

Abstract

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Research on demand and supply integration: A practical case study framework.

Purpose of this paper: Scholarly work suggests two primary sets of processes of moving goods and information through supply chains through which the firm creates value for its customers. These processes are, namely, demand-focused and supply-focused processes. Organizations have historically invested resources to develop competitive advantages in these fields. The major problem resides in planning each side separately resulting in conflicts between demand (what customers want) and supply (capacity). This research suggests that successfully managing supply and demand requires extensive integration between demand-focused and supply-focused processes. The integration facilitates forecasting and planning of real-time customer demand and ongoing supply capacity constraints. The study presents a procedural framework to integrate demand and supply sides based on empirical study related to four global leading Fast Moving Consumer Goods (FMCG) industry companies.

Design/methodology/approach: The research is exploratory in nature and requires qualitative methods to identify the relevant constructs and develop a framework reflecting the integration. Data were collected through 9 in depth semi-structured, 90 to 120 minutes, interviews with strategic and tactical managers from four FMCG industry best practices including Proctor and Gamble Egypt and Unilever Mashreq. Findings: This research is part of a PhD project where the results of the empirical study are discussed in this paper. Based on literature studies on the integration of demand chains and supply chains, an academic/practical gap has been identified. A framework is proposed to analyse the key inter-functional process and to conduct case studies. It reveals that the key performance indicators (KPI) of these best practices are positively influenced by these integration practices. What is original/of value in paper? Although inter-functional integration was strongly supported in scholarly work, a few attempts have been made to integrate the demand side managed by marketers and the supply side managed by the supply chain department. Thus, this research, based on empirical study related to industry's best practices, proposes a framework to conceptualize the functional integration between demand and supply sides within an organisation. Practical implications (if applicable): Scholarly work has revealed some evidence that integrated between demand and supply, functional areas, is not fully realised in practice. The results of this study point to managers the importance of integrating demand and supply functions. It also directs them key areas of integration that are believed to render positive impact on the overall performance. Key Words: Supply chain, Demand chain, functional integration, case studies.