Chapter 19
Organisational Sustainability: Role in Supply Chain Best Practices

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ABSTRACT
This chapter is targeted at identifying the relationship of supply chain best practices and organisational sustainability. Another objective of this chapter is to identify the definition of SC best practices and its level of adoption by SMEs. The findings of this research suggest a linear link between SC best practices and the benefits it has on firms; it also identified that the definition of SC best practice is endlessly evolutionary and sometimes circumstantially subjective. The research has moreover shown that the level of knowledge management plays a wider role on the effectiveness of SC best practices within a firm.

INTRODUCTION
“Best Practices.” A phrase that always seems to accompany the praise that many successful organisations are attributed to for their accomplishments. Large scales of research regarding best practices have been undertaken across various sections of the human society, and what are acceptable as best practices differ. The same is true when what constitute supply chain best practices is examined geographically. Since the inception of globalisation till today the impact that globalisation has had, is having and will have on what is geographically acceptable as best practice merits consideration.

This chapter focuses on the relations that supply chain best practices has on organisational sustainability, the research methodology will incorporate examining the parameters that best practices are defined when an organisational supply chain operations are brought under consideration. It will also examine the practical benefits of supply chain best practices on organisations. As part of
the examination of the benefits, the research will consider if globalisation is changing what are generally accepted as best practices in different lands across the globe.

Since supply chain best practice is critical to the success of organisations, the research will investigate the role that knowledge management play in its organisational effectiveness. Further, it will also examine the practicability of Small Medium Enterprises (SMEs) to adopt SC best practices in their quest for growth. The research methodology analyses SC practices that contributed to Samsung’s rise as a global icon. It also investigated the practices that contributed to Walmart’s reputation as the world’s biggest employer and retailer.

Connectivity of information has created a great potential for creating responsive business models. The postponement is a huge strategy problem in a modern supply chain business and management. Therefore, it is crucial to contrast anticipatory or traditional business practice with the emerging time-based responsive model (Bowersox and LaHowchic, 2008). Furthermore, demand uncertainty is an essential aspect, which is connected to the classification of functional or innovative products. Therefore, response supply chain management has become the main means to solve these problems.

A. Anticipatory Business Model

Since the industrial revolution, the traditional business model has depended on forecasting the customer’s demand in the future. Because information concerning purchase behavior is hard to connect with firms, the company loosely linked together in a channel of distribution to share their plans and business operations. Therefore, the typical manufacturer produced products were driven by market forecast. So the typical stages in the anticipatory business model, illustrated on the figure below: forecast, purchase materials, manufacture, warehouse, sell, and then deliver.

B. Responsive Business Model

As the predicted results are often wrong, they will create the considerable discontinuity in company. Generally, such discontinuity will be a result of unplanned stock, which will continue to increase the company’s operating costs and the facing

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Figure 1. Anticipatory business model

![Anticipatory business model diagram](image)

Figure 2. Responsive business model

![Responsive business model diagram](image)
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