WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF MANAGEMENT

ASSESSMENT SUPPLY CHAIN MANAGEMENT PRACTICE (IN CASE OF BGI ETHIOPIA ZEBIDAR FACTORY)

A RESEARCH PAPER SUBMITTED TO THE COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF MANAGEMENT

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This research paper titled assessment of supply chain management practice(in case of BGI Ethiopia Zebidar factory) submitted by Biruk Nigatu (ID:SSR/0320/14) has been reviewed approved by the undersigned examiners.

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ABSTRACT

This study focused on the Assessment of supply chain management practice in case of Zebidar Brewery at Gubre town. The aim of this research was three-fold. Firstly, the research sought to identify the supply chain management practices adopted by the factory , secondly to determine the benefits of adopting supply chain management practices of the case factory and thirdly to identify the supply chain management challenges facing at Zebidar factory The researchers adopted the descriptive survey design. The researchers used both the primary and secondary sources of data in the course of the study. The primary data was sourced through the instrument of questionnaire and while secondary data was sourced through reference books, and internet. other open ended and close ended questionnaire from sample respondent for analysis of the data collected researcher used tabulation and percentage method to present data the major finding of the study was established that information sharing between supplier and customer and inventory management were the highest adopted SCM practice. The major benefits of SCM were identified as increased sales, resource planning and coordination between department. While the major challenge was identified as the high cost of raw materials increment of customer expectation and high cost of energy. The study concluded that Zebidar factory implement SCM practices, benefit from implementing most of the practices, but also face challenges of embracing these new trends. The researcher has recommended that a further empirical study should be conducted to link each of the practices to the supply chain performance of zebidar factory.

Table of Content

Contents

List of tables

CHAPTER ONE

1. INTRODUCTION

This topic begins with a brief background to the study, which leads to an introduction of the case company BGI Ethiopia Zebidar factory, statement of the problem of the study, research question, objective of the study, significance of the study, scope of the study, and organization of the study will be present.

1.1 Background of the study

The world is seen as becoming increasingly interconnected by economic, political, sociological and cultural forces as a result of globalization. As a result of inter-contentedness of firms, this day multinational enterprises are being developed, and firms are competing in both domestically and at international market in order to defend international competitors, integration of firms in order to provide quality product at the required time and place, etc. Thus, for the sake of achieving competitiveness and satisfying customers, the new management philosophy called Supply Chain Management is developed Fawcett et al (2007).

Adebayo (2012) defined supply chain management practices as a set of activities undertaken in an organization to promote effective management of its supply chain. SCM organizations are tasked with the responsibility of formulating and implementing strategies that if adopted will lead to achievement of a sustained competitive advantage. In the era of turbulent environment occasioned by globalization of competition and e commerce, Business company need to constantly scan the environment with a view to identifying and implementing supply chain practices that will enable an enterprise to achieve supply chain optimization using its limited resources (Abdifatah, 2013).

In today's competitive business there is an increased focus on delivering value to the customer in order to satisfy. The focus of attention of most of businesses organizations are providing products and services that are more valuable compared to its competitors. Concurrent to the focus on customer satisfaction, the marketplace in which businesses operate today is widely

recognized as being complex and turbulent (Christopher, M. and Towill, D.R, 2000). The growth of supply chain aims to improve profitability, customer response and ability to deliver value to the customers and also to improve the interconnection among firms. Due to market expanding from domestic (national) market to global market increase customer demands, for instance demanding lower prices, faster delivery, higher quality products or services and increase the variety of items (Braunscheidel, 2005).

Different authors describe the term Supply Chain „as being in existence since 1980„s and defined the term in different ways (Delfmann & Albers, 2000, pp. 1). As Mentzer et al. (2001, p 4) defined Supply Chain as set of three or more entities (organizations or individuals) directly involved in the upstream and downstream flows of products, services, finances, and/or information from a source to a customer‖. This means that, it is not a single activity performed by individual firm rather it is a continuous activity done by different organization. Adolfo Crespo Marquez, (2010), All firms have supply chains of varying degrees, depending upon the size of the organization and the type of product manufactured.

1.2. BACK GROUND OF THE ORGANIZATION

Zebidar brewery is fully owned and operated by BGI Ethiopia ,a subsidiary of castel group (a french multinational beverage giant).BGI Ethiopia acquired 100% ownership of zebiadr in 2022 consolidating its position as Ethiopia's largest brewer.the brewery operates as a strategic production hub under castel's African portfolio,leveraging the group’s global brewing expertise and supply chain networks.zebidar brewer located in gubre ,near to wolkite town (central Ethiopia),167km southwest of Addis Ababa. initial capital of 1.2billion ETB and production capacity expand from an initial 350,000 hectolitre to 650000 hectoliters .product portfolio flagship zebidar beer :330ml and 500ml bottles(5% alcohol),marketed for its pull-off rip cap innovation .future plans:trials for low-alcoholic beverages to diversify offerings.

1.3 Statement of the problem

In today's globalized economy,supply chain management practice plays a vital role in big business organization. A substantial number of firms realized the strategic role played by supply chain management in the achievement of the organizations performance within the industry of operation. Organization both private and public organization are therefore compelled to upgrade their standard performance with a view of creating value for money in the production of goods and services (Fayezi, Zutshi, & O'Loughlin, 2015). Other researchers also highlighted the important of supply chain management but noted there is little research done on supply chain management practice (Squire, Burgess, Singh, & Koroglu, 2006).

The present literature on supply chain management practices is usually focused on largely on developed country,leaving a paucity of research in developing region. In today's complex business environment , effective supply chain management is crucial not only for meeting customer demands but also for sustaining to business growth. In some business customers shift from one to another because of quality, price, and due to other factors. In our case study BGI Ethiopia Zebidar factory previously produced zebidar beer alongside saint George beer however,due to significant demand fluctuations,zebidar beer has been phased out entirely and the factory now focuses on producing saint George,meta, and castle beers to align with market dynamics.

This case underscores the challenges businesses face in adapting their supply chain to volatile demand.the researcher aims to investigate how supply chain management practise at BGI Ethiopia's zebidar factory respond to these challenge.

1.4 Research question

- What are the benefits of adopting supply chain management practices at BGI Ethiopia Zebidar factory?
- what supply chain management practice that have been adopted by BGI Ethiopia Zebidar factory?
- what problems exist in the current supply chain process of BGI Ethiopia Zebidar

factory?

- What improvement opportunities can be identified in the supply chain process of BGI Ethiopia Zebidar factory

1.5 Objective of the study

1.5.1 General objective

- The overall objective of the study is to investigate the supply chain management practice in case of BGI Ethiopia Zebidar factory at Gubrye town.

1.5.2 Specific objective

- To determine the benefits of adopting supply chain management practices to BGI Ethiopia Zebidar factory.
- To describe the supply chain management practice that adopted in BGI Ethiopia Zebidar factory.
- To identify problems and improvement opportunities in the supply chain process of the BGI Ethiopia Zebidar factory.

1.6 Significance of the study

One of the core activities in a business enterprise is having a well-developed supply chain management practice. The ultimate success or failure of an enterprise depends on its supply chain management system. The study was therefore, intended to help the enterprise management to redirect their attention to this highly essential function. Assessing the practices of supply chain management and organizational performance in this complex and dynamic business world is believed to have the following importance to the academicians, researchers, corporate managers, policy makers and generally for business practitioners, and specifically for the case enterprise. Specifically, this study has the following main significance:

- Help to better understand the processes of SCM practices related with the enterprise under consideration.
- Help to identify problems and improvement opportunities in the supply chain

process of the enterprise.

- Help to identify which SCM practice (s) is more contributing for success of operational and organizational performance of the enterprise. .
- Help future researchers who are willing to conduct study on this topic.

1.7 Scope of the Study

The study is limit on geographical, conceptual and methodological delimitation. The geographical delimitation of the study will conduct only in BGI Ethiopia Zebidar factory at Gubre Town, because it is very difficult to conduct the study in all parts of our country Ethiopia due to financial and other problems. The conceptual delimitation of the study will only conduct on Assessment of supply chain management practice in case of BGI Ethiopia Zebidar factory at Gubrye Town. The methodological delimitation of the study used descriptive research design. because this study design help to briefly describe the nature of supply chain management practice in case of BGI Ethiopia Zebidar factory.

1.8 Limitation of the study

The researchers have faced many problems during conducting this research. The most recognized and very challenging limitations of the study are: -

- Lack of cooperation and interest of some employees in responding to questionnaires and filling is carelessly.
- Unwillingness of the respondents to give appropriate answer to question provided.

1.9 Organization of the study

The study was organized into five chapters. Chapter one presented the introduction,including the background of the study, statement of the problem, research question, objectives of the study, delimitation of the study, scope,significance of the study. Chapter two reviewed related literature. Chapter three described the research methodology. Chapter four analyzed and discussed the collected data.chapter five summarized the findings,drew conclusions, and provided recommendations.References and appendices were included at the end of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

This part of the study will address relevant conceptual issues, theoretical framework and empirical review related to the topic of the study. It includes historical development, concepts and definition such as supply chain management, SCM practices, challenges and organizational performance by focusing on previous research in this area and present reviewed literature relevant to this study.

2.1 Concept of supply chain management

The typical supply chain involves timely flow of materials, relevant information and products across members of the supply chain. Older studies such as Lee and Billington (1995), describe a supply chain as a "network of production and distribution sites". Guide, Jayaraman and Linton‟s definition of supply chain extends from the sourcing of raw materials, to manufacturing, to distribution and to the disposal of the goods (2003). The term "supply chain management" (SCM), according to Van der Vorst (2004) is relatively new. It first appeared in logistics literature in 1982 as an inventory management approach with an emphasis on the supply of raw materials (Oliver and Webber 1982). By 1990, academics first described SCM from a theoretical standpoint to clarify how it differed from more traditional approaches to managing the flow of materials and the associated flow of information (Cooper and Ellram 1993).

The growing interest in SCM, according to Lummus and Vokurka (1999) is attributable to three basic factors, thus, growing specialization or focus on core activities by many firms, intense competition from both local and international sources, and the realization by firms that maximizing performance of one department or function may lead to less than optimal performance for the whole company. Agreeing with this assertion, Cooper et al. (1997) in their research concluded that, the concept of SCM arose over the recognition that sub-optimization occurs if each organization in a supply chain attempt

to optimize its own results rather than to integrate its goals and activities with other organization to optimize the results of the chain.

For any market driven organization to be able to compete effectively with its competitors it must sustain certain core competencies, such as process management, integration of knowledge, and diffusion of learning. Competitive position of a business arguably results from the assessment of what the firm offers with regards to value creation as compared to that of its competitors (Gorynia 2004). Indeed, basic measures of the competitive position of a firm are its market share and financial position. Additionally, factors such as product quality, customer loyalty, and reputations are also used as additional measures of business performance and competitive position of a firm (Gorynia, 2004). Consequently, Lee and Billington (1992) pointed out that, SCM can be used as a strategic weapon to develop a sustainable competitive advantage by reducing investment without sacrificing customer satisfaction.

2.2 Drivers of Supply Chain Development and Main Initiatives

In today's global economy, companies face increasing pressure to reduce costs while maintaining production and quality levels to deliver results to the customers. Handfield (2002) summarized the basic drivers for SC development as: Ever-increasing customer demand in terms of product and service cost, quality, delivery, technology, and cycle time brought by global competition. Companies all over the world are pursuing supply chain as the latest methodology to reduce costs, increase customer satisfaction, better utilize assets, and build new revenues. In order to achieve these goals, companies must successfully overcome a number of challenges/problems (Makweba & Xu, 2009). The consequence of this development is that companies are putting more and more efforts into developing new ways to increase competitiveness on the market in terms of more efficient and effective supply chain management.

2.3 Definition of Supply Chain Management Practice

Li et al. (2006) define SCM practices as a set of activities undertaken in an organization to promote effective management of its supply chains. From this definition one can conclude that components of SCM practices includes supply and material management

issues, operations, information technology and sharing (ICT) and customer service (Tan et al. 2002). Other components such as technology, cost, inventory management, competitiveness and external regulations, according to McMullen (1996) needs to be managed effectively to achieve to business goals of each supply chain members. It also leads to value creation to end customer.

Adebayo (2012) defined supply chain management practices as a set of activities undertaken in an organization to promote effective management of its supply chain.

2.4 Benefits of Supply Chain Management Practices

Implementation of supply chain management practices could deliver a number of potential benefits to business company (Fischer et al, 2010). As such many companies are re-engineering and rationalizing their supply chain network to obtain the benefits that result from adopting and implementing SCM practices (Van der Vorst, 2004). Some of the benefits of supply chain management are discussed in the following paragraphs.

SCM practices can lead to increased profitability despite competitive pressures. Previous research in supply chain management has recognized some of the benefits of effective supply chain management to be higher return in Investments (ROI), and assets (ROA), lower cost that enable firms to be price competitive, improved processes, reduced redundancies, lower inventory, better quality, reduced lead time and demand uncertainties, improved customer service levels and market responsiveness and better access to target market segments through information, Supply chain customers have become more demanding hence the need to respond rapidly to customer orders. Valmohammadi (2003) conducted a study of SCM practices in Iranian manufacturing organizations and established that the most important benefit of implementing SCM practices was the desire to increase customer satisfaction and improved organizational performance.

The profitability of supply chains could be improved drastically via better delivery performance and increased information availability at the operational level and a reduction in time-to-market at the tactical and strategic level. The potential for improvement when applying SCM benefits is based on the reduction of inventory carrying and transportation costs, the reduction of indirect and direct labor costs and

the increase of sales and sales margins (Van Der Vorst, 2004). SCM practices seek to increase service levels in supply chains by ensuring availability of inventory at the time and point of need.

2.5 Challenges of Supply Chain Management

Most SCM related-problems mainly occur from uncertainties and an inability to coordinate several activities and partners (Turban et al. 2000). Fawcett (2001) identified top ten barriers to supply chain management these are: inadequate information sharing, poor/conflicting measurements, inconsistent operating goals, in organizational culture or structure, resistance to change- lack of trust, poor alliance management practices, lack of supply chain vision (understanding), lack of managerial commitment, constrained resources, no employee dedication/ empowerment. Currently, companies are striving for lower cost so that they will be competitive in the market while they have to maintain their service level. The key factor to offering the features that the customers want at the level of service they are willing to pay for is to minimize the lead time. One approach suggested to solve this problem is synchronized material movement where all parts of the supply chain have access to the information at the same time (Waters, 2003).

2.6 Empirical Literature

According Shah et al. (2002), much of the current theoretical/ empirical research in SCM focuses on only the upstream or downstream side of the supply chain, or certain aspects/perspectives of SCM. However, there are certain previous researchers which have devoted a great deal of attention to the relationship of supply chain management practices and certain aspects of overall organizational performance from different perspective/dimensions or overall supply chain. Some of these researches finding are discussed as follow:

(Salazar, 2012) conducted a study The Effect of SCM process on competitive advantage and organizational performance. This research conceptualizes and develops three dimensions of SCM practice (supplier relationship management, manufacturing flow management, and product development and commercialization) and tests the

relationships between these SCM practices, competitive advantage, and organizational performance. Data for the study was collected from prominent organizations and the relationships proposed in the framework were tested using rigorous statistical techniques. The results indicate that higher levels of SCM practice can lead to enhanced competitive advantage and improved organizational performance.

Klemencic. (2006) conducted study on management of Supply chain the case of Denmark Manufacturing Company called Danfoss Heating District Business Area by viewing the supply chain as a strategic asset the study tried to highlight theoretical frameworks that improve supply chain performance especially in-service level and logistics cost. The study analyses SCM practice dividing them in to building blocks a described in (Cohen, 2004) Model it continued with evaluating SC strategies, process, organization, Collaboration model and also evaluated the performance of SC on the basis of the current performance indicators by dividing in to four critical success areas time ,service, quality and cost. The analysis of good supply chain strategy the researcher concluded that all building blocks, as defined by Cohen (2004, P. 18), are present in the supply chain strategy today and the actually support overall Vision very well, but they have not been revised and structured in one document. The Study also concluded from the analysis of collaboration model with external partners that it is also an area for improvement especially in terms of defining key collaboration partners, to whom operational activities can be outsourced or in sourced (talking about joined demand planning efforts with key customers) or better utilization of e-commerce to improve efficiency of operational processes (e.g. order placement). In general, the researcher concluded that implemented concepts and strategies are contributing significantly to the business result.

CHAPTER THREE
METHODOLOGY

INTRODUCTION

This chapter discusses the research design and methodology of the study. It highlights a full description of the research design, and provides a broad overview of the description and selection of the population. The research instruments, data collection techniques and data analysis tools have also been described.

3.1Research design

Research design refers to plan which shows the strategy of an inquiry through appropriate to the research (Kothari,2004). This study was intended to examine SCM practices based on fundamental theories, principles and management philosophies that are supposed to be effective parameters of the case company's key business activities. Accordingly, the case company's existing SCM practices was evaluate. That means the purpose of this research is to find out the underlying facts and /or actual circumstances existing within the case company with regard to SCM practices and describing the facts. Therefore, the study was preferred to use descriptive research design.

3.2 Target Population

Population is any group of individuals that has one or more characteristics in common and that are interest of the researcher (Creswell,2005).

The target population of the study is the current employees of BGI Ethiopia Zebidar factory at Gubre Town. There is a total of 210 employees. among this 164 are Males and the remaining 46 are female. The company has production, sales, and store department.so the researcher taken a sample of those employees as participants of the study, because, the number of populations is large.

3.3 Sampling Techniques and Sample Size

For the purpose of this study, the researcher was using probability sampling technique particularly stratified sampling technique. The target populations for the study were classified into strata based on the departments and section in the firm which is directly related with SCM of the organization. Then the samples were select from each stratum according to their proportion to the total population. Since the information required for the study needs different people who have knowledge and awareness about different supply chain management practices, stratified random sampling technique was used to have the right proportion of people from every concerned department. The departments considered as strata, from which data was collected: production, sales, store department of BGI Ethiopia Zebidar factory.

According to Israel (Glenn, 1992), the role of sample size determination, sample size of the above data determined mathematically as follows:

Mathematically $n=\frac{N}{1+N(e)^2}$

$n=\frac{210}{1+210\times(0.1)2}$

$n=\frac{210}{1+210\times0.01}$

$n=\frac{210}{1+2.1}$

$n=\frac{210}{3.1}$

$n=67.74 \sim 68$

n1=n(n1/N)=68(176/210)= 57

n2=n(n2/N)=68(12/210) =4

n3=n(n3/N)=68(22/210) =7

n= 68

n=sample size

e= sample error

N=total population

n1=sample size of the1st population subgroup

n2=sample size of the 2nd population subgroup

n3=sample size of the 3rd population subgroup

Table 3.1 sample size determination

No.	Department	No of Employees	Proportional allocation formula	Sample size
1	Production	176	68(176/210)	57
2	Sales	12	68(12/210)	4
3	Store	22	68(22/210)	7
Total		210		68

3.4 Data Collection Instrument and Procedures

In actual conduct of this paper the researcher used both primary and secondary data. In collecting primary data, the researcher was using Questionnaire, the reason why researchers use such tools is due to the fact to obtain reliable responses and it helps to know the respondent's idea of motives.

The questionnaire was both open and closed ended types, the open-ended question helps respondents to express their idea in unlimited way, whereas closed ended provide alternative question to choose respondents from a given alternative. Whereas, the secondary source of data was collected from internet and other reference book.

3.5 Data processing

After finishing the data collection process the next step was data processing, data processing is an activity which involves, edition, coding, a and classifying data to make it suitable for further analysis. For starting the data process first, the data were edited (checked) for completeness, legibility and consistency and making the data ready for

coding.

3.6 Methods of data presentation and analysis

After the necessary data were collected the data were analyzed using descriptive statistic such as percentage, and tabulation. These methods facilitated presentation and analysis of data in an easy way.

CHAPTER FOUR:

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter deals with the analysis and interpretation of data collected on the assessment of supply chain management practice of Zebidar factory at Gubre town. This data obtained from the sample population involved in the descriptive study.

The findings are made based on answers in the questionnaires filled by the employees and also the interview with manager.

Table 4.1 response rate

Item	Number of respondents	Percentage (%)
Questioners distributed	68	100
Questionnaires collected	50	73.5
Missed	18	26.5

Source: Questionnaires, 2025

As sown in the above table among Questionnaires distributed by researcher 50(73.5%) is collected and analyzed while 18(26.5%) is missed. The reason for missing 18(26.5%) of the distributed Questionnaires are first the time factor, and also the respondents were unwilling to return timely.

4.2 Demographic presentation of respondents

Table 4.2 personal profile of respondents

N. o	Personal Profile of Respondents			
	Alternative		Frequency	Percentage
1	Sex	Male	32	64%
		Female	18	36%
		Total	**50**	**100%**
2	Age	18-25	14	28%
		26-33	12	24%
		34-41	15	30%
		42-49	9	18%
		>50	-	-
		Total	**50**	**100%**
3	Education background	Certificate	10	20%
		Diploma	15	30%
		Degree	20	40%
		Master's degree	5	10%
		Total	**50**	**100%**

Source:Questionnaires,2025

- Table 4.1 shows gender, age, and educational level. From the total of 50 respondents, 32(64%) of Respondents are men the rest 18 (36%) of respondents are women. In addition to that from the total population of 50, 14(28%) of respondents are between the age level of 18-25 years, 12(24%) are between the age level of 26-33 years, 15(30%) are between the age level of 34-41 years, 9(18%) are between the age level of 42-49 years and there are no respondents above 50 years. Regarding to education level, 10(20%) of total respondents has certificate 15 (30%) of employees are

diploma, 20(40%) are degree, and the remaining 5(10%) are master's degree.

- In case of age, about, 14 (28%) respondents are found within 18-25 age level, 12(24%) are between 26-33 age level, 15(30%) are between the age of 34-41 and, 9(18%) are between 42-49 age range respectively. This indicates that most of employees of BGI Ethiopia Zebidar factory were found within the age range of between 34-41 age range and. In terms of educational level, 5(10%) respondent is master holder and 20(40%) respondents are first degree, 15(30%) respondents are diploma and, 10(20%) of respondents are certificate respectively. This implies that most of employees of BGI Ethiopia Zebidar factory have degree.

Table 4.3 Experience of respondents

	Frequency	Percentage
< a year	13	26%
2-5 years	33	66%
>5 years	4	8%
Total	50	100%

Source:Questionnaires, 2025

As indicated in the above table from the total of 50 respondents, 13(26%), 33(66%), and 4(8%) of respondents have a work experience of less than a year, "between 2-5, and above five years respectively.so the majority of the respondent have an experience of "between 2 -5 years.

4.2 Supply chain Management Practices

The first objective of this study was to establish the supply chain management practices adopted in BGI Ethiopia Zebidar factory. The data collection tool had asked the respondents to indicate the SCM practices that they were adopted and the extent to which they considered each of the SCM practices to be important in their businesses.

Table 4.4 pply chain management practice

N. O	Supply Chain Management Practice		Alternatives					
			NA	LE	ME	GE	VGE	Total
1	Information Sharing between suppliers and customers in supply chains	**Frequency**	**-**	**-**	**5**	**20**	**25**	**50**
		Percentage	-	-	10%	40%	50%	100%
2	Inventory management	**Frequency**	**-**	**-**	**3**	**25**	**22**	**50**
		percentage	-	-	6%	50%	44%	100%
3	Lean practice	**Frequency**	**2**	**4**	**8**	**17**	**19**	**50**
		Percentage	4%	8%	16%	34%	38%	100%
4	Formation of strategic alliances	**Frequency**	3	3	11	21	12	50
		percentage	6%	6%	22%	42%	24%	100%

SOURCE:Questionniars,2025

Index. (**NA**= to no extent at all, **LE**= to a little extent, **ME**= to a moderate extent, **GE**= to a great extent and, **VGE**= to a very great extent)

As reviewed in the table above

- **In the table above table 4.2.** 25 Respondents (50% of employees) replied the Information Sharing between suppliers and customers in supply chains is adopted in "very great extent", 20(40%) of respondents replied great extent, 5(10%) of respondents replied the information sharing between suppliers and customers is adopted in moderate extent. And no employees who response little extent and not extent at all. This implies that the practice of information sharing between supplier and customer in BGI Ethiopia Zebidar factory is adopted in a very great extent.
- Regarding to the Inventory management practice of BGI Ethiopia Zebidar factory, 22 respondents (44% of employees) responded "very great extent", 25 respondents (50% of employees) replied "great extent "whereas 3 respondents (6% of respondents) replied moderate extent. So, the statement concludes that

the majority of the respondents replied that BGI Ethiopia Zebidar factory is adopted the practice of inventory management in great extent.

- Concerning the Lean practice of BGI Ethiopia Zebidar factory, 19 respondents (38% of employees) said that “very great extent” and 17 respondents (34% of employees) rated “great extent”, 8 respondents (16%of employees) replied that “moderate extent”, 4 respondents (8% of employees) replied “little extent” ,whereas 2 respondents (4% of respondents) replied as lean practice of BGI Ethiopia Zebidar factory is “not extent at all.” This concludes that BGI Ethiopia Zebidar factory adopted the lean practice.
- For the practice of Formation of strategic alliances,12 respondents (24%) rated “very great extent”, 21 respondents (42%) replied “great extent”,11 respondents (22%) response “moderate extent” ,3 respondents (6%) response “little extent” and 3 respondents (6%) response “not at all extent” ,so the table shows that the majority of the respondents said that the practice of formation of strategic alliance in BGI Ethiopia Zebidar factory is adopted in “a great extent.”

4.3 Supply Chain Management Benefits

The second objective of the study was to determine the benefits of adopting SCM practices in BGI Ethiopia Zebidar factory.

Table4.5 supply chain management benefits

N. O	Supply Chain Management Benefits		Alternatives					
			GU	FU	I	FI	GI	Total
1	Increase Sales	**Frequency**	**-**	**-**	**6**	**11**	**33**	**50**
		Percentage	-	-	12%	22%	66%	100%
2	Increased Coordination with Customers	**Frequency**	**-**	**2**	**5**	**23**	**20**	**50**
		percentage	-	4%	10%	46%	40%	100%
3	Resource Planning	**Frequency**	**-**	**-**	**9**	**13**	**28**	**50**
		Percentage	-	-	18%	26%	56%	100%
4	Reduced lead time	**Frequency**	**1**	**3**	**10**	**25**	**11**	**50**
		Percentage	2%	6%	20%	50%	22%	100%
5	Increased flexibility (adopting environmental change)	**Frequency**	**-**	**3**	**26**	**9**	**12**	**50**
		Percentage	-	6%	52%	18%	24%	100%
6	Accurate Forecasting	**Frequency**	**-**	**2**	**18**	**20**	**10**	**50**
		Percentage	-	4	36%	40%	20%	100%
7	Increased coordination between departments	**Frequency**	**-**	**-**	**5**	**18**	**27**	**50**
		Percentage	-	-	10%	36%	54%	100%

SOURCE: questionnaire, 2025

Index; (**GU**=Greatly Unimportant**, FU**= Fairly Unimportant, **I**=Important, **FI**= Fairly Important and **'GI**=Greatly Important)

- As the above table 4.3.indicated that 33(66%) implies that the benefits of supply chain management practice increase sales is "greatly important" ,11 respondents (22%) response "fairly important" , and 6 respondents (12%) replied "important" .so that adopting supply chain management practice helps to increase sales of the company's product is "greatly important."
- Regarding to the benefits of adopting the SCMP to increase the coordination with costumers, 2 respondents (4%) replied "fairly unimportant", 5 respondents (10%) replied "important", 23 respondents (46%) respond "fairly important" and 20

respondents (40%) responds “greatly important.” This implies that adopting SCMP used to improve coordination with costumers is greatly important.

- Concerning to the Resource Planning, 9 respondents (18%) said that “important” and 13 respondents (26%) rated “fairly important”, 28 respondents (56%) replied that “greatly important”, this concludes that adopting SCMP helps to plan resources wisely is greatly important.
- Regarding to reduce lead time, 11 respondents (22%) responded “greatly important”, 25 respondents (50% of employees) replied “fairly important “whereas 10 respondents (20%) replied “important”, 3 respondents (6%) replied “fairly unimportant”, and 1 respondent (2%) responds “greatly unimportant” So the statement concludes that the majority of the respondents replied that BGI Zebidar factory is adopted the practice of SCM helps to reduce lead time in great extent.
- Table 4.3. Demonstrates that, 12(24%) of respondents said “greatly important” the benefit of SCMP to increase flexibility,9(18%) respondents said “fairly important”, 26(52%) said “important”, and 3(6%) of respondents said “fairly unimportant”. this shows the benefit of adopting SCMP to increase flexibility (ability to adopt when there happened an environmental change).
- Regarding to adopting SCMP practices to accurately forecasting, 2 respondents (4%) respond “fairly unimportant” 18 respondents (36%) respond “important”, 20 respondents (40%) respond “fairly important” and 10 respondents (20%) responds “greatly important”. this implies that the majority of the respondents said that adopting SCMP helps to accurately forecasting in future.
- As the above table 4.3.indicated that the benefits of adopting supply chain management practice to increase coordination between departments, 5(10%) respondents said that “important” ,18 respondents (36%) response “fairly important” , and 27 respondents (54%) replied “greatly important” .so that adopting supply chain management practice helps to increase coordination between departments of BGI Ethiopia Zebidar factory is greatly important.

4.4 Supply Chain Management Challenges

Table 4.6 Supply chain management challenges

N. O	Supply Chain Management Challenges		Alternatives					
			VGE	GE	ME	LE	NE	Total
1	Access to modern technology	**Frequency**	**-**	**1**	**11**	**21**	**17**	**50**
		Percentage	-	2%	22%	42%	34%	100%
2	Increasing customer expectations	**Frequency**	**23**	**9**	**11**	**2**	**5**	**50**
		percentage	46%	18%	22%	4%	10%	100%
3	Lack of training in supply chain management	**Frequency**	**-**	**-**	**12**	**11**	**27**	**50**
		Percentage	-	-	24%	22%	54%	100%
4	High cost of energy	**Frequency**	**18**	**10**	**8**	**9**	**5**	**50**
		Percentage	36%	20%	16%	18%	10%	100%
5	High cost of raw materials	**Frequency**	**29**	**11**	**6**	**4**	**-**	**50**
		Percentage	58%	22%	12%	8%	-	100%

SOURCE:Questionnaire, 2025

Index ;(**VGE**=to a very great extent, **GE**= to a great extent, **ME**=to a moderate extent, **LE**= to a little extent and, **NE**=to no extent at all)

As indicated the above table, 29 respondents(58%) were responds that there is a high cost of raw material in “a very great extent”,11 respondents (22%) respond “great extent”, 6 respondents (12%) replied “Moderate extent”, the remaining ,4(8%) of respondents, respond “little extent”, whereas, no respondents said “to not extent at all”. This indicates that there is a problem (i.e. high cost of raw material) because 58% of the respondents said that cost of raw material is highly exist in “a very great extent”.

Regarding to high cost of energy, 18 respondents(36%) were responds that there is a high cost of energy in “a very great extent”,10 respondents (20%) respond “great extent”, 8 respondents (16%) replied “Moderate extent”, 9(18%) of respondents, respond “little extent”, and 5 respondents (10%) said “to not extent at all”. This indicates that there is a problem (i.e. high cost of energy) because 36% of the respondents said that cost of

energy is highly exist in “a very great extent”, and 20% of respondents said that great extent.

Most respondent agreed for all the listed criterion s as the mean of the respondents shown;

- Concerning to access to modern technology,17 respondents (34%) said that “to not extent at all”,21 respondents (42%) rated “little extent”, 11 respondents (22%) replied that “moderate extent”, 1 respondent (2%) respond “great extent” whereas, there is no respondents said “very great extent”. this concludes that access to modern technology in BGI Ethiopia Zebidar factory is in a better way to adopted a supply chain management practice.
- Regarding to customer expectation,5 respondents (10%) said that “to not extent at all”,2 respondents (4%) rated “little extent”, 11 respondents (22%) replied that “moderate extent”, 9 respondents (18%) respond “great extent” and 23 respondents (46%) said “very great extent”. this concludes that the increment of customer expectation was a main problem in BGI Ethiopia Zebidar factory because the majority of the respondents said that “great extent”.
- For questions related to Lack of training in supply chain management issues, 12 respondents (24%) response “moderate extent” ,11 respondents (22%) response “little extent” and 27 respondents (54%) response “not at all extent” ,so the table shows that the majority of the respondents said that the company gives appropriate training related to supply chain practice.

CHAPTER FIVE

SUMMERY, CONCLUSION AND RECOMMENDATION

5 Introduction

The aim of this study was to establish the SCM practices, determine the benefits and establish the challenges encountered by BGI Ethiopia Zebidar factory at Gubre town. This chapter presents a summary of the major findings arising from the data analysis. The chapter then draws some conclusions made upon a careful consideration of the results of the study. The chapter also highlights the suggestions and recommendations for further research.

5.1 Summary of Findings

- As seen in the analysis 64% of the respondents are male and 36% of respondents are female in which the majority of the respondents are male. From age perspective the majority are within 34 up to 41 age intervals. Most of the respondents are under degree holders and the majorities of the respondents work experience was 2 up to 5 years.

The assessment of supply chain management practice was discussed about based on three questions.

  - ➤ supply chain management practice adopted in BGI Ethiopia Zebidar factory
  - ➤ Benefits supply chain management practice
  - ➤ Challenges of supply chain management practice

- Regarding to information sharing between supplier and customer (50%) of respondents and lean practice (38%) of the respondents said that the practice was adopted in “A very great extent” and also inventory management (50%) of respondents and formation of strategic alliance (42%) of respondents was also adopted in a “great extent **“**the result shows that almost all supply chain management practice was adopted in “great extent. Most respondent agreed on the information sharing between supplier and customer, inventory management, lean practice, and formation of strategic alliance was adopted in a great extent.

- Towards the benefit of adopting supply chain management practice 66% of employee said increase sales,56% said resource planning, and coordination between departments were “greatly important” ,coordination with customers(46%), reduced lead time (50%),and accurate forecasting (40%) of respondents respond adopting supply chain management practice was “fairly important”. Whereas (52%) of respondents said that adopting supply chain management practice is” important” to increase flexibility of the factory when an environmental change was arisen. The study also found that implementation of the SCM practices was delivering a number of benefits in the case company. Increased sales, increase coordination with customers, coordination between department had greatly important benefits. This implies that implementing supply chain management practice create a great important to the case company.
- Regarding to the challenges of adopting supply chain management practice of the factory high cost of raw material, high cost of energy, and increment of customer expectation (58%,36%, and 46% respectively) were the major challenges. Whereas access to modern technology, lack of training in supply chain management issues (42%,54%) of respondents said that little extent and not extent at all respectively.

5.2 Conclusion

BGI Ethiopia Zebidar factory has to a large extent implemented SCM practices with a lot of success. The practices had an overall rating translating into a very great extent and a great extent. The factory has also benefited from implementing the SCM practices. The benefits arising from the practices were very important to BGI Ethiopia Zebidar factory. However, the degree of importance was found to vary among different practice adopted in the case factory. SCM practices being an emerging trend are still prone to a number of Challenges. This study was able to determine the challenges facing BGI Ethiopia Zebidar factory in adopting SCM practices. The challenges were however affecting the factory to “very great extent” in high cost of raw material increment of customer expectation and high cost of energy.

5.3 Recommendations

This study has established the SCM practices, benefits and challenges faced by BGI

Ethiopia Zebidar factory. Based on the results and findings of this study, there is need for BGI Ethiopia Zebidar factory to embrace the practices since just like any other business operate in a dynamic business environment.

- According to the research finding related to the supply chain management practice adopted in the case factory the majority of the response indicates There is a supply chain practice in a very great extent. So, I recommend that the company should ensure the practice consistently to build long term relationship with customers as well as suppliers. There need for continuous improvement in order to improve the quality of their products and respond to ever increasing customer needs.
- The organization should embrace SCM best practices such as bench marking, supply chain collaboration and formation of strategic alliances in order to achieve a competitive advantage. Adoption of best practices will enable the factory to mitigate the likely impact of the internal and external challenges.
- Concerning to benefits of supply chain management practice the research finding indicates that SCMP is greatly important to the case factory.so the researcher recommended that the company would be continuously improve to increase the benefit of the organization. customer and supplier as well as other stakeholders of the organization.

1. In today's complex business world, there are a variety of challenges, and resources are scarce because human wants are unlimited this forced the factory to take high effort to use the available resources more efficiently.The research identified rising raw material costs an one of the major challenges.therefore ,the factory should manage its resources wisely and consider diversifying its supplier base to obtain raw materials at more reasonable prices.

- Lastly the finding indicate that increasing customer expectations and high energy costs are also significant challenges.to address these, the factory should conduct regular market research to better understand and meet customer needs and expectations.

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APPENDIX

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

My name is Biruk Nigatu I am a BA degree graduate student in the field of management. The main purpose of this questionnaire is to collect valid and reliable data for my graduation paper on the Assessment of supply chain management practice of Zebidar BGI Ethiopia . Dear respondent this questionnaire is prepared to gather data for a study will be conducted in partial fulfillment of the requirement to obtain a Bachelor of Arts degree in management your response is vital for the study and will only be used for academic purpose. Hence responding of questions will not do any harm. Therefore, you are kindly requested to respond the question.

Thank you for your willingness and for your time.

Directions:

- ✔ You are not supposed to write your name.
- ✔ Your response will be confidential; it will be used only for academic purpose.
- ✔ Please put "X" mark on the space

Part I: General information about respondents

2. Gender: male ☐ female ☐
3. Age: 18-25 ☐ 26-33 ☐ 34-41 ☐ 42-49 ☐ >50 ☐
4. Educational level: Diploma ☐ Degree ☐ Master ☐ certificate ☐
5. Work experience in a Bank: < 1 ☐ 2-5 ☐ >15 ☐

Part I: supply chain management practice

N. O			Alternatives					
			NA	LE	ME	GE	VGE	Total
1	Information Sharing between suppliers and customers in supply chains	Frequency						
		Percentage						
2	Inventory management	Frequency						
		percentage						
3	Lean practice	Frequency						
		Percentage						
4	Formation of strategic alliances	Frequency						
		percentage						

Index. (**NA**= to no extent at all, **LE**= to a little extent, **ME**= to a moderate extent, **GE**= to a great extent and, **VGE**= to a very great extent)

Part I: supply chain management benefits

Table4.3 supply chain management benefits

N. O			Alternatives					
			GU	FU	I	FI	GI	Total
1	Increase Sales	Frequency						
		Percentage						
2	Increased Coordination with Customers	Frequency						
		percentage						
3	Resource Planning	Frequency						
		Percentage						
4	Reduced lead time	Frequency						
		Percentage						
5	Increased flexibility (adopting environmental change)	Frequency						
		Percentage						
6	Accurate Forecasting	Frequency						
		Percentage						
7	Increased coordination between departments	Frequency						
		Percentage						

SOURCE; questionnaire; 2025

Index; (**GU**=Greatly Unimportant**,** **FU**= Fairly Unimportant, **I**=Important, **FI**= Fairly Important and **'GI**=Greatly Important)

Part I: supply chain management challenges

N. O			Alternatives					
			VGE	GE	ME	LE	NA	Total
1	Access to modern technology	**Frequency**						
		Percentage						
2	Increasing customer expectations	**Frequency**						
		percentage						
3	Lack of training in supply chain management	**Frequency**						
		Percentage						
4	High cost of energy	**Frequency**						
		Percentage						
5	High cost of raw materials	**Frequency**						
		Percentage						

SOURCE; questionnaire; 2025

Index ;(**VGE**=to a very great extent, **GE**= to a great extent, **ME**=to a moderate extent, **LE**= to a little extent and, **NA**=to no extent at all)