

BUILDING CUSTOMER-FOCUSED SUPPLY CHAIN STRATEGY WITH 4R MODEL

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ABSTRACT

Purpose

With competition now at the supply chain level, competitive advantage comes from the ability of supply chain partners to satisfy the ultimate customers of the supply chain. In this context, customer-focused supply chain strategy strives to match supply and demand, thereby driving down costs simultaneously with improving customer satisfaction.

Design/methodology/approach

This research underlines significance of customer-focused supply chain strategy and underscores various attributes of customer-focused supply chain strategy. It also develops 4Rs (responsiveness, resilience, reliability and realignment) framework for building customer-focused supply chain strategy and formulate value creation framework to emphasize overall benefits in terms of increased competitive advantages. The research reviews cases from the real-life world to develop the framework.

Findings

Customer-focused supply chain strategy helps organizations to sense consumer demand and respond to it in real-time, provides a superior consumer experience at every opportunity while also decrease time to market, trim overall costs and optimize productivity and thus achieve customer-focus objectives.

Research limitations/implications

Customer-focused supply chain strives to achieve the ideals of fully integrated efficient and effective supply chains and hence increase customer value proposition. Such supply chains are capable of creating and sustaining competitive advantage by balancing downward cost pressures and the need for efficiency, with effective means to manage the demands as well as the known risks of routine supply chain failures.

Originality/value

Research underlines significance of customer-focused supply chain strategy and provides supporting matrix to underscore various attributes of customer-focused supply chain strategy. Research also emphasizes overall benefits in terms of improved firm performance by providing various case studies.

Keywords: *Customer focus, Supply chain, SCM, Supply chain strategy, Responsiveness, Resiliency, Reliability, Realignment*