to Producers down to provide the service to the customer, the increased interest in the management of supply chain Considered radically in the world of modern business, where companies that use a management style has the ability on competitiveness through raising the level of performance where , The goal of this study is to identify the impact of the Supply Chain Management on the performance of the organization (Zwick, T., 2006)

2- Search problem.

Lies the importance of the supply chain to gain a competitive advantage enabling the company to reduce expenses and increase the quality of its products as a first stage, and through the purchase of materials from suppliers at preferential prices

Depending on build the network relationships with them, as the second phase depends

on reducing the volume of waste materials because of manufacturing and converted

has become supply chain management Effective a reason for the success of some companies , But there is considerable variation in the level of adoption of the companies to use supply chains, And that has raised the question on the impact of the use of supply chain management on Organization Performance and competitive advantage

and the research problem in the following question: -

What is the Impact of Supply Chain Management on competitive advantage and organizational performance?

2-1. Previous studies:

- Study (Tallri, 2000) : (An IT/IS Acquisition & Justification Model for Supply Chain Management)

This study evaluated the information technology and appropriate information to improve the performance of the supply chain in terms of planning level Strategic, tactical level planning, planning level Operational The study concluded the following results: Establish information systems and information technology should be based on cost, flexibility, quality and time elements and The study found an integrated model Offers perfect solutions correspond to the different requirements of the resolutions of the market

- Study (Teck young Eng, 2005): "The Influence Of a Firm's Cross Functional Orientation On Supply Chain Performance"

This study aimed at measuring the impact of the cooperative approach between functional departments of the company in the performance of the supply chain and reached the following results The cooperation between the company and Suppliers

in the field of mutual administrative backing have a positive impact on its The performance of the supply chain and satisfaction of the employees And that the company adopts a positive Media technology between the company and suppliers

- Study (Lee & Whang, 2010) E-Business & Supply Chain Integration

This study is based on highlighting the extent of Effect electronic business in the integration of activities supply chains , and the extent to which the interest of business projects through the adoption of electronic entrances to work and study concluded the following results:

Internet of the key tools in the information technology that Allowed the company devise creative solutions

It contributed to increasing the ability to embrace the fundamental principles of supply chain And that companies used IT in their operations in order to integrate the supply chain definition And was able to achieve high levels of efficiency and effectiveness.

- Study (Flynn,etal,2011) The Impact of Supply Chain Integration on Performance

The study aimed to clarify the effect of integration between customer and

supplier in operations and business management in industrial companies through the assessment model for the integration of the supply chain

The study concluded that there is a direct relationship between internal integration and operational performance in industrial companies

The study did not show the existence of any relationship between the supplier and the customer with the internal integration in performance .

What distinguishes this study from previous studies that previous studies have focused on the general framework of the supply chain and identify the elements and technical aspects associated with it, while this study describes the aspects concerning the impact of supply chain management on the performance of companies

3- The importance of research and objectives .

The importance of this research stems from clarifying the Impact of Supply Chain Management on Organization Performance , strengthen and improve the decision-making process. On the other hand, there is a relative dearth of accounting studies about The Impact of Supply Chain Management to Organization Performance and competitive advantage

The overall aim of the research is Identify the Impact of Supply Chain Management on Organization Performance and competitive advantage

4- Research Methodology .

This research is used in desktop Descriptive method and analytical method which is based on the study and analysis of the results of previous studies that have examined this topic in different aspects. And try to find a comprehensive conception illustrates The Impact of Supply Chain Management on Organization Performance and competitive advantage

5- The concept of supply chain management

In commerce, supply chain management (SCM), the management of the flow of goods and services, involves the movement and storage of raw materials, of work-in-process inventory, and of finished goods from point of origin to point of consumption. Interconnected or interlinked networks, channels, and node businesses combine in the provision of products and services required by end customers in a supply chain. Supply-chain management has been defined as the "design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally.

5-1 Origin of the term and definitions

The term "supply chain management" entered the public domain when Keith Oliver, a consultant at Booz Allen Hamilton (now Strategy&), used it in an interview for the Financial Times in 1982. The term was slow to take hold. It gained currency in the mid-1990s when a flurry of articles and books came out on the subject. One of the first to formally define supply chains as encompassing all activities associated with the flow and transformation of goods from raw materials through to the end user, as well as the associated information flows. Supply chain management was thus defined as the integration of these activities through improved supply chain relationships to achieve a competitive advantage. In the late 1990s, it rose to prominence as a management buzzword, and operations managers began to use it in their titles with increasing regularity.(Wheelen ,et al 2004)

Other commonly accepted definitions of supply chain management include:

- The management of upstream and downstream value-added flows of materials, final goods, and related information among suppliers, company, resellers, and final consumers.
- The systematic, strategic coordination of traditional business functions and tactics across all business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole
- A customer-focused definition is given by (Hines, 2004: 76): "Supply chain strategies require a total systems view of the links in the chain that work together efficiently to create customer satisfaction at the end point of delivery to the consumer. As a consequence, costs must be lowered throughout the chain by driving out unnecessary expenses, movements, and handling. The main focus is turned to efficiency and added value, or the end user's perception of value. Efficiency must be increased, and bottlenecks removed.

5-2 Functions Supply chain management is a cross-functional approach that includes managing the movement of raw materials into an organization, certain aspects of the internal processing of materials into finished goods, and the movement of finished goods out of the organization and toward the end consumer. As organizations strive to focus on core competencies and become more flexible, they reduce their ownership of raw materials sources and distribution channels. These functions are increasingly being outsourced to other firms that can perform the activities better or more cost effectively. The

effect is to increase the number of organizations involved in satisfying customer demand while reducing managerial control of daily logistics operations. Less control and more supply chain partners lead to the creation of the concept of supply chain management.

The purpose of supply chain management is to improve trust and collaboration among supply chain partners, thus improving inventory visibility and the velocity of inventory movement.

5-3 Importance Organizations increasingly find that they must rely on effective supply chains, or networks, to compete in the global market and networked economy. In Peter (Drucker's 1998).

new management paradigms, this concept of business relationships extends beyond traditional enterprise boundaries and seeks to organize entire business processes throughout a value chain of multiple companies.

In recent decades, globalization, outsourcing, and information technology have enabled many organizations, such as Dell and Hewlett-Packard, to successfully operate collaborative supply networks in which each specialized business partner focuses on only a few key strategic activities (Scott, 1993).

This inter-organizational supply network can be acknowledged as a new form of organization. However, with the complicated interactions among the players, the network structure fits neither "market" nor "hierarchy" categories (Powell, 1990). It is not clear what kind of performance impacts different supply network structures could have on firms, and little is known about the coordination conditions and trade-offs that may exist among the players. From a systems perspective, a complex network structure can be decomposed into individual component firms (Zhang and Dilts, 2004). Traditionally, companies in a supply network concentrate on the inputs and outputs of the processes, with little concern for the internal management working of other individual players. Therefore, the choice of an internal management control structure is known to impact local firm performance (Mintzberg, 1979).

In the 21st century, changes in the business environment have contributed to the development of supply chain networks. First, as an outcome of globalization and the proliferation of multinational companies, joint ventures, strategic alliances, and business

6- Supply Chain Management practices

SCM practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain. describes the latest evolution of SCM practices, which include supplier partnership, outsourcing, cycle time compression, continuous process flow, and information technology sharing. use purchasing, quality, and customer relations to represent SCM practices, in their empirical study. (Tan et al.1998)

Include in their list of SCM practices concentration on core competencies, use of inter-organizational systems such as EDI, and elimination of excess inventory levels by postponing customization toward the end of the supply chain.

Identify six aspects of SCM practice through factor analysis: supply chain integration, information sharing, supply chain characteristics, customer service management, geographical proximity and JIT capability. Use supplier base reduction, long-term relationship, communication, cross-functional teams and supplier involvement to measure buyer–supplier relationships. identify the concept SCM as including agreed vision and goals, information sharing, risk and award sharing, cooperation, process integration, long-term relationship and agreed supply chain leadership. Thus the literature portrays SCM practices from a variety of different perspectives with a common goal of ultimately improving organizational performance. (Alvarado and Kotza, 2001)

In reviewing and consolidating the literature, five distinctive dimensions, including strategic supplier partnership customer relationship, level of information sharing, quality of information sharing and postponement, are selected for measuring SCM practice. The five constructs cover upstream (strategic supplier partnership) and downstream (customer relationship) sides of a supply chain, information flow across a supply chain (level of information sharing and quality of information sharing), and internal supply chain

process (postponement). It should be pointed out that even though the above dimensions capture the major aspects of SCM practice, they cannot be considered complete. Other factors, such as geographical proximity, JIT/lean capability, cross-functional teams, logistics integration agreed vision and goals, and agreed supply chain leadership are also identified in the literature. Though these factors are of great interest, they are not included due to the concerns regarding the length of the survey and the parsimony of measurement instruments. (Feldmann, et al 2003)

7- Competitive advantage

Competitive advantage is the extent to which an organization is able to create a defensible position over its competitors. It comprises capabilities that allow an organization to differentiate itself from its competitors and is an outcome of critical management decisions. The empirical literature has been quite consistent in identifying price/cost, quality, delivery, and flexibility as important competitive capabilities. In addition, recent studies have included time-based competition as an important competitive priority. identifies time as the next source of competitive advantage. Based on the above, the dimensions of the competitive advantage constructs used in this study are price/cost, quality, delivery depend ability, product innovation, and time to market. (Bechtel C, Jayaram J,1997)

8- Organizational performance

Organizational performance refers to how well an organization achieves its market-oriented goals as well as its financial goals . The short-term objectives of SCM are primarily to increase productivity and reduce inventory and cycle time, while long-term

objectives are to increase market share and profits for all members of the supply chain .

Financial metrics have served as a tool for comparing organizations and evaluating an organization's behavior over time . Any organizational initiative, including supply chain

management, should ultimately lead to enhanced organizational performance. (Alvarado UY, Kotzab H.2001, Küçük, 2016: 129)

A number of prior studies have measured organizational performance using both financial and market criteria, including return on investment (ROI), market share, profit margin on sales, the growth of ROI, the growth of sales, the growth of market share, and overall competitive position In line with the above literature, the same items will be adopted to measure organizational performance in this study.(Cigolini R, et al .2004)

9- Conclusion

The results indicated the presence of the effect of supply chain management to corporate performance, as the success of any organization will not be

achieved without that there will be integration and coordination between the functions of the company and various events, and should the procurement function of the most important jobs in any company which must also be developed permanently and continuously

As well as the study results indicated the presence of the impact of supply chain management to acquire the company's competitive advantage and increase their ability to compete with others in the business market.

Of the most important measures that help to increase the effectiveness and impact of the supply increase corporate performance and competitiveness chain management is to adopt the strategic entrance which is based on establishing long-term relationships with suppliers and effective communication with them.

In order to maintain the effectiveness of supply chain management must conduct periodic studies them to identify the weaknesses and strengths in the supply as well as the continual development of the measures in force in the supply chain management system.

The supply chain management helps businesses and effective action to increase the rate of performance as well as the competitiveness and this is not only through the establishment of a partnership with suppliers and choose the best one relationships

Therefore, companies must work to increase the level of information sharing between them and their suppliers in order to reduce the cost of inventory and the cost of time

Companies should look to the supply chain management as an effective means to improve the performance and also an important factor in increasing the motivation to compete and the ability to gain the confidence of supplier.

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