

**EFFECTIVE SUPPLY CHAIN  
MANAGEMENT  
IN THE  
FURNITURE RETAIL INDUSTRY**

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**Effective Supply Chain  
Management in the  
Furniture Retail Industry**

**By**

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**I, S. J. J. Pretorius, hereby declare that the language of this MBA dissertation has been edited by R. Acutt.**

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## Executive Summary

The thesis ›Supply Chain Management in Furniture Retail Industry‹ tries to determine the current status of an integrated supply chain management in the furniture industry. The importance of the supply chain in the modern economy is discussed as well as the difficult economical conditions for furniture dealers, with consumers spending more on cellphones, the national lottery and transport. The importance of the supply chain as a vehicle to optimize shareholder funds is stressed.

The literature study sets out to prove that as a result of the new paradigm that exists within the organisational system, that the supply chain system needs new ideas, thought process and structures to ensure that the full potential is realised. In order to maximise returns from the supply chain business process, re-engineering and design will have to take place. Organisations must be willing and able to radically re-think and re-design the existing process. A paradigm shift is absolutely essential to obtain the maximum



returns for the organisation. Certain pre - designed supply chain models are discussed and advantages and disadvantages are analysed. The models are the, the Growth Model, the Supply Chain Management Systems Framework, the Semantic Model for Internet Supply Chain Collaboration and the Supply Chain Operations Model. The models differ in their approaches and is an effort to expose the reader to current best practises in integrated supply chain management.

Thirdly, key factors for supply chain success are discussed. Research has shown that if organisations fail to meet certain basic requirements, any attempts at influencing or improving the process are doomed. Internal excellence is a basic requirement followed by external integration and excellence. Two other important issues are supplier relationships, and the critical importance of information technology in assisting organisations to obtain supremacy.

The literature study ends with the discussion of a financial model for measuring the success of supply chain interventions. The final word in any change process is financial. If Economic Value is not added,

then the process can be seen as a failure.

Chapter Three discusses the methodology that was followed in conducting the research. Chapter four analysis the findings and make certain recommendations for the furniture industry in South Africa that will assist in improving supply chain management.