ANALYSING THE DIFFERENCES BETWEEN THEORETICAL AND IMPLEMENTED SUPPLY CHAIN STRATEGIES IN SELECTED ORGANISATIONS

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ABSTRACT

Organisations can use supply chain strategies to gain a competitive advantage for the supply chain. A competitive advantage can be achieved by means of low cost or by means of differentiation. However, organisations have to implement the correct supply chain strategy. Returns on investment can be compromised if organisations implement an incorrect supply chain strategy. The objective of the article is to analyse the differences between theoretically implied and implemented supply chain strategies within selected organisations. The differences between supply chain strategies implied by literature and those implemented by selected organisations are analysed by determining how the organisations are managing their supply chain drivers. Organisations with lean supply chains should manage their supply chain drivers to achieve efficiency, while organisations with agile supply chains should manage their supply chain drivers with responsiveness towards customers' needs in mind. Non-probability sampling was used to include 13 organisations in the research. Six organisations are implementing different supply chain strategies to what literature principles are suggesting to them based on specific supply chain characteristics. An analysis is done on how these six organisations are managing their supply chain drivers.

INTRODUCTION

Decisions made within supply chains play a significant role in the success or failure of an organisation (Jacobs, Chase & Aquilano, 2009; Chopra & Meindl, 2010). Effective supply chain management (SCM) can yield significant benefits for the supply chain because it provides for a strategic view of the supply chain (Ross, 1998; Stock & Lambert, 2001; Fawcett, Magnan & McCarter, 2008). SCM can be seen as the strategic management of all the traditional business functions that are involved in any supply chain flow, upstream or downstream, across any aspect of the supply chain (Mentzer, 2004). SCM is the design and management of value-added processes (or activities) and relationships within organisations and across the network of organisations that form the supply chain to meet the real needs of the end customer and to increase efficiency and value to gain a sustainable competitive

advantage for all the organisations that form part of the supply chain (Mentzer, 2004; Ayers, 2006; Bozarth & Handfield, 2006; Fawcett, Ellram & Ogden, 2007; Wisner, Tan & Leong, 2009). SCM therefore represents a conscious effort by the supply chain members to develop and run supply chains in the most effective and efficient ways possible (Bozarth & Handfield, 2006).

To achieve this, clear supply chain strategies have to be formulated and executed (Taylor, 2004). Supply chain strategies can be defined as strategies required for managing the integration of all the supply chain activities through improved supply chain relationships to achieve a competitive advantage for the supply chain (Hines, 2004). Basically, there are three different supply chain strategies. They are lean, agile and a combination of lean and agile (hybrid) supply chain strategies (Towill & Christopher, 2002; Raturi & Evans, 2005). Although lean supply chains also have elements of agility and agile supply chains have elements of leanness, a lean supply chain is primarily a set of organisations directly linked by upstream and downstream flows of information, products and finances that collaboratively work to reduce cost and waste while agile supply chains primarily utilise differentiation strategies aimed at being responsive and flexible to customer needs (Lee, 2002; Yusuf, Gunasekaran, Adeleye & Sivayoganathan, 2004; Christopher, 2005; Vitasek, Manrodt & Abbott, 2005; Jacobs *et al.*, 2009). Hybrid supply chains can be defined as the combination of lean and agile supply chain strategies that exploit the benefits of both lean and agile supply chains (Mason-Jones, Naylor & Towill, 2000; Towill & Christopher, 2002).

Problem statement

Organisations implement specific strategies to gain a competitive advantage by means of a cost advantage or by means of differentiation in some form of value advantage (Christopher, 2005). High returns on investment may be achieved through either adding value by means of a differentiation strategy or minimising cost through a low-cost strategy. Organisations that try to pursue a mixed strategy of low cost and differentiation often find that their returns on investment are unsatisfactory (Porter, 1985; Hines, 2004; Prajogo, 2007) and they find themselves stuck between a differentiated strategy and a low-cost strategy, yielding a less than optimal return on investment (ROI). It is thus essential that organisations identify and implement the correct supply chain strategy. The research question that is addressed in this article is: **Are organisations implementing the correct supply chain strategy for their organisation?** The objective of the article is to analyse the differences between theoretically implied supply chain strategies and supply chain strategies implemented by selected organisations. Supply chain drivers are analysed to determine where organisations may improve their supply chain strategies.

DIFFERENT SUPPLY CHAIN STRATEGIES

Context is important in supply chain strategy decisions. There is no such thing as either a universal supply chain strategy or an industry-wide supply chain (Hines, 2004). There are many types of supply chains (Hughes, Ralf & Michels, 1998; Baily, Farmer, Crocker, Jessop & Jones, 2009) and supply chain strategies are as varied as the disciplines from which they originate (Boone, Craighead & Hanna, 2007). Supply chains must be designed for strategic advantage (Ayers, 2004). Basically, organisations can choose between one of three main generic competitive strategies to gain a competitive advantage. They are low cost, differentiation or focus strategies. A focused strategy employs cost or differentiation as its main strategy (Porter, 1985; Hines, 2004; Lysons & Farrington, 2006).

The supply chain strategy needs to be developed to meet the specific needs of its customers (Lee, 2002; Hines, 2004), because supply chain strategies are market-driven (Ross, 1998; Hines, 2004). Therefore, supply chain strategies may be designed to be more efficient and/ or to be more effective (Hines, 2004). Supply chains can thus be grouped into two broad categories that summarise supply chain capabilities to meet their end customers' needs. These two types of supply chains are lean and agile supply chains (Raturi & Evans, 2005; Chopra & Meindl, 2010).

Lean supply chains to achieve low cost advantages

Organisations can have a competitive advantage due to low costs (Christopher, 2005). A strategy based on low cost essentially stresses offering a product in the market at a price or cost lower than that of competitors (Porter, 1985; Coyle, Bardi & Langley, 2003). Cost leadership strategies have traditionally been based upon the economies of scale gained through sales volume (Christopher, 2005). Organisations will put considerable effort into controlling, for example, production costs; increasing their capacity utilisation; controlling materials supply or product distribution; and minimising other costs, such as maintaining low levels of inventories, advertising and research and development (Rushton, Croucher & Baker, 2006; Prajogo, 2007).

Lean supply chains utilise strategies aimed at creating the highest cost efficiencies in the supply chain. For such efficiencies to be achieved, non-value-added activities should be eliminated, scale economies should be pursued and optimisation techniques should be deployed to get the best capacity utilisation in production and distribution (Lee, 2002; Jacobs *et al.*, 2009). Waste can occur in the form of time, inventory, process redundancy or even digital waste (Vitasek *et al.*, 2005). Lean supply chains thus operate at low costs with constant use of capacity and high stock turning rates (Seuring, 2003). It can be concluded that the market winner for lean supply chains is low cost (Mason-Jones *et al.*, 2000; Lyons, Coleman, Kehoe & Coronado, 2004).

Lean supply chains are appropriate for and match products with low demand and supply variability where demand can be predicted and stable processes are operated efficiently to achieve economies of scale (Seuring, 2003; Bruce, Daly & Towers, 2004). Low demand and supply variability in supply chains should stress efficiency. These are particularly enhanced by demand information that is highly predictable (Towill & Christopher, 2002; Ayers, 2004). Organisations can make decisions against forecasts with little risk (Christopher, 2003) because demand is predictable (with low levels of uncertainty and variety that is low) (Towill & Christopher, 2002). Materials, components or products can be ordered ahead of demand, and manufacturing and transportation facilities can be optimised in terms of cost and asset utilisation (Christopher, 2005). When replenishment lead times are short, organisations often make use of a lean continuous replenishment strategy (Hilletofth, 2009).

Agile supply chains to achieve differentiation advantages

Organisations that apply a differentiation strategy operate in a completely different way to those with a low-cost strategy. There is far less attention to costs although they are not completely ignored (Van Weele, 2010). The approach underlying a differentiation strategy is to make a product offering that is unique along some dimensions that are valued by customers (Porter, 1985) so that customers will be willing to pay a premium price. Typically, it means offering a product to the customer that is more valuable than those of competitors (Coyle *et al.*, 2003). Differentiation is created many times as the result of organisations listening to their customers (Wisner *et al.*, 2009).

Supply chain agility is the ability of the supply chain as a whole to rapidly align the network and its operations to the dynamic and turbulent requirements of customers' demands (Ismail & Sharifi, 2006). Supply chain agility enables an organisation to react quickly and more effectively to marketplace volatility and other uncertainties, thereby allowing the organisation to establish a superior competitive position by means of a value proposition (Swafford, Ghosh & Murthy, 2005; Fawcett *et al.*, 2007). Agile supply chains are characterised by high uncertainties and should therefore be used where demand is volatile, and where end customers want a lot of variety (Towill & Christopher, 2002; Simchi-Levi, Kaminsky & Simchi-Levi, 2008). Agile supply chains therefore have to be market sensitive with the ability to respond to actual real time changes in demand (Bruce *et al.*, 2004; Swafford *et al.*, 2005). High service levels are achieved by flexible and responsive supply chains. The market winner for agile supply chains is thus high service levels in the form of speed, flexibility, innovation and quality supremacy (Lyons *et al.*, 2004; Simchi-Levi *et al.*, 2008).

Market demand predictability and market winners

Supply chain strategies have to focus on customer demand patterns to ensure that superior performance is delivered, compared with competitors (Hines, 2004). Organisations have to make the trade-off between efficiency and responsiveness in their supply chains. If an organisation needs to be the cost (or low-price) leader, the only viable solution will be to

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build the most efficient, economical supply chain possible. If an organisation, for example, concentrates on the quality of its service as its means of gaining competitive advantage, they need a more responsive supply chain that can deliver the products quickly and reliably, even under most uncertain conditions. The most critical element of a supply chain strategy is deciding how to make the trade-off between responsiveness and efficiency (Taylor, 2004). This can be done by analysing the market demand predictability and the market winner of a supply chain (Ross, 1998; Lee, 2002; Hines, 2004; Chopra & Meindl, 2010). The characteristics of market demand and market winners as well as the primary focus of lean and agile supply chains are tabled in Table 1. From these characteristics it can be derived that a lean supply chain strategy should be used where products have a predictable market demand and where low cost is the market winner. An agile supply chain strategy should be used where the market demand for a product is unpredictable and where the market winner is high service levels (Chopra & Meindl, 2010).

Table 1: Characteristics of lean and agile supply chain strategiesSource: Adapted from Bruce *et al.* (2004); Christopher (2003);Hines (2004); Lyons *et al.* (2004) and Webster (2008).

	Lean supply chains	Agile supply chains	
Primary focus Efficiency: to supply		Effectiveness: to respond quickly to unpredictable	
	predictable demand at the	demand in order to minimise stock-outs, forced	
	lowest possible cost	markdowns, and obsolete inventories (Quick response)	
Market winners	Low cost	High service levels; time, availability	
Market demand	Predictable	Unpredictable	

However, what happens when 1) agility is the market winner and when the market demand for a product is predictable or when 2) low cost is the market winner and when the market demand for a product is unpredictable? Which supply chain strategy should be implemented for these combinations of market winners and market demand predictability? The answer lies in the position of the organisation in terms of the decoupling point in the supply chain for the product.

The decoupling point

The decoupling point may be termed the point at which real demand penetrates upstream in a supply chain (Christopher, 2003). The decoupling point therefore is the point in the product flow stream to which the customer's order penetrates and where real-time data and forecast-driven activities meet (Mason-Jones *et al.*, 2000). The position of the decoupling point is important in any supply chain design (Fleischmann, Van Nunen, Gräve & Gapp, 2005). The challenge to supply chain managers is in seeking to develop lean strategies up to the decoupling point, but agile strategies beyond that point. Generic products can be pushed up to the decoupling point (at low cost and with low risk) but must wait for real demand data before it can be customised (to meet specific customer demand). To achieve this, organisations can make use of the concept of postponement. Postponement refers to a concept whereby activities in the supply chain are delayed until a demand is realised (Boone *et al.*, 2007). This involves intentionally delaying the execution of a task, instead of starting it with incomplete or unreliable information inputs (Yeung, Selen, Deming & Min, 2007). Postponement basically involves holding inventory in a generic form, in the fewest locations, and only finishing or finally configuring the product once real demand is known (Christopher, 2003). Postponement is used to manage uncertainties (Koh, Demirbag, Bayraktar, Tatoglu & Zaim, 2007) and the final operations that result in a customised product for the end customer are performed when the uncertainty is removed (Taylor, 2004). This is necessary because the upstream parts of the supply chain are insulated from final customer demand by the intervening tiers of supply chain members (Waters, 2007).

A framework to suggest supply chain strategies

Therefore, if the market demand is predictable and low cost is the market winner then a lean supply chain strategy is suggested. The decoupling point is not considered because efficiency is emphasised throughout the supply chain. Similarly, if the market demand is unpredictable and agility is the market winner then an agile supply chain is suggested. The decoupling point is also not considered in this case because the need for agility is emphasised throughout the supply chain. However, if the market demand for a product is predictable and agility is the market winner or if the market demand for a product is unpredictable and low cost is the market winner then the decoupling point will be used to suggest a supply chain strategy. In these cases, a lean supply chain is suggested for organisations that are positioned upstream of the decoupling point and an agile supply chain strategy is suggested for organisations that are positioned at the decoupling point. This is illustrated in Figure 1.



Figure 1: Suggested supply chain strategy based on market demand predictability, market winner and decoupling point

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The management of supply chain drivers according to supply chain strategy

In any supply chain there are drivers that determine performance of the supply chain. These supply chain drivers are facilities, inventory, transportation, information, sourcing and pricing. They interact with each other and should be managed differently according to the supply chain strategy that is being implemented. For example, capacity and location considerations will be managed differently for facilities with different supply chain strategies. Other examples include the variety and levels of inventory that will be kept as well as transportation costs, frequencies and lead times. These issues will be managed differently in different supply chains. Depending on how these supply chain drivers are managed, they will have a different effect on a supply chain's efficiency and responsiveness (Hugos, 2006; Chopra & Meindl, 2010). The main differences are summarised in Table 2.

Table 2: The management of supply chain drivers according to lean and agile supply chainsSource: Compiled from Bruce *et al.* (2004); Chopra & Meindl (2010); Christopher (2003);Hines (2004); Hugos (2006) and Webster (2008).

Supply chain Agile supply chains		Lean supply chains	
driver	(high customer service levels)	(low cost)	
Facilities (e.g. capacity and location)	Excess capacity (maintain excess buffer capacity to meet unexpected demand);	Little excess capacity (lower costs through maintaining high average utilisation rate); Narrow focus;	
	Many smaller facilities closer to customers	Few central facilities serve wide areas	
Inventory	High inventory levels;	Low inventory levels;	
(e.g. variety and	Wide range of items;	Fewer items;	
levels)	Maintain significant buffer stocks	Generate high turns and minimise inventory	
	of parts or finished goods to meet unexpected demand	throughout the supply chain to lower cost	
Transportation	Frequent shipments;	Shipments are few, large;	
(e.g. cost, frequency and	Fast and flexible mode (choose fastest means of delivery depending on need,	Slow, cheaper modes (choose lowest cost mode of transport);	
lead times)	regardless of cost);	Shorten lead time as long as it does not	
	Invest aggressively in ways to reduce	increase cost	
	lead time even if it means incurring higher cost		
Information	Collect and share timely, accurate data	Cost of information drops while other costs rise	
Sourcing	Dependent on other parties included;	Economies of scale;	
	Supplier selection criteria: Speed,	Supplier selection criteria: Price and quality	
	Tiexibility, quality and dependability		
Pricing	Higher margins as price is relatively	Lower margins, higher volume, price is the	
	less important to the customer	prime customer driver	

Decisions made about supply chain drivers have an impact on the supply chain's performance. Organisations have to examine their supply chain drivers to determine how they can improve their supply chain performance in terms of efficiency and responsiveness. Organisations should therefore align the management of their supply chain drivers with a specific supply chain strategy (Hugos, 2006; Chopra & Meindl, 2010).

RESEARCH METHODOLOGY

The research methodology consisted of two phases. In phase one, an exploratory literature study was conducted to determine which supply chain characteristics could be used to determine a supply chain strategy. In phase two, empirical research was conducted by means of descriptive research. A questionnaire was used as the research instrument. The questionnaire was developed from the literature study. Respondents were asked to complete the questionnaire that included questions about market demand predictability, market winners, the organisation's position in terms of the supply chain's decoupling point, supply chain strategies and the management of supply chain drivers.

Non-probability sampling was used. The organisations selected in the research sample were selected by means of purposive, judgmental and convenience sampling to ensure that organisations were included that among them implemented lean, agile and hybrid supply chain strategies. Thirteen organisations were included in the research. The organisations were selected from the *Sunday Times* top brands surveys of 2008 and 2009 (Doke, 2008; 2009). The organisations in the sample were thus key role-players in supply chains of products that were rated among the top brands in the eyes of end customers. Organisations from the retail, assembly, distribution and manufacturing sectors were included in the research. The supply chains that were included in the research represented three product categories. These categories were drinks, food kept on the shelf and automobiles. For confidentiality purposes the organisations will be renamed Organisation A to Organisation M for the purposes of this article.

EMPIRICAL FINDINGS

The findings of the empirical research are discussed in four sections. The first section discusses supply chain strategies that are suggested based on the market demand predictability and market winners of the respondents. If there is alignment between organisations' responses in terms of market demand predictability and market winners, a specific supply chain strategy is suggested to the organisation. The second section discusses the use of the decoupling point to suggest a supply chain strategy for organisations. The third section compares organisations' selected supply chain strategies to the supply chain stra

and the position of the organisation in terms of the decoupling point (if necessary). Section four provides an analysis of those organisations where the suggested and selected supply chain strategies are not the same. This analysis is done by observing the organisations' management of their supply chain drivers.

Supply chain strategies based on market demand predictability and market winners

The respondents were asked to indicate what the predictability of their market demand and what their market winners are. The responses are grouped together in a matrix as illustrated in Figure 2. A 4-point Likert scale was used to measure the responses for market demand predictability (where response options range from 1 = high levels of predictability to 4 = low levels of predictability). A 4-point Likert scale was also used to measure the responses for market winners (where response options range from 1 = low cost with low levels of agility to 4 = high levels of agility in terms of short lead times, availability of products, high service levels and high quality, but with associated higher costs as well).



Figure 2: Market demand predictability and market winner matrix

Nine organisations (A, B, C, E, G, I, J, L & M) indicated that the market demand for their product was predictable while the other four organisations (D, F, H & K) indicated that the market demand was unpredictable. Three organisations (B, D & E) indicated that the market winner for their product was low cost while ten organisations (A, C, F, G, H, I, J, K, L & M) indicated that the market winner for their product was agility. A lean supply chain strategy can be suggested for organisations B and E. An agile supply chain strategy can be suggested for organisations F, H and K. The decoupling points in the supply chains of the other eight organisations (A, C, D, G, I, J, L & M) have to be considered to suggest supply chain strategies to them.

Using the decoupling point to suggest supply chain strategies

Table 3 shows the responses of these eight organisations in terms of their decoupling points. The position of the organisations in terms of the decoupling points in their supply

chain were used because there was not a clear indication of the focus of the supply chain when the responses for market demand predictability and market winners were considered. Table 3 also shows which supply chain strategies are suggested for these organisations based on the position of the decoupling points in their supply chain.

Organisation	Decoupling point (DP)	Implied supply chain strategy
A	At organisation	Hybrid
С	At organisation	Hybrid
D	Upstream	Agile
G	Upstream	Agile
I	At organisation	Hybrid
J	At organisation	Hybrid
L	Upstream	Agile
М	At organisation	Hybrid

Table 3: Implied supply chain strategies based on decoupling points

Comparing implied and selected supply chain strategies

Table 4 compares the implied and the implemented supply chain strategies based on the organisations' responses for market demand predictability, market winners and the position of the organisation in terms of the decoupling point (if necessary).

Table 4: Implied (and selected) supply chain strategies based on market demandpredictability, market winners and decoupling point position

Org	Implied supply chain strategy	Selected supply chain strategy	Alignment between selected and implied supply chain strategy
А	Hybrid	Lean	No
В	Lean	Lean	Yes
С	Hybrid	Lean	No
D	Agile	Hybrid	No
E	Lean	Hybrid	No
F	Agile	Agile	Yes
G	Agile	Hybrid	No
Н	Agile	Agile	Yes
I	Hybrid	Hybrid	Yes
J	Hybrid	Hybrid	Yes
К	Agile	Hybrid	No
L	Agile	Agile	Yes
М	Hybrid	Hybrid	Yes

From Table 4 it can be derived that six organisations are implementing a different supply chain strategy to the one that is being suggested to them based on market demand

predictability, market winners and position of the organisation in terms of the decoupling point (if necessary). The six organisations are organisations A, C, D, E, G and K (refer to Table 4). Further analysis based on how the organisations were managing specific supply chain drivers was done to find possible reasons (and potential solutions) for the differences.

Analysis of differences between implied and selected supply chain strategies

As mentioned in the previous section, six organisations were implementing a different supply chain strategy to the one that is being suggested to them based on market demand predictability, market winners and the position of the organisation in terms of the decoupling point. Table 5 provides a summary of the implied and implemented supply chain strategies. Table 5 also shows how these organisations are managing their supply chain drivers by distinguishing which supply chain drivers are managed according to lean and agile supply chain principles.

Org	Supply chain strategy		Management of supply chain drivers according to:		
	Implied	Selected	Lean supply chain strategy	Agile supply chain strategy	
А	Hybrid	Lean	Capacity utilisation; Inventory; Lead	Facility location; Transport frequency;	
			times; Transport costs; Pricing	Information; Supplier selection	
С	Hybrid	Lean	Capacity utilisation; Inventory;	Facility location; Lead times;	
			Transport costs	Transport frequency; Information;	
				Supplier selection	
D	Agile	Hybrid	Capacity utilisation; Facility	Transport frequency; Information;	
			location; Inventory; Lead times;	Supplier selection	
			Transport costs; Pricing		
E	Lean	Hybrid	Capacity utilisation; Facility	Lead times; Information;	
			location; Inventory; Transport	Supplier selection	
			costs; Transport frequency; Pricing		
G	Agile	Hybrid	Capacity utilisation; Inventory;	Facility location; Lead times;	
			Pricing	Transport costs; Transport	
				frequency; Information	
К	Agile	Hybrid	Capacity utilisation; Facility	Pricing	
			location; Inventory; Lead times;		
			Transport costs; Transport		
			frequency; Information;		
			Supplier selection		

Table 5: Management of supply chain drivers

Organisation A has a predictable market demand and has agility as its market winner. Organisation A was positioned at the decoupling point of its supply chain. Therefore a hybrid supply chain strategy is suggested for Organisation A. Organisation A is under the impression that it is implementing a lean supply chain strategy. However, Organisation A is managing several aspects of its supply chain drivers according to agile supply chain principles (refer to Table 5). Organisation A should focus on using a hybrid supply chain strategy. Because of its market demand predictability, several supply chain drivers can be managed according to lean supply chain principles and because of agility as market winner, several supply chain drivers should be managed according to agile supply chain principles. Organisation A should also analyse why it is selecting suppliers based on the suppliers' agility instead of selecting them based on low cost because suppliers are positioned upstream from the decoupling point.

Organisation C has a predictable market demand and has agility as its market winner. Organisation C is also positioned at the decoupling point of its supply chain. Therefore, Organisation C should focus on a hybrid supply chain strategy. Organisation C also indicated that it was implementing a lean supply chain strategy. However, it was managing several supply chain drivers according to agile supply chain principles. Two issues that need further analysis is why Organisation C is 1) selecting its suppliers based on agility as opposed to low cost (because its suppliers are positioned upstream from the decoupling point) and 2) why its lead times are based on agility and quick responses because it should be able to plan its inbound lead times more accurately due to the predictability of demand.

Organisation D has an unpredictable market demand and has low cost as its market winner. Organisation D was positioned downstream from the decoupling point. An agile supply chain strategy is therefore suggested. Agility is thus essential to meet customers' needs. However, low cost is also emphasised. Therefore, Organisation D will have to analyse its supply chain regularly to identify opportunities to be agile while also identifying opportunities in the supply chain where it can cut costs. The focus should therefore be on agility but within acceptable cost parameters.

Organisation E has a predictable market demand and has low cost as its market winner. Efficiency is emphasised throughout the supply chain. Therefore, a lean supply chain strategy is suggested for Organisation E. However, Organisation E is managing some supply chain drivers according to agile supply chain principles. Due to the predictability of its market demand and low cost as market winner, Organisation E should be able to manage its lead times more efficiently. Organisation E should also select its suppliers with low cost in mind and may also be investing too much in its information systems.

Organisation G has a predictable market demand and has agility as its market winner. Organisation G is positioned downstream from the decoupling point. An agile supply chain strategy is suggested for Organisation G. Organisation G should analyse its inventory management policies as well as its pricing policies. Organisation G may have to increase its inventory levels if it runs out of stock often. It may also be necessary to reduce capacity utilisation if customers' needs are not being met sufficiently. Depending on the nature of the product and the level of competition in the market, Organisation G may even consider increasing its profit margins to be able to accommodate more agility within the supply chain. Analysing the Differences between Theoretical and Implemented Supply Chain Strategies in Selected Organisations

Organisation K has an unpredictable market demand and has agility as its market winner. An agile supply chain strategy is suggested because agility is emphasised throughout the supply chain. However, Organisation K is managing almost all its supply chain drivers according to lean supply chain principles. Organisation K may have to reduce its capacity utilisation to be able to meet more of its customers' unpredictable needs. It may also have to use more decentralised facilities and quicker modes of transport to reduce lead times because long lead times reduce agility. Organisation K may also have to increase safety stock levels and invest more in information systems to ensure that it identifies and meets customers' needs more timeously and accurately. Organisation K may also have to analyse its supplier selection policies, because it may be selecting suppliers that are focusing on low cost instead of good service (which is required by its end customers).

CONCLUSIONS AND RECOMMENDATIONS

As already mentioned, organisations must select the correct supply chain strategy to optimise their supply chains. Organisations can select a lean, agile or hybrid supply chain strategy to manage their supply chains. Market demand predictability, market winners and the organisation's position in terms of the decoupling point can be used to imply a supply chain strategy. These guidelines were used to imply a supply chain strategy for 13 organisations. Logically it should follow that organisations should manage their supply chain drivers according to their selected supply chain strategy. However, six of these organisations were implementing a different supply chain strategy from the one that was being implied to them from the literature. These organisations may have failed to interpret their supply chain drivers and the position of the decoupling point correctly. An analysis of the management of their supply chain drivers showed interesting findings. The findings showed potential areas where these organisations may be able to improve their supply chain management practices. Therefore, the article concludes that market demand predictability, market winners and the organisation's position in terms of the decoupling point can be used effectively to imply a supply chain strategy for organisations. The article also concludes that the management of supply chain drivers can be used to determine where the performance of the supply chain can be improved.

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