

IMPROVING SUPPLIER RELATIONSHIP AS A COMPETITIVE EDGE IN MANUFACTURING: A STUDY ON VISWAS FOODS

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Abstract

This study explores the impact of Supplier Relationship Management (SRM) on achieving and sustaining competitive advantage at Viswas Foods, a reputed food processing enterprise in South India. In an industry where operational excellence and supplier reliability are crucial, SRM practices determine the firm's agility and resilience. A mixed-methods approach was adopted to gather both quantitative and qualitative data from 30 suppliers through structured surveys and semi-structured interviews. The research applied weighted sum analysis, factor analysis, and Pearson correlation techniques to examine the effect of SRM components on competitive advantage.

Key findings indicate that long-term, trust-based supplier relationships (Weighted Sum: 130, Grade A) are the most influential in enhancing competitive advantage, showing a strong positive correlation ($r = 0.72$, $p < 0.01$). Transparent communication (Weighted Sum: 128, Grade B) and effective performance monitoring (Weighted Sum: 126, Grade B) are also vital contributors. On the other hand, supplier contract management and risk mitigation strategies received a Grade C, indicating areas of weakness that need urgent attention. Factor analysis extracted three core SRM dimensions—Trust (explaining 41.86% of variance), Communication (12.00%), and Performance Monitoring (10.79%).

Demographic insights reveal that 36.7% of respondents are aged 36–45, a segment with potentially strong business maturity. However, only 13.4% of suppliers had long-term relationships exceeding six years, reflecting gaps in supplier retention efforts. The study proposes strategies such as loyalty incentives, clarity in contractual terms, and the integration of digital collaboration tools to improve SRM and ensure long-term competitiveness.

Keywords: Supplier Relationship Management, Competitive Advantage, Trust, Communication, Supply Chain Stability

1. Introduction

In today's highly competitive and volatile food manufacturing sector, Supplier Relationship Management (SRM) has emerged as a strategic tool for achieving long-term business sustainability. The food industry is particularly vulnerable to disruptions in raw material supply, making robust supplier engagement a necessity. SRM entails systematically developing, managing, and evaluating supplier partnerships to foster collaboration,

transparency, and innovation.

Viswas Foods, a leading regional food processor known for its wide range of ready-to-cook and packaged food items, is currently facing challenges such as inconsistent supplier commitment and sub optimal risk management. Given the second strains, the study investigates the effectiveness of SRM in enhancing operational efficiency, supplier satisfaction, and overall competitive advantage.

Objectives

- To evaluate the current SRM practices adopted by Viswas Foods..
- To identify key factors that determine supplier satisfaction and retention..
- To analyse the relationship between SRM dimensions and competitive advantage in the manufacturing context.

2. Literature Review

Extensive academic and industry literature highlights SRM as a crucial driver of organizational performance, innovation, and market leadership. Carr and Pearson (1999) assert that SRM leads to improved purchasing efficiency, cost reduction, and enhanced product quality. According to Johnston et al. (2004), trust and open communication form the backbone of successful supplier partnerships. Moreover, Modungwa et al. (2020) emphasize the importance of collaborative innovation in creating agile and responsive supply chains, particularly in resource-intensive sectors.

The integration of digital technologies and predictive analytics into SRM has been shown to streamline communication and monitor supplier performance in real-time, thereby reducing lead times and mitigating risks.

3. Research Methodology

Design

To achieve the research objectives, a mixed-methods design was employed.

- **Sample:** A total of 30 suppliers working with Viswas Foods were selected using convenience sampling, focusing on suppliers across various product categories (e.g., spices, packaging, grains).
- **Tools:** Data was collected using a structured survey instrument based on a 5-point Likert scale, along with in-depth semi-structured interviews to capture qualitative insights.
- **Analytical Methods:**
 - **Weighted Sum Analysis** to determine the relative importance of SRM components.
 - **Factor Analysis** to identify latent SRM dimensions.

- **Pearson Correlation to evaluate statistical relationships between SRM elements and competitive advantage.**

4. Data Analysis

Demographic Profile

The demographic profile of the suppliers reveals significant diversity in age, type of business, and duration of association with Viswas Foods.

- **Age Distribution:**36.7%ofrespondentsbelongtothe36–45agegroup, suggesting mid-career professionals who are likely experienced and stable in their operations.
- **Nature of Supply:**50%ofthesuppliersdealinrawmaterials, whileotherssupply packaging materials or finished goods, indicating a broad supplier base.
- **Relationship Tenure:** Alarminglly, only13.4%ofsuppliershavemaintained a relationshiplongerthansixyears, indicatingachallengeinfosteringlong-term collaboration.

Table1: Age Distributionof Respondents

Age Group	Frequency	Percentage (%)
Below25	6	20.0
36–45	11	36.7

Weighted Sum Analysis

Each SRM practice was rated based on its perceived contribution to competitive advantage..

Table 2: SRM Practices Grading

Practice	Weighted Sum	Grade
Long-term trust	130	A
Transparent communication	128	B
Performance monitoring	126	B
Risk mitigation	117	C

Supplier contracts	115	C
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Grades indicate performance categories:

- **A–Strong practice with high impact**
- **B–Moderate effectiveness, room for improvement**
- **C–Weakness, requires immediate attention**

Factor Analysis

The Kaiser-Meyer-Olkin (KMO) measure was 0.782, indicating sampling adequacy.

- **Factor 1: Trust–Explained 41.86% of total variance.**
- **Factor 2: Communication –Contributed 12.00% of variance.**
- **Factor 3: Performance Monitoring –Accounted for 10.79% of variance.**

These factors emerged as the most critical components of SRM impacting Viswas Foods' competitive edge.

Correlation

A strong positive correlation was found between trust and competitive advantage ($r=0.72$, $p < 0.01$), signifying that supplier trust is pivotal in determining supply chain efficiency, innovation capacity, and cost-effectiveness.

5. Findings & Recommendations

Key Findings

- **Trust emerged as the most influential dimension, both quantitatively (highest weighted score and factor variance) and statistically (strongest correlation with competitive advantage).**
- **Short-term partnerships dominate the supplier network, with only 13.4% of suppliers engaged in long-term relationships exceeding six years.**
- **Weaknesses in contracts and risk planning suggest that Viswas Foods must formalize processes and define clear terms of engagement.**

Recommendations

1. Strengthen Trust-Based Relationships:

- Implement loyalty programs for long-standing suppliers..

- Organize supplier meets and training workshops to foster engagement..

2. Enhance Contract Management:

- Redesign supplier contracts to include clear terms on pricing, delivery timelines, quality standards, and dispute resolution mechanisms..

3. Adopt Digital Tools for Collaboration:

- Invest in SRM software platforms and cloud-based dashboards for real-time communication, order tracking, and performance analytics.

4. Risk Mitigation Strategies:

- Conduct regular risk audits and implement contingency planning for supply disruptions, geopolitical risks, and price fluctuations.

6. Conclusion

This study confirms that effective Supplier Relationship Management—particularly trust, transparent communication, and performance tracking—plays a central role in enhancing the competitive strength of Viswas Foods. While some practices are well-established, others like contract clarity and risk management require structured improvements. The findings provide practical guidance for Viswas Foods and similar firms in the food manufacturing sector to optimize supplier interactions and achieve long-term competitiveness. Future research may expand the scope by including multiple companies and regions for comparative insights.

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