

2. Supply chain management and business productivity

Is there a connection between supply chain management good practices and business productivity? To answer this question, we analyzed the results of several empirical studies (Beaulieu and Roy, 2009). Based on this analysis, we made the following observations:

- Good logistics practices have a positive effect on operational business performance (speed of delivery, responsiveness, flexibility and delivery capacity) and on their trade performance (average growth of the market share, average growth in sales volume and average growth of sales in dollars). These results come from a survey of the American manufacturing sector with a sample of 142 respondents from organizations with over 500 employees (Green et al., 2008).
- Using good logistics practices (integration, outsourcing and client service) and deploying logistics competencies (quality and services, operations and distribution, and design efficiency) would have a positive effect on companies' organizational performance, particularly in terms of their competitiveness. This survey was conducted among about 100 manufacturing companies in the United States and Taiwan (Chow et al., 2008).
- Establishing quality management practices with suppliers strengthens their involvement and cooperation, which in turn improves organizational performance. These results come from a study of 103 local companies in Hong Kong and Taiwan (Lin et al., 2005).
- Last, strategic logistics management, supported by quality improvement efforts, positively affects service performance indicators (speed, reliability, turnaround time and inventory turnover) and operational efficiency (operational costs), expressed in greater client satisfaction and better business performance (market share, sales volume and profitability). The data come from 225 respondents in Hong Kong (though 75% of them have their head office in the United States), Japan, the Netherlands and other countries (Yeung, 2008).

Generally speaking, good practices should lead to better performance. However, these best practices must be associated with a specific context and carried out from a holistic perspective. Table 2, from a study by Laugen et al (2005), tends to confirm the effect of introducing best practices to business performance.