Supply Chain Management and Network Distribution of Safal Market

***Dr. H. M. Chandrashekar**
****Mahadevappa Muttalageri**

INTRODUCTION

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 chains exist in both service and manufacturing organizations, although the complexity of the chain may vary greatly from industry to industry and firm to firm.

"Supply-Chain Management is the integration of the activities that procure materials and service, transform them into intermediate goods and final products, and deliver them to customers"

Supply Chain Management has transformed the archaic process of inventory forecast, manufacturing plans and shipping schedules into a nearly exact science with just in time delivery, prices inventory and distribution, tracking capabilities, which help companies, avoid over stocking and offer cost benefits. This could be achieved as result of reliable raw material supplies through the production process. There has been growing recognition that it is through logistics and supply chain management that the twin goals of cost reduction and services enhancement can be achieved. Better management of the pipeline mean that customers are served more effectively and the costs of providing that services are reduced.

Traditionally, marketing, distribution, planning, manufacturing, and the purchasing organizations along the supply chain operated independently. These organizations have their own objectives and these are often conflicting. Marketing objective of high customer service and maximum sales dollars conflict with manufacturing and distribution goals. Many manufacturing operations are designed to maximize throughput and lower costs with little consideration for the impact on inventory levels and distribution capabilities. Purchasing contracts are often negotiated with very little information beyond historical buying patterns. The result of these factors is that there is not a single, integrated plan for the organization---there were as many plans as businesses. Clearly, there is a need for a mechanism through which these different functions can be integrated together.Supply chain management is a strategy through which such an integration can be achieved.

Supply Chain Management is typically viewed to lie between fully vertically integrated firms, where the entire material flow is owned by a single firm, and those where each channel member operates independently. Therefore coordination between the various players in the chain is key in its effective management. Cooper and Ellram [1993] compare supply chain management to a well-balanced and well-practiced relay team. Such a team is more competitive when each player knows how to be positioned for the hand-off. The relationships are the strongest between players who directly pass the baton, but the entire team needs to make a coordinated effort to win the race.

Supply Chain Management has transformed the archaic process of inventory forecast, manufacturing plans and shipping schedules into a nearly exact science with just in time delivery, prices inventory and distribution, tracking capabilities, which help companies, avoid over stocking and offer cost benefits. This could be achieved as result of reliable raw material supplies through the production process. There has been growing recognition that it is through logistics and Supply Chain Management that the twin goals of cost reduction and services enhancement can be achieved. Better management of the pipeline mean that customers are served more effectively and the costs of providing those services are reduced.

SUPPLY CHAIN MANAGEMENT IN DEVELOPED COUNTRIES

Supply Chain Membership in developing countries in restricted to local companies offering the cheapest prices

*Faculty, Agri-Business Management, Institute of Development Studies, University of Mysore, Manasagangotri, Mysore 570 006, Karnataka. Email : chandruids@yahoo.com.
** Student, MBA (Agri - Business), Institute of Development Studies, University of Mysore, Manasagangotri, Mysore 570 006, Karnataka.

and abiding by the quality standards set by the main company running the chain, usually the large producer or distributor in the developed countries.

Despite developing countries needs for job creation and know how transfer, their governments are worried about the protection of the environment that is threatened by polluting activities performed by the large companies. This threat is increasing under the pressure of developed countries; the government and consumer lobbies wishing to move polluting activities to countries where regulations are loose.

The supply chain, if not monitored, could become convenient tool to avoid restrictions imposed in certain countries but threatening the future welfare of entire generation in countries looking desperately for quick economical growth.

Conflicts between the companies and its external suppliers in products or services and located in developing countries in the courts of these countries according to local legislation. The judicial system in these countries is in most cases either slow or corrupt: even if an international legislation is applied for conflict settlement, the enforcement of court ruling remains difficult in developing countries. This situation usually leads companies wishing to deal with new partners in supply chain to ask for collateral and guarantees until the contract is fulfilled: the guarantees are sometimes difficult to gather for local suppliers and sub-contractors.

English language and compatible information systems are required to achieve good communication between the supply chain members and bridge the gaps separating the members: training of human resources located in developing countries and involved in the supply chain operation will overcome the lack of skills and language diversity. Differences in technological development among the countries in which companies are located and weak telecommunication infrastructure reduce the geographical expansion of a company thus delaying cooperation actions and partnerships. If the right economical and ethical conditions are met, the major positive consequence of supply chain emergence are know how-transfer, job creation, improvement of working condition and reduction of digital division.

Education and communication with transparency in supply chain membership and working condition should be accessible to external audit bodies delivering an ethical label for the company wishing to join international chains. This certification process might become a reference used by funds looking for ethical investments.

Adopting a code of conduct applied by one or several members of the chain is contribution in the fight against any misconduct or ethical trespassing that might emerge in developing countries. Large Corporation are bearing a great responsibility in controlling their suppliers and their own operations in developing countries because in economical terms, they are more powerful than most government in developing countries. Large companies setting or joining supply chains should look behind the costs cutting and the price advantage offered by the network and consider using their resources to enforce international code of conduct and contribute to the improvement of work conditions in every country reached directly or indirectly by their operations. Supply chain could become a factor for social development in poor countries and way to transfer technology and create jobs.

ROLE OF MARKETING IN SUPPLY CHAIN MANAGEMENT

The objective marketing is to create exchanges, and the output of it is costumer satisfaction. The marketing concept consists of three fillers (1) customer focus (2) co-ordinate marketing and (3) profitability. Marketing concept is a business philosophy, guiding a firm toward customer satisfaction at a profit. The market orientation is the implementation of that philosophy, forcing the firm to generate, disseminate, and respond to market information. The marketing concept not only provides the philosophical foundation of a market orientation but also plays an important role in the management of a firm, interfunctional relationship, and the implementation of the supply chain management. Market orientation also affects the management of a firm, interfere relationship, and a supply chain. That is the market orientation generation leads a firm to focus on market information generation, dissemination, and responsiveness to satisfy customers, coordinate its marketing efforts, redefine the responsibilities of each function, restructure its organizational system, and achieve superior business performance. At the same time, market orientation provides an environment that encourages a firm in its efforts to develop, maintain, and enhance close relationship with other firms, organizational learning from other firms, and building commitment, trust, and co-operative norms in the relationships with other firms.

A market orientation is performed both inside and outside the firm to recognize and respond to customers' need and obtain experience, products, skills, technologies, and knowledge. A market orientation promotes the implementation of supply chain management. Relationship marketing aims at establishing, maintaining, and enhancing either dyadic relationships or multiple relationships in a supply to create better customer value. Relationship marketing helps to achieve such objectives of supply chain management as efficiency (i.e, cost reduction) and effectiveness (i.e customer service) through increased co-operation in close long-term interfering relationships among supply chain partners. With the help of the marketing concept, a marketing orientation, and a relationship marketing supply chain management achieves competitive advantage for the supply chain and its partners by reducing cost and investments, and improving customer service.

THE ROLE OF SALES IN SUPPLY CHAIN MANAGEMENT

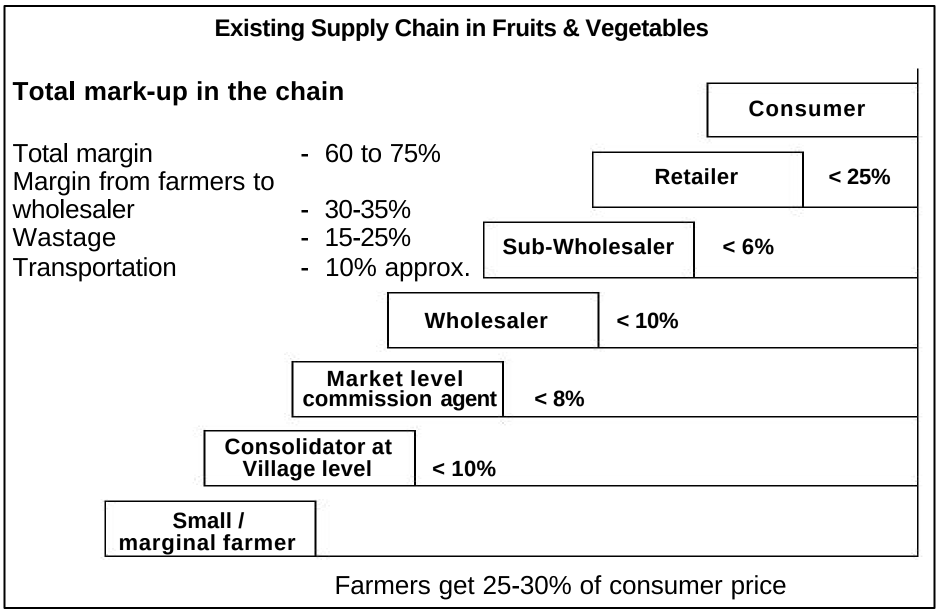
The role of the contemporary sales person is changing dramatically, and that in many situation, the old models of selling are simply outdated, ineffective, and counterproductive to supply chain management goals and objectives. While most sales organization focus on repurchase activities, supply chain partners focus on managing relationships and conducting post-purchase activities to enhance supply chain performance. The sales force is well-positioned to implement, facilitate and co-ordinate many supply management activities. In short, the supply chain sales force should be involved with supply chain activities that goes beyond organizational boundaries. More specifically, the sales force should be an integral part of implementing co-operative behavior (i.e joint planning, evaluating, and forecasting) mutually sharing information, and nurturing supply chain relationships. To be effective at their new role, the supply chain sales force must gain new expertise in logistics and supply chain management. Sales person logistic expertise is defined as a customer perception of a sales person knowledge, experience, or skill relevant to logistic issues. Sales person logistic expertise concern the seller and supply chain partners logistic operation system and processes at both tactical and strategic levels. Thus, sales person logistic expertise includes internal (company) logistic expertise, external (supply chain partner) logistic expertise, tactical logistic expertise, and strategic logistic expertise. While the logistic manager may be the primary person designing logistics solutions, the sales person is likely to be the primary representing the supply chain partners' needs and requirements. For effective teamwork and innovative solutions, sales people and logistic managers need to be able to communicate effectively and work together on supply management issues.

There is a basic principle of organizational behavior "What gets measured gets rewarded, and what gets rewarded gets done." But what happens when we pay our people to do the wrong things? The key to this SCM Driver is to reward (and, thus, motivate) company employees and supply chain partners to act in ways consistent with our Supply Chain Management strategies.

The supply chains in order to run on their efficiency level need to build a long-term relation between the retailers and farmers for procurement and to provide extension services regarding the use of inputs, production technology, information on harvesting, prices, pre-cooling, grading, sorting, packaging and on-farm sorting. The government must initiate strong measures to remove constraints in infrastructure such as setting up of distribution centers, cold chains and link roads to the markets. Ensuring quality and quantity of the produce to the stores is another essential requirement for smooth functioning of the supply chain. If these constraints are removed, then a regular and uninterrupted supply of the produce is assured. Setting up of an alternate terminal market by SAFAL Market is a move in this direction.

The existing traditional system of wholesale market is one where a commission agent procures the produce from the farmers at a price after deducting his commission charge and then sells the produce in the wholesale market to traders and retailers. There might be more than one commission agent in between this chain. This kind market has unorganized small farmers who do not have the power in controlling the market. They have very little say in the final consumer price. The produce is sold through the commission agents who have no interest in the quality of produce but in the commission charges and also the wholesale markets are poorly designed and congested. The traditional Indian markets have a non-existent infrastructure of packing, grading, sorting and cold storages. The commission agents and traders dominate the supply chain and are the major price setters, thus most often, farmers are dependent on them for credit. Farmers are not aware of the price setting mechanisms as the system is not transparent and thus don't have any incentive to produce efficiently. Wholesale markets are not clean, and lack cold storage network causes huge wastage of fresh produce, ranging between 20 per cent and 40 per cent, is a common site.

Institutions like cooperatives, contract farming and growers' association are considered to improve producers access to markets, minimize transaction costs and remove production constraints. It is believed that a single gateway to the regulated markets would save time and improve efficiency. Ever since India's National Agriculture Policy has envisaged the participation of the private sector through contract farming and land leasing arrangements to allow accelerated technology transfer, capital inflow and assured market for crop production, especially of oilseeds, cotton and horticultural crops, investment in food processing industry on part of the private sector is being encouraged. This would help farmers of fruits and vegetables through backward linkages of such investment. There is a greater need that the role of private institutions is to be encouraged as the government's ability to intervene is seriously constrained by resources. Vertical coordination of farmers with cooperatives, contract farming and retail chains would facilitate them to deliver better output due to lower market risk, better infrastructure, public investment, acquired extension services, created awareness to prevailing and new technologies, better prices, stable income, etc. Its multiplier effect helps in increasing incomes, output and employment (Birthal et. al, 2007).



Previously, marketing of fruits and vegetables was undertaken by the farmers' co-operatives only. Now a number of big corporate houses like the Reliance Fresh, ITC, Aditya Birla Group, Godrej and Bharti Airtel Group have entered the retailing of fresh fruits and vegetables. Some of the retail and wholesale stores are already in operation by the name of Reliance Fresh, Choupal Fresh, Namdhari's Fresh etc. ITC, Metro and Adani Fresh are also entering the wholesale market. Exports of fresh fruits and vegetables are being done with EUREPGAP certification by Namdhari's Fresh and Bharti Airtel. They have developed a supply chain with forward and backward linkages operating in an efficient manner with heavy investments in infrastructure and cold chain. These business houses have indicated that contract farming may get them timely, consistent and adequate supply of produce of good quality.

SAFAL MARKET

India has the advantage of diverse agro-climatic condition , which enables it to produce a wade range of horticultural products. Horticulture contributes 28.5% GDP in agriculture and 52% of export share in agriculture from cultivated area of 10%. In recent years, the horticulture scenario of the country has witnessed manifold increase in both production and productivity. Horticulture crops were grown on 7-8% of Gross cropped area which contributes around 26% of the gross value of agriculture output, India is the second largest producer of fruits and vegetables and has first position in several horticultural crops like Mango, Banana, papaya, Potato etc.

Fruit and Vegetables unit of the National Dairy Development Board (NDDB) was set up in 1988 with the objective of ensuring a direct link between the farmers and the consumers. The aim is to ensure that the customer gets the highest quality produce. The processed products of the unit are marketed with the brand name 'SAFAL'.

The Safal Group acts as the link between the farmer and the consumer in a procurement process that benefits both. The farmers get the most remunerative price and the consumers get the best produce at a reasonable price. A large and ultramodern central distribution facility was set up to handle fresh and frozen fruits and vegetables. Initial cleaning, grading, sorting is done followed by cooling to ensure the freshness till the product reaches the consumers. Specially designed modern retail outlets, the first of their kind in India, have been set up at various localities in Delhi, Bangalore and Mumbai to market good quality fruit and vegetables at reasonable prices directly to the consumers. 279 specially designed modern retail outlets have been set up in and around Delhi to market fresh and frozen fruit and vegetables, directly to the consumers. Each shop caters to large number of customers, with a capacity to sell 1,600 kilos of fruit and vegetables a day. The shops are equipped with electronic machines that automatically weigh the produce and print item-wise bills.

National Dairy Development Board (NDDB) has tied up with Financial Technology Limited, promoters of commodity exchange (MCX), to promotes a SAFAL NATIONAL EXCHANGE OF INDIA LIMITED (SNX). BANGALORE.

Safal National Exchange of India Limited (SNX) is a seamless delivery based electronic spot market for horticulture commodities, aimed at building a National Integrated Produce Market in an Exchange format. It is transparent and guarantees payment and delivery with quality for the benefit of sellers in E-enabled Rural India and the large number of buyers across the country.

SAFAL Market is a government initiative located near Bangalore and emphasizes on Fresh fruits and vegetables only. Bangalore is a major horticultural producing hub with a total area under horticulture of 15.3 lakh hectares. Bangalore has a huge floating population of around 8 percent of the total city population and the per capita demand of Horticultural produce is very large, because the city is fast growing due to the boom in Information Technology jobs. The state has a number of horticultural satellite markets and four major wholesale markets. The existence of large and diverse market functionaries like commission agents, pre-harvest contractors, push cart vendors, etc., indicate existence of competitive environment in the horticulture market in Bangalore. Bangalore has seen a number of retail chains and new models being initiated in last few years, but SAFAL market is the first one of its kind to establish a terminal wholesale market. The impacts of its operations are evident on farmers, traders and retailers.

SNX would be 51% owned by NDDB. Financial technologies and MCX would hold the balance; the size of the investment has not been disclosed. Safal National Exchange of India Limited (SNX) Bangalore would be spot of exchange and would not offer trading in future and other derivatives. The electronic trading plot from would provide a national market to producers of such commodities. NDDB would provide its expertise in post-harvest handling to perishable commodities. Organizing former association while financial, technologies and MCX will provide the core technology along with the domain expertise and know-how to setup the exchange.

SAFAL NATIONAL EXCHANGE OF INDIA LIMITED (SNX), BANGALORE.

One India One Market. A national equal opportunity E-enabled market for all. Recognizing the need and the immense scope for a decentralized network with healthy participation of different players in the supply chain, National dairy development board(NDDB), Multi commodities exchange of India limited (FTIL) have come together with the vision to (SNX), Bangalore be pursued through their joint venture in the name of Safal National Exchange of India Limited.

Safal National Exchange of India Limited (SNX), Bangalore is a seamless delivery based electronic spot market for horticulture commodities aimed at building a national integrated produce market in an exchange format. It is transparent and guarantees payment and delivery with a quality for the benefit of sellers in e-enabled Rural India and the large number of buyers across the country.

SNX shall achieve a common buyer seller understanding of quality through a defined set of promoters, also capturing the "look" and the "feel" quality aspects where applicable. Quality inspection team SNX shall monitor the deliveries to ensure that the quality specification are met with, thus SNX shall be seamless market for a pre-defined commodity deliverable post trade under signal banner for the good of all take.

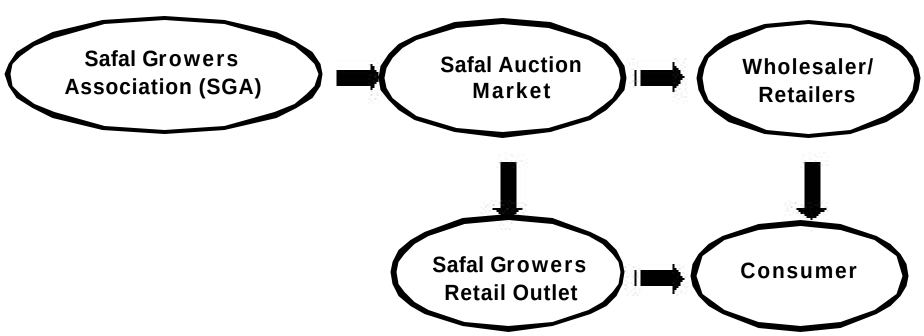
The National Dairy Development Board (NDDB) has started the Fruit and Vegetable Unit of SAFAL at Delhi, which is one of the first fruit and vegetable retail chains set up as a part of the Mother Dairy Foods Processing Ltd. The retail unit provided a direct link between fruit and vegetable growers and consumers. The other initiative was a fruit processing Plant of SAFAL at Mumbai, a 100 per cent export-oriented unit, which capitalizes NDDB's food processing strength. NDDB has set up an alternate system of wholesale markets in Bangalore as a pilot project. The initiative is named as SAFAL Market and is initiated to fine-tune horticultural growth in India, by a shift in their earlier retail chain model to a wholesale market concept. This market is a move to introduce a transparent and efficient platform for sale and purchase of horticultural produce by connecting growers through Growers' Associations with farmers and wholesale buyers in various markets across the country (SAFAL website). The model involves establishment of an alternate marketing structure that provides incentive for quality and productivity, thereby improving farmers' income. Through this approach, there is an expected increased integration between growers, wholesalers and retailers into the market system. SAFAL Market operates outside the purview of the APMC Act and the Government of Karnataka.

Supply chains are not developed by itself but requires a lot of efforts and competencies of those involved. Before a supply chain is developed, certain steps have to be taken in order to formulate the right chain organization. Special care is required for the formation of cross-border supply chains as differences in business and social culture can have for instance large influences in the performance of the chain collaboration. The first step in agri-supply chain development is the analyses of the existing trade system and the trade environment (product flow, exchange levels, forces affecting the operation of the supply chain such as governmental policies, etc.). From this analysis, potential supply chain players can be identified and their function, role and relationships in the trade system can be delineated. The success of a supply chain depends on a strong chain leader. The chain leader acts as the supply chain manager. The explicit acceptance of the chain leader is very important for initial chain formation and the sustainable supply chain collaboration.

NEW MODELS IN SUPPLY CHAIN MANAGEMENT

Improvement in the agriculture sector needs an improvement and strengthening at all the levels of the supply chain-inputs delivery, credit, irrigation facility, farmers diversifying, improve procurement, minimizing post harvest loses, cold storage chains, better and efficient processing and marketing techniques, efficient storage, warehouses and also efficient and competitive retailing. Timely availability of inputs is one of the key factor to efficient farming system. The development of organized input market and infrastructure for its storage and distribution will add to the productivity of the agricultural sector. Development of cold chain network will help in particular with the perishable commodities and reduce their post harvest losses. Improving the post harvest management means an overall improvement in the per unit productivity. In the last one decade, various marketing models have been initiated, Mother Dairy cooperatives in fresh fruits and vegetables under the name of SAFAL, further their alternative whole sale market- SAFAL Market. The traditional Indian markets have a non-existent infrastructure of packing, grading, sorting and cold storages. The commission agents and traders dominate the supply chain and are the major price setters, thus most of the times, farmers are dependent on them for credit. Farmers are not aware of the price setting mechanisms as the system is not transparent and thus don't have any incentive to produce efficiently

Supply Chain Management of SAFAL Market



FUNCTIONS OF SAFAL MARKET

To modernize the marketing of horticulture produce, an alternate system was introduced that operates parallel to, and in addition to the present system, and provide incentive for quality and productivity thereby improving farmers' income by avoiding pre-contracting and commission agents. The SAFAL Market is an establishment of an auction market through clock auction, backward linkage through farmer associations and a forward linkage in form of cash and carry semi-wholesale and retail stores.

The market infrastructure also has the facility of cold storage, grading, sorting and distribution. The business practices at the SAFAL Markets are transparent and competitive, thus the wholesalers are a bit hesitant and need more time to orient themselves to the new system while, on the other hand, growers have rapidly linked themselves with the new model. The farmers are made aware of the demand of the produce in advance by the procurement department of SAFAL and this ensures a consistent supply of produce in line with the market's quantity and quality specifications.

BACKWARD LINKAGE

The market is supported by 250 Horticultural Farmers' Associations organized throughout India with more than 20,000 members. The farmers' associations are linked to 40 collection centres that are equipped to meet the specific or special requirements of buyers, in terms of quality, packing and weight. Individual growers are being trained in quality management aspects and provided extension services for production enhancement, by introducing improved varieties, agronomic and plant protection practices, pre- and post-harvest management. Logistics support in terms of packing and transportation of produces is also arranged on behalf of the growers on a pre-fixed charge. More than 200 types and quality of fresh fruits and vegetables are sourced in SAFAL Market through standard quality, grade, weight and packing and is handled by the auction market.

Farmers or the wholesale purchasers have to register themselves with SAFAL Market on a very nominal charge and become its member, in order to involve themselves with the daily transactions. This is necessary to enable the SAFAL authorities to have consistent suppliers and takers and plan their future demand. Farmers cost to market their produce through collection centres of SAFAL has almost reduced by half. A traditional commission agent was charging them 8-10 per cent while the handling charges at SAFAL Market are only 4.25 per cent. Farmers are provided payment for their produce on a weekly basis in form of account payee cheque. Farmers selling their produce to SAFAL realize 10 to 15 per cent higher profit as compared with traditional channels. They gain through proper weighing of produce, low transaction cost, less input cost, efficient transportation, less wastage, right price and extension services. Farmers are ready to supply more than the indent given by SAFAL. Farmers have appreciated the technical service rendered by the SAFAL. Farmers have felt that the SAFAL should make complete procurement of the produce at the farmers' field. Farmers have strong determination to develop their association.

FORWARD LINKAGE

Wholesalers participate in auctions at Auction Market Complex or can even bid using Remote Electronic System. The auction takes place in two parallels set up of clock auction halls. Wholesalers find it an added advantage to come at SAFAL terminal market where all the produce is auctioned at the same place rather than fragmented four product-specific wholesale markets in Bangalore. Although the SAFAL Market is located very far from the city and auction takes place in early morning, yet the purchasers find themselves in advantage dealing through SAFAL terminal market. Forward linkage is carried out through 10 to 12 cash and carry stores, owned by the auction market constructed at strategic locations in the city to cater to the requirements of the local retailers. Four distribution centres at the Auction Market Complex cater to the requirements of the large institutional buyers. Cold storage facility is also available for the wholesalers or other market users available on payment basis. Incentives to the wholesalers are assured in terms of availability of quantity and quality of fresh fruit and vegetables, graded and quality checked in wholesaler/retailer friendly packs for easy handling and transport. The State-of-the-art fruit ripening facility, assured quick and efficient dispatch of produce per auction, online wholesale price information of all items in major markets is also made available at SAFAL market to help buyers and suppliers in their decision making.

CONSTRAINTS

SAFAL Market by and large has been operating successfully in overcoming the constraints that the fresh fruits and vegetables marketing is facing in India. It has been able to establish an efficient supply chain both in backward and forward linkages. An experiment of backward and forward integration provided by NDDB-SAFAL has benefited the farmers immensely. The up-scaling of such models involving the private players and the government playing the role of a facilitator is crucial to make the farmers economically sustainable in the long run. But there are still certain constraints which, if taken care of, will further strengthen SAFAL Market model as a good example to be implemented in many other parts of the country. The backward integration at SAFAL has been able to bring together the farmers' lobby although they are still facing certain resistance and constrains from the wholesale traders. But moving ahead, SAFAL has recently set up a National Exchange of India, which is the country's first spot exchange for trading on perishable agri-commodities including horticulture, floriculture, dairy products and other allied commodities. This will provide online trading access to farmers, milk producers' organizations and traders across the country. The move to introduce high-tech farm terminals will attempt to provide backward and forward linkages and is an outcome of change in approach to agricultural marketing in India. Farmers are satisfied with timely payment, transparency, good price and quality of produce procured through the SAFAL Market. Headquartered in Bangalore, SNX is led by an expert management team, within depth knowledge of the horticulture markets. With the production estimated at around 140 million tonnes, which one fourth of the global output, the Indian commodities market offers unparalleled growth opportunities to a large section of the market.

SNX has opened its national membership, as Trading-cum-Clearing Member (TCM). Membership on SNX offers benefits in more than one ways for market participants. It has sound technology infrastructure through its association with market leaders such as Stratus for Fault Tolerant Servers, Financial Technologies (India) Ltd. for Exchange Technologies, and a panel of banks for funds transfer.

COMMODITIES HANDLED BY SAFAL MARKET

<u>FRUITS</u>

♦ Mango ♦ Grapes ♦ Banana

<u>VEGETABLES</u>

♦ Onion ♦ Potato ♦ Tomato

CONCLUSION

One of the key challenges faced is the business process transformation required to exploit the best practices and tools of Supply Chain Management. Some business process will go away. Some new processes like closed-loop supply base responses will appear, whereas some existing process would need modification using IT interventions. Typically, companies work with many suppliers and are not happy with them, but after SCM implementation, the endeavor would be to work with fewer suppliers and inculcate mutual respect.

Supply chain management perspective provides opportunities for organizations to meet the challenges. These challenges have led to the emergence of complex supply chain in all manufacturing sectors and industries including service sectors.

The Supply Chain Management is the management of eight key business processes such as customer relationship management, customer service management, demand management, order fulfillment, manufacturing flow management, procurement, product development and commercialization and returns. These process include much of logistics, purchasing, marketing and operations management. The above said business processes should be properly addressed to cater to the process of distribution of commodities from SAFAL market.

BIBLIOGRAPHY

Arntzen, B. C., G. G. Brown, T. P. Harrison, and L. Trafton. Global Supply Chain Management at Digital Equipment Corporation. Interfaces, Jan.-Feb., 1995.

Cooper, M. C., and L. M. Ellram. 1993. Characteristics of Supply Chain Management and the Implications for Purchasing and Logistics Strategy. The International Journal of Logistics Management, 4, 2, 13-24.

Houlihan, J. B. 1985. International Supply Chain Management. International Journal of Physical Distribution and Materials Management, 15, 1, 22-38.

Lee, H. L., and C. Billington. 1992. Supply Chain Management: Pitfalls and Opportunities. Sloan Management Review, 33, Spring, 65-73.

Lee, H. L., and C. Billington. 1993. Material Management in Decentralized Supply Chains. Operations Research, 41, 5, 835-847.