

Abstract of the
organizations
strategies. david
garvin (1993)



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Abstract This research case study considers the following question: “Why is supply base an important but complex issue for automotivemanufacturers?” The hypothesis governing this research case study is one of the major performance measurements that companies use: the evaluation of supplier’s performance. Research on the use of performance measurement between organizations, such as supplier performance measurement is very rare. In recent times the automotive industry has established a variety of new forms of logistics integration between automobile assemblers and their suppliers, in particular those in the first tier. In this paper we offer a brief discussion of the literature on inter-organisational performance measurement and contrast existing concepts of intra-organisational performance measurement with the concepts of performance measurement within a supply chain. Research Case

Study The research question that we have chosen to examine using a case study approach in this: “ Why is supply base an important but complex issue for automotive manufacturers (based on performance measurement).

The hypothesis governing this research case study is one of the major performance measurements that companies use: the evaluation of supplier’s performance. 1. Introduction: Major Original Equipment Manufacturers (OEM) co-operate with hundreds of different. The management of the supply base has been described as a key competence for a company. There is a vast amount of literature on performance measurement frameworks and systems. The recent transformations and great growth of the Brazilian auto industry open up a vast field of research

involving supply chain management and performance measures. In the last fifteen years, several new productive arrangements have been implemented in the automotive sector in Brazil, among them the modular consortium and the industrial condominiums.

This article discusses about the performance measurement as a disputable concept and also about the major issues in performance measurement. 2. Performance Measurement - a disputable concept? A big change in measurement systems occurred when executives felt that there are need for instruments or systems that will help them ensure the maintenance of the organizations strategies. David Garvin (1993) coined a phrase in the Harvard Business Review that has become paradigmatic for this view: "If you cannot measure it, you cannot manage it." In general, the Performance of Logistics Processes changes in the way they organize their operations and manage their supply chains in order to become more agile and flexible are not exclusive to Brazilian organizations. All over the world, companies have been struggling to become more competitive and the global market and one way of achieving that is by improving the coordination of their supply chains in order to succeed in delivering more efficiently.

The fact is that the internal performance measurement system of the automaker unfolds upstream and downstream, with clear implications on the performance measurement systems. More such demands on supply chain performance measurement have been presented by other authors. According to these authors performance measurement should include: - Changes in both the average volume of inventory held and frequency of inventory turns across the supply chain. (Fawcett and Clinton 1996) · Adaptability <https://assignbuster.com/abstract-of-the-organizations-strategies-david-garvin-1993/>

of the supply chain as a whole to meet emergent customer needs. (Bello and Gilliland 1997). The extent to which supply chain relationships are based on mutual trust. (Fawcett and Clinton 1996) Major issues in performance measurement: - Some of the major issues in performance measurement are as follows:- Cost of data collection Assuring appropriate comparisons to other operations Data quality Data completeness Extrapolating from partial coverage Matching measures to their purposes Understanding extraneous influences in the data Conflicts with other measuring programs - which is "right" Timeliness of data for measures Use of measures in allocation of funding Liability for action (or lack thereof) based on measurement results Responsibility for measures for which there may be limited control Benchmarking and targets External factors Good multimodal measures Conclusion:- Performance measurement is surely not the safe way to success.

The major key in finding the performance measurement falls in identifying the major function of the performance measurement system. In order to research supplier performance measurement, we have to keep our focus on the functions performance measurement in this context fulfills and the organizational setting in which it is placed.