Chapter 18

Bibliographic Analysis Between the Theory of the Supply Chain Orientation With Different Interactions in the Value Network of Small and Medium-Sized Enterprises

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ABSTRACT

The purpose of this chapter is to perform an analysis of the bibliographical references to describe the concept of supply chain orientation (SCO) as a fundamental construct of SMEs. The concept was developed by Defee et al. (2009), who extended the downstream perspective by the upstream perspective, including forward and reverse flows from the supplier to the customer and vice versa and proposed the concept of “closed loop supply chain orientation” (Esper, Defee, & Mentzer, 2010). The main scientific contributions developed by the most representative authors, such as Matsuno, Ken, & Mentzer (2000) and Tucker (2011), have been taken into account. A further research gap refers to the specific challenges facing family businesses and small and medium-sized enterprises (SMEs) within supply chains (Schulze-Ehlers, Steffen, Busch, & Spiller, 2014).

DOI: 10.4018/978-1-5225-3543-0.ch018
INTRODUCTION

The purpose of this chapter is to describe the concept of Supply Chain Orientation (SCO) as a fundamental construct originally postulated by (Matsuno, Ken, & Mentzer, 2000). It was redefined by (Min & Mentzer, 2004). It was characterized as a predisposition, visualization and integration of Supply Chain members, or Supply Chain Management (SCM), in order to meet the requirements of stakeholders (Hult, Tomas, Ketchen, David, Garry, & Mena, 2008).

A systematic analysis of representative authors of SCO theory was carried out. It is considered as an appropriate strategy to improve productivity, competitiveness and business performance in value networks. It is important to clarify that key terms used herein have the following abbreviations: SC to Supply Chain; SCO to Supply Chain Orientation; and SCM to Supply Chain Management. Theories such as supply chain integration (SCI) and Supply Chain Performance (SCP), as a fundamental part of the SCO, will be introduced.

The method used for the bibliographic review process was through the systematic analysis of the world’s most representative authors, where the most nominated ones are presented and who have made multiple publications worldwide.

According to main scientific contributions found such as (Matsuno, Ken, & Mentzer, 2000), through qualitative research and using instruments for data collection as surveys and semi-structured interviews made to entrepreneurs, authors classify them according to different orientations. More than 11 different orientations were found, such as: to business processes, to network value, to integration, to suppliers, to inter-intra-companies, to operations, to customers and the market, to stakeholders, and to performance.

This chapter will be developed in the following order: Description of each factor, starting with Supply Chain; Supply Chain Orientation (SCO); Supply Chain Management (SCM); the relationship between SCO and SCM; different orientations related with the supply chain orientation; some SCO models; and conclusions.

SCO emerged as an important background of research that was necessary for effective development of SCM. It is also raised as the recognition of systemic implications and strategic activities by an organization, that are involved in the management of diverse flows, both in relationships with suppliers and relationships with customers, in a network that requires a number of synchronized activities in the value network. It also supports the Supply Chain Management, SCM, in a company (Esper, Defee, & Mentzer, 2010).

Min and Mentzer (2004) argue that the supply chain oriented company should build and maintain cultural elements such as trust (credibility and benevolence), commitment, cooperation rules, organizational compatibility, and senior management support with its supply chain partners. SCO affects not only the performance of the company associated with the supply chain, but also the general performance of the supply chain.

After an extensive review of literature, we found that the research on this construct clearly lacks the understanding of the link between SCO and SCP. This link is a not considered topic (Schulze-Ehlers, Steffen, Busch, & Spiller, 2014).

For many businessmen and academic leaders, the concept, scope, underlying mechanisms of SCO strategy and its relationship with SCP, are not clear in order to improve organizational performance (Kleber, 2002).