

Impact of Integrating Sales & Distribution Functions with Inventory Management & Production Planning on Customer Value, Cycle Time & Profitability

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ABSTRACT

It is a known fact that organisations are facing stiffer competition in the face of globalisation. As a result, sourcing from as well as selling to newer geographical areas has become commonplace. Organisations are focusing on cross functional integration to maintain the competitive edge. This global trend is also visible in India. This study aims to find out how much acceptance of this new trend of focusing not only on functional excellence in individual functionalities but also for cross functional excellence in India. For this purpose, researchers are studying the perception of people in the automobile manufacturing sector in India on cross functional integration between 'sales and distribution' and two other logistic functions i.e. inventory management and production planning. This study also attempted to bring out the growing acceptance of the supply side functions and the demand side functions to work together with similar objectives to maintain the competitive edge. A five point Likert scale is used to collect data about the perception of department heads in the Automobile Industry. This data is then subjected to a principle component analysis to find out the order of preference for the various integration points of 'sales and distribution' with 'inventory management' and 'production planning.'

KEYWORDS: Sales, Distribution, Inventory management, Production planning, Automobile industry, India.

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