

INFORMATION EXCHANGE: SUPPLY CHAIN INTEGRATION AND IMPROVEMENT

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Collaboration and relationship development is currently the subject of extensive research. Integrated supply chain management has proven to bring substantial benefits and enables competitive advantage in the market. Companies' focus on collaborative arrangements offers a great potential for increased overall supply chain efficiency. However, several conditions need be met to enhance the trading partners' collaboration.

The research was carried out to understand how relationships within Supply Chains can be developed in order to improve its performance. It was an attempt of answering a question about the *role which information exchange plays in developing relationships between supply chain partners*. The main objectives of the study were:

- To understand how relationships in the SC can be developed to improve SC performance and how, information sharing can contribute towards this goal.
- To map the path of relationship development.
- To study the role of the information sharing in supply chains.
- To provide an initial take-off point for Coca Cola Enterprises from which it can begin to further develop its relationship with one of its key customers-S&N

This dissertation therefore focused on the importance of relationship development between suppliers and customers in the supply chain. It emphasises the key role of information exchange amongst other factors that, influence collaborative relationships and lead to overall improvements in supply chain efficiency.

To chart the relationship journey and establish how collaboration may be achieved in supply chains via information sharing, academic literature on supply chain collaboration & improvement, including information exchange within the chain, is explored. Based on existing research, a theoretical framework for the development of relationships was constructed. Afterward, an attempt was made to implement the framework in a real life situation; to provide the theoretical basis for Coca-Cola Enterprises' objective of developing its relationship with one of its customers - Scottish & Newcastle. This study investigated relationship development and emphasised the process of extending the range of information shared along the journey towards collaboration. It also described how information exchange results in increased levels of trust, better communication, and fact based decision making, getting to know the partner and joint planning; all of which collectively contribute to overall efficiency improvements. The research placed information sharing at the heart of collaborative activities. The study concludes that information sharing positively influences a relationship. Further, the more integrated the information exchange is, the higher the level of collaboration noticed, as the same information enables the integration of other business functions as well.

Main findings of this study were:

Information sharing in supply chains depends on enabling technologies that provide sufficient quality and frequencies of data and, are able to deal with the volume. It also depends on trust and willingness of the parties to share their data.

Information sharing is an indispensable element of successful collaboration development. However, challenges such as trust and enabling technologies must first be considered and resolved. Information sharing on its own is insufficient for collaborative initiatives; it must be complemented and actively supported with regular face-to-face communication, which serves to reiterate commitments and reinforce the relationship.

Information sharing affects supply chain efficiency as it enables the parties to work and plan together. Nevertheless, the information has to meet specific requirements such as defining the type of data to be shared, information quality and frequency of exchange. Also, there is a strong need for KPIs. Without performance targets, the information sharing process cannot be efficiently organized. Enabling technologies are critical to the efficiency of information sharing. The chosen information system must be capable of handling the volume of data shared, which in turn needs to be accessible by decision makers when required. The study emphasizes the importance of the information system, where the required data is continually available and its availability facilitates efficient decision-making and joint planning.

This paper provided answers to the question about the role information exchange plays in developing relationships between supply chain partners. It confirmed the theory that states that information shared between entities in the supply chain influences the relationship development process as also, greatly affects the degree of success of the relationship. The study talks about information sharing as a foundation for relationship strength and development at the supply chain level. It shows that information sharing affects the relationship between trading partners in such way that the more integrated and extensive the information exchange, the higher the level of collaboration achieved.