

## **A Case Study Approach for Understanding Supply Chain Orientation in Indian Pharmaceutical Firms**

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### **Abstract**

*Supply Chain Orientation is defined as the recognition by a company of the systematic, strategic, implications of the activities and processes involved in managing the various flows in a supply chain. Thus, a company possesses a supply chain orientation if its management (in its entirety, not just one or two individuals) can see the implications of managing the upstream and downstream flows of products, services, finances, and information across their suppliers and customers. It is prerequisite to have supply chain orientation across the companies directly connected in the chain for successful implementation of supply chain management*

*Houlihan (1988) noted that transfer pricing, divisional or geographical autonomy, local systems and standards, and incompatible operating systems create problems in managing supply chains in international context. This article does not include the effect of these issues on Supply Chain Effectiveness separately, as the focus of the article was to develop a comprehensive measure to evaluate the supply chain orientation and delineate the factors underlying such a measure, these factors were however, considered while developing the process oriented measure. Thus the article highlights all the important issues in*

*evaluating Supply Chain Orientation including the management of goods across the boarder.*

## **1. Introduction**

Supply chain orientation in very simple terms occurs when the focal firm starts to consider its supplier's supplier and its customer's customer simultaneously. As companies focus on becoming more efficient and flexible in their production methods to handle uncertainty in the business environment, companies need a supply chain orientation. Supply Chain Orientation consists of

### 1. Market Orientation

- a. Customer Orientation
- b. Competitor Orientation
- c. Inter-Functional Coordination

### 2. Management of Inter Firm Relationship

### 3. Personal Selling Orientation

### 4. Research and Development Orientation

### 5. Production Orientation

## 6. Purchasing Orientation

Market orientation is an implementation of the marketing concept and it requires firms to generate, disseminate, and respond to market information. The firm's organizational learning, a major component of a market organization, goes beyond the boundaries of the firms because there exist a multitude of learning resources and skills to fulfill customers' demands in an efficient and effective way. Thus a market orientation not only promotes the emergence of relationship marketing but also provides the reason for it to exist.

Narver and Slater (1990) defined market orientation as an organizational culture in which all employees are committed to the continuous creation of superior value for customers through three behavioral components:

- Customer Orientation
- Competitor Orientation
- Inter-Functional Coordination

### **Market Orientation**

Market orientation encourages inter-functional coordination within a firm. Inter-functional coordination is a firm's coordinated efforts, involving more than the marketing department, to create superior value for the buyers (Narver and Slater, 1990). Customer satisfaction, which is the ultimate goal of a market orientation and the measure of the created customer value by a firm, is affected by many factors that lie both inside and outside the scope of marketing department (Kotler, 1997). By the same token, Day (1994) argued that a market

orientation supports the value of through market intelligence and necessity of functionally coordinated actions directed at gaining a competitive advantage that, in turn, brings the firm higher performance.

A market orientation requires a firm to redefine the roles of each function within a firm. Narver and Slater (1990) argued that a seller's creation of each value for buyers is analogous to a symphony orchestra in which the contribution of each subgroup tailored and integrated by a conductor. Thus in addition to traditional activities, marketing should perform a guiding and coordinating role to make sure that the rest of company delivers on customers' expectations and its promise (Kotler1997). In other words, a market orientation becomes instrumental in coordinating the activities of all departments, with the marketing function playing a pivotal role in success of the firm because everyone is involved in marketing activities. Thus a market orientation forces a firm to restructure its organization system. As inter functionally coordinated function action prevails within a firm and the responsibilities of each function are redefined, the boundaries between each function become blurred.

Kotler (1997) proposed that a firm should consider managing a set of fundamental business processes, rather independent functional departments, to create more efficient and effective responses to fulfill customer satisfaction. A market orientation brings superior business performance to the firm. Research has found empirical evidence of positive relationship between a market orientation and a firms' performance (Kohli and Jarvorski, 1993; Narver and Slater, 1990).

## **Management of Inter Firm Relationships**

Market orientation provides an environment in which relationship marketing is nurtured. Nurturing relationship marketing through a market orientation starts with developing commitment, trust, and cooperative norms between the firms. Siguaw, Simpson and Baker (1998) found that a supplier's market orientation affects its distributor's commitment to the relationship and that the distributor's market orientation has a direct effect on its trust and perception of cooperative norms.

Trust is a willingness to rely on an exchange partner in whom one has confidence. Siguaw et. al. (1998) argued that a supplier's market orientation contributes to a distributor's trust through voluntary information and advantage sharing with the distributor. Favorable motives and intentions passed on to the distributor.

## **Open Communication and Responsiveness to Customer Needs**

Cooperative norms reflect the belief that both parties in a relationship must combine their efforts and cooperate to be successful (Cannon and Perreault, 1977) if a supplier is market oriented and working to satisfy a distributor's needs, the distributor is to perceive cooperative norms in the dyadic relationship because both parties are working toward the mutual goal of need satisfaction (Siguaw et al, 1998). The mutual dependence of a firm on a partner (interdependence) refers to a firm's need to maintain a relationship with the partner to achieve its goals (Fraizer, 1983b). Ganeshan (1994) proposed that dependence of a firm on another firm is positively related to firm's long-term

relationship orientation. Organizational compatibility is defined as complementary goals and objectives, as well as similarity in operating philosophies and corporate cultures (Bucklin and Sengupta, 1993). Organizational compatibility in a supply chain means that companies must all have Supply Chain Orientation to achieve Supply Chain Management.

Supply Chain relationships are generally long term and require considerable strategic coordination within the organization and between the supply chain partners. Top management perspective about the potential of SCM philosophy determines their support to this philosophy, which results in systems and policies that support this philosophy Bhakar, Mishra and Vaidya (2002). Several authors (e.g. Felton, 1959; Hambrick and Mason, 1984; Kotler, 1990; Tosti and Jakson, 1994; Webster, 1988) also suggest that top management plays a crucial role in shaping an organization's values, orientation and direction. The willingness to address these antecedents by a particular company is represented, as a supply chain orientation i.e. willingness by one company to address the issues from a strategic point of view and systematically is a supply chain orientation. Management of supply chain is accomplished only when several companies in line the supply chain have that orientation and move towards implementing the management philosophy of supply chain orientation.

### **Personal Selling in Supply Chain Orientation**

Changing the cultural beliefs and mind set of a sales force and obtaining its buy-in is extremely difficult; the sales force members must view themselves as relationship managers. In this role, their current pre- purchase orientation of increasing sales volume needs to be replaced with a post purchase orientation of

delivering services that create valuable solution for supply chain partners. A key component of this paradigm shift is changing from a selling orientation to a service orientation (Garver, Gardial, and Woodruff, 2000). The primary function of these services must be to meet the needs of various supply chain partners and improve the overall performance of supply chain. Another component of this new orientation is that sales people need to work and develop relationships with various supply chain members, both upstream and downstream of their firm. Webster (1992) suggests that in network organization (i.e. supply chain), marketing and sales have unique role that is different from the traditional role in hierarchical structures. This new role is to help design and negotiate strategic partnership with vendors and technology partners through which the firm deploys its distinctive competence to serve particular market opportunity.

### **Research and Development in Supply Chain Orientation**

Research and development team should include key suppliers and their suppliers, as well as key customers and their customers, who will work together to develop new products to optimize functioning of the supply chain. Suppliers will have to hire more design staff, be willing to assume more product liability exposure, and be able to adapt to the design technologies and need of their customers. Planning of research and development should be more collaborative. Research and development functions within the supply chain should adapt to a supply chain-wide perspective. Research and development and new product development methods should include parallel development, cross-functional functional new product development and integrated product development.

## **Production Orientation in Supply Chain Management**

According to Hayes and Pisano (1994), competitive strategic flexibility is the ability to switch strategies from low cost production to rapid product development relatively quickly and with minimal resources. One essential part of being able to change strategies is to ensure flexible production. The job of production is to provide this capability to switch from low cost producer to rapid product development (Hayes and Pisano, 1994).

Womack et al (1990) identified lean production as a process in which a company is able to trade-off among productivity, investment, and variety. Lean production shifts the company's focus on product variety; continuous efforts to reduce manufacturing costs, cross-functional teams and delegation of decision-making (Hayes and Pisano, 1994). In an uncertain environment there are great advantages associated with being flexible and being able to adapt quickly to changing market conditions. For manufacturing to be flexible and being able to respond quickly to ever changing environment, it is very useful to develop a supply chain orientation and consider supply chain management.

**Purchasing in Supply Chain Management:** The role of purchasing in support of a firm's supply chain management depends on the strategy and approach used by the firm for managing the supply chain. Bhakar, Mishra and Davar (2001) pointed out that if the firm's, supply chain management objectives are those of improving efficiency and reducing system wide inventory, cycle time, and costs, the purchasing role will focus on coordinating activities with suppliers and streamlining data and information flows to facilitate the flow of products and information throughout the system. To achieve these objectives, managers



should focus resources on integrating operational planning systems with suppliers and on establishing information and communication linkages. It is also important that the purchasing organization facilitates coordination among multiple disciplines across supply chain member firms so that supply chain activities can be streamlined to manage system wide trade-offs and costs. Organizational structure, communication processes and information technology should be designed to facilitate the operational interfaces between firms and across functions within the focal firm.

The customer might find it beneficial to look at the supplier as a long-term reliable partner. Although, price is an important factor in the long term the customer is more interested in securing reliable and competent supplier rather than in short term gains achieved by promoting strong competition between suppliers. The buyer views suppliers as partners in building joint competencies in offering quality to ultimate customers. The findings of the present study are in line with the contentions that collaborative relationship approach to the supplier is appropriate when the supplier's competence is crucial to the buying organizations' core products and when joint collaboration is the key to success in the integrated supply chain (Bhakar, Mishra and Davar, 2001).

Because of the growing interest in SCM in the logistics discipline and the fact that the term "supply chain management" is often used as a synonym for logistics, the literature pertaining to global or international logistics was also included. Likewise, literature pertaining to global procurement was reviewed, because the procurement process is clearly a critical link between members of the supply chain and, thus, is an important component of supply chain management (Novack and Simco, 1991). From an organizational or relationship

perspective, many of the underlying concepts associated with supply chain management can be traced to research in the area of channel management and systems integration (Cooper, Lambert, and Pagh, 1997).

To date, research specific to global supply chain management has been limited. Four articles were reviewed that specifically addressed the topic of supply chain management in global context. Ellram and Cooper (1993) explored the similarities and differences between the Japanese system of keiretsu and supply chain management. Although the authors identified many similarities between the two, they also noted differences in the cultural roots and national legal systems, which make the interlinkages of companies in Japan more effective than in United States. Chiappe and Herrero (1997) analyzed the status of supply chain management in Argentina's food industry. They note that shift from a period of high inflation (which led to the mind-set that high level of inventories are good) to a more stable economic environment led to an increasing need for "state of the art" supply chain processes.

The review of literature referred to above clearly indicate that common measures developed to evaluate supply chain orientation across industries fail to take care of the finer specialties needed to have strong supply chain management in those industries. Also, supply chain orientation measures developed in different geographical and cultural settings are not directly suitable. Therefore the current article assumes great importance.

## **2. Methodology**

**Study:** It was exploratory in nature aimed at developing a comprehensive measure to evaluate Supply Chain Orientation in Pharmaceutical firms.

**Sampling:** Purposive sampling technique was used to identify the respondents for the study. The data on experience of the executives, functional work areas, age and educational qualifications were used as the basis for selecting the respondents to ensure proportionate representation of all the groups in the sample. The average age of the respondents was 28 years and the average experience 5 years. The total sample size was 100. The data was collected from executives working in pharmaceutical firms located near Indore (Indore, Pithampur, Dewas), during January to April 2006.

**Data Collection Tools:** Structured questionnaire comprising of statements related to measurement of Supply Chain Orientation comprising of five areas i. e. Market Orientation, Personal Selling Orientation, R and D Orientation, Production Orientation and Purchase Orientation was prepared (Annexure-1). The questionnaire was prepared after reviewing literature and consulting professionals and consultants having expertise in the area. The questionnaire was tested for reliability and validity by using Cronbach Alpha and the split half method.

**Reliability:** The reliability of the questionnaire was computed using Cronbach Alpha and split-half method. The Cronbach Alpha was found to be 0.83 and the split half reliability was found to be 0.899. The internal consistency of the scale was found to be 0.948.

**Tools for Analysis: Iterative** Item to total correlation was computed to evaluate the contribution of each statement towards the overall total. Based on the correlation coefficients items were dropped which did not contribute significantly to the overall total. This process was repeated till not a single item was left with less than significant contribution to the overall total. Factor analysis was applied using SPSS on the responses received from the respondents on the final questionnaire.

### **3. Results and Discussion**

Principal Component factor analysis with Varimax rotation and Kaiser Normalization was carried out on the items in the final questionnaire to identify factors and items that grouped under each factor with the help of SPSS. The factor analysis converged on eleven factors after 26 iterations.

#### **3.1 Description of the Factors**

**Supply Chain Policy:** Adopting Supply Chain Management philosophy requires firms to establish management practices that permit them to act or behave consistently with the philosophy. Previous research has suggested various activities necessary to implement an SCM philosophy. Bowersox and Closs (1996) argued that to be fully effective in today's competitive environment, firms must expand their integrated behavior to incorporate customers and suppliers and therefore ground rules for sharing information and mutual sharing of channel risks and returns must be framed. Mutual sharing of information among channel members is required, especially for planning and

monitoring process (Ellram and Cooper, 1990; Novack et. al., 1995 and Cooper et. al. 1997). Effective SCM also requires mutually sharing of channel risks and rewards on a long-term basis that yield a competitive advantage (Cooper et. al. 1997). The supply chain policies help to develop supply chain orientation and increase the efficiency of supply chain.

**Salespersons Knowledge and Expertise:** Sales people’s knowledge and expertise indicate the preparedness of the organization for close relationships that are needed to manage the Supply Chain effectively. Sales people’s knowledge and expertise about internal logistics helps in preparing realistic delivery dates. Sales force should also have knowledge of supply chain partners’ strategic initiatives to take full advantage of the collaborations.

**Table1** *Showing Identified Factors Along With the Items That Converged on them along with Their Factor Weights*

Factors	Eigen Values	Variables Converged	Factor weights
Supply Chain Policy	8.34398	Inter functional coordination	.77917
		Defined ground rules for S C partners	.65211
		Long term relationship among partners	.64571
		Voluntary information sharing with the distributors	.60414
		Sales force share critical information with supply chain partners	.53395

		Advantage sharing with the distributors	.53050
Sales person knowledge and expertise	3.3779	Sales persons have knowledge of entire supply chain	.82616
		Sales force has knowledge of supply chain partners strategic initiatives	.77213
		Sales force has expertise in internal logistics system	.73362
		Sales force has knowledge in internal logistics system	.61939
Learning orientation	2.6080	Obtaining technology from outside the firm	.84222
		Obtaining knowledge from outside the firm.	.79352
		Obtaining expertise from outside the firm.	.74825
Information sharing	2.3025	Purchasing done provides input regarding quality for the buying firm.	.87089
		Purchasing done provides input regarding safety for the buying firm.	.78937
		Open communication to customer needs.	.56275
		Organizational learning through supply chain	.50803
Customer	2.1618	Salespersons viewing themselves as relationship managers	.80277

orientation		Obtaining skills from outside the firms	.60547
		Recognize customers needs	.56870
Relationship building	2.00128	Develop alliance with major customers	.75686
		Develop alliance with major suppliers	.73037
		Suppliers idea for product improvement	.65647
		Delivering goods fit for intended purposes	.40974
Flexibility	1.74231	Provision to exit from present relationship	.76744
		Salespersons viewing themselves as consultants to supply chain partners	.67280
		Role specification for supply chain partners	.51433
Collaboration	1.53398	Collaboration with supply chain partners aimed at improvement	.80391
		Collaboration aimed at innovation with supply chain partners	.6154
		Sales force working cooperatively with supply chain partners on joint planning	.53131
		Sales force working cooperatively with supply chain partners on demand forecasting	.67621

Trust	1.4325	High trust between firms in supply chain	.71361
	5	Responsiveness to customer needs	.57340
Inter functional cooperation	1.2735	Salesperson and logistics manager working together	.83946
		Salespersons understand barriers to their performance	.60185
Self Development	1.1663	Salespersons understand their weaknesses	.77196
	5	Desire to maintain valued relationship between firms	.49.88

The findings of the study find support in Crosby et. al. (1990) and Lagace et. al. (1991) where they posit that a salesperson's level of expertise is a key attribute/behavior that leads to improved buyer seller relationship. Note that the customers' perception of a salesperson's expertise will be based on perceived relevant competencies associated with goods and service transaction (e.g. product, market or logistics knowledge). These competencies most often will be exhibited in the form of information provided by the salesperson. In a similar manner, Lagace et al. (1991) defined expertise as the extent to which a person possesses knowledge, expertise, or skills relevant to a particular topic.

**Learning Orientation:** Continuous learning and unlearning is an important aspect of any successful organization. It has become more important in today's fast changing business environment. Mastering new technology, using expertise



available within the organization and from outside the organization and adapting to new management processes becomes easier with strong collaborations with the supply chain partners. SCM as a philosophy of channel management seeks synchronization and convergence of intra-firm and inter-firm operational and strategic capabilities into a unified, compelling market place force (Ross, 1988). Learning orientation could bring about tremendous change in an organization and is therefore one of the necessary factor of supply chain orientation.

**Information Sharing:** All elements of the supply chain function must work in an integrative manner with the help of advanced information systems for better performance. The fact that there are significant problems faced by the organizations in managing the information flow in supply chain which has direct bearing on the overall performance of the organization, bolsters the need for organizations to understand the role of participative management and use of advanced information systems in supply chain to have meaningful contributions to overall performance and to influence decisions that affect the final work output that goes to the customer (Bhakar, Mishra and Dhar, 1999). An important component of developing and implementing successful customer service strategies is the capability of the firm to appropriately access and utilize information about the customers (Stevens, 1990). Because customer service involves the interface between customers and suppliers, customer personnel often have access to important information about the customer's problems, the degree to which the customer is satisfied, or even how the customers views the competition. All too often, however, there are no mechanisms for disseminating such information to improve customer service strategies or operations.

Bechtel and Jayaram (1997) note the role of the customers as an information

source for other members of supply chain, suggesting that the customer plays an expanded role of sharing information to enable the supply chain to focus on the end customer. Likewise, the focal firm plays an expanded role in sharing information and focusing activities of upstream suppliers to improve supply chain performance in delivering services to the customer.

**Customer Orientation:** Customer orientation is imperative to provide the required level of service to the customers. Customer service has been defined as (a) a process, a set of activities, or a function to be managed within the firm (i.e. order processing, invoicing or handling customer complaints); (b) a performance outcome or measure (i.e. order filling rates, cycle time, per-cent on time delivery); (c) a customer related objective or outcome (i.e.. customer perception or availability, quality, and timeliness) leading to customer value and satisfaction or (d) a management philosophy (Ellram, La Londe, and Weber,1989).Customer service is an operational function or outcome that contributes to the ultimate goal of customer value and satisfaction; thus, customer service is not the ultimate goal or objective. Only if the service provided is perceived, as delivering value important to the customer is the ultimate goal of customer satisfaction and differential advantage achieved. Therefore high customer orientation is needed for effective supply chain orientation because it leads to ultimate goal of customer satisfaction and value.

**Relationship Building:** Effective Supply chain management is made up of a series of partnerships and, thus, SCM requires partners to build and maintain long-term relationships (Cooper et al., 1997; Ellram and Cooper, 1990). Cooper et al. (1997) argued that the time horizon of the relationship extends beyond the life of the contract – perhaps indefinitely- and, at the same time, the number of

partners should be small to facilitate increased cooperation. Antecedents to supply chain management are the factors that enhance or impede the implementation of a Supply Chain Orientation philosophy. Morgan and Hunt (1994) posit that cooperation arises directly from both relationship trust and commitment. Moorman, Deshpande and Zaltman (1993) defined trust as a willingness to rely on an exchange partner in whom one has confidence. Although both trust and commitment are essential to make cooperation work, trust is a major determinant of relationship commitment (Achrol, 1991; Morgan and Hunt, 1994). Commitment is an essential ingredient for the successful long-term relationship.

**Flexibility:** Understanding supply chain flexibility (SCF) is important for several reasons. First, recent trends, such as mass customization, require supply chains to meet individual customer requirements without adding significant cost (Gilmore and Pine, 1997, Pine 1997). Companies are allowing customers to provide specific product information needs and are producing product for that specific customer. Mass production efficiencies are required for quantities of one. Certain industries, particularly high-tech, require upside and downside flexibility. This generally refers to the ability to increase or decrease production (by 20% or more) in a minimal amount of time to a new unplanned level of production and then being able to sustain the new level. Third, in many innovative product categories, such as fashion apparel and electronic devices, uncertainty of demand is a fact of life and creating a responsive supply chain is one method of avoiding uncertainty (Fisher, 1997). And last, the ever-changing environment in which companies find themselves requires rapid new product introduction, quick response to customer requirements in all parts of the world, and fast turn-around on customer orders. Chase et al. (2000) summarize the

environment succinctly. "Recent trends such as outsourcing and mass customization are forcing companies to find flexible ways to meet customer demand. The focus is on optimizing core activities to maximize the speed of response to changes in customer expectations."

**Collaboration:** Firms are competing in a global economy and thus the unit of business analysis is now the world. As firms globalize, they realize that no matter how large they are, they lack the resources and requisites for success (Kotler, 1997). Viewing the complete supply chain for producing value, they recognize the necessity of collaborating with other organizations. Kahn and Mentzer (1998) posit that a second stream of literature (e.g., Clark and Fujimoto, 1991; Lawrence and Lorsch, 1986; Schrage, 1990) describe coordination as a collaborative process, where 'teams' and 'resource sharing' typify interdepartmental relationships. This perspective assumes that functional areas do exist within a firm and, thus, the focus is how to cross through the silo structure to work together with other functions towards a common goal. Thus collaboration helps to cross through silo structure to work together with functions towards a common goal. Therefore, information sharing is very important for supply chain orientation in any organization.

**Trust:** Commitment is an essential ingredient for the successful long-term relationship. Putting together the effect of trust and commitment, Morgan and Hunt (1994) state, "Commitment and trust are 'key' because they encourage marketers to work at preserving relationship investments by cooperation with exchange partners, resist attractive short-term alternatives in favor of the expected long-term benefits of staying with existing partners, and view potentially high-risk action as being prudent because of the belief that their

partners will not act opportunistically. Moorman, Deshpande and Zaltman (1993) defined trust as a willingness to rely on an exchange partner in whom one has confidence. Although both trust and commitment are essential to make cooperation work, trust is a major determinant of relationship commitment (Achrol, 1991; Morgan and Hunt, 1994). As such, trust and commitment lead directly to cooperative behaviors in the implementation of Supply Chain Orientation across several companies to achieve Supply Chain Management. Therefore, a high level of trust is needed to have a supply chain orientation in an organization

**Inter Functional Cooperation:** Cooperation, from the Latin, meaning 'together', and operari, meaning 'to work', refers to situation in which parties work together to achieve mutual goals (Anderson and Narus, 1990). Cooperation has been defined as joint striving towards a common object or goal (Day and Klien, 1987). In other words, cooperation is the process of coalescing with others for a good, goal, or value of mutual benefit. According to Stern and Reve (1980), cooperation is an activity in which the potential collaborators are viewed as providing the means by which a divisible goal or object desired by the parties may be obtained or shared. As such, cooperation is conceptualized as a set of joint behaviors of involved parties towards a common set of goals. The use of cross-functional teams helps in achieving performance improvement in almost all the spheres of supply chain management. As the teams represent factors such as, benefit of greater knowledge and skills combined together, improved goal attainment, process time optimization, innovativeness, better communication, lesser friction to decisions, cohesive functioning, efficient and effective problem solving, cost optimization and smoother and faster acceptability of the decisions, the cross functional teams significantly influence

the outcomes of supply chain management (Mishra, Bhakar and Dhar, 1999).

**Self Development:** The policies of a company has to be framed in such a manner that emphasis is made on the personal development of its employees which also reflects through the performance oriented results at the end. A company has to organize orientation seminars, crash courses on personality development so as to make its employee aware of latest trends in corporate. Sales managers need to design measures to evaluate how well the sales force is performing new supply chain management activities and duties. Although the specifics of developing many internal measure of performance are company specific, it is important that the internal measures support and encourage the appropriate supply chain management behavior. From an external perspective, sales managers need to device performance measures that tap into supply chain partners' perception of sales force performance.

For self-development of the employees particularly the sales force the company has to accurately identify the training needs of the sales force (Honeycutt et al., 1993). Once the training needs are identified a training programs for development in the prioritized area is devised. Training programs can be designed for the overall sales force or customized for different segments of the sales force base on training needs. Self-development is a dependent process because it is dependent on the individual as well as on the organization in which the individual is working. Once the individual and the organization understand the importance of self-development the organization can improve upon it and build supply chain orientation in the organization.

#### **4. Conclusion**

The study has resulted into a broad framework for measuring supply chain orientation in global context applicable to Pharmaceutical industry in India, which can be replicated on the worldwide Pharmaceutical industry. In Pharmaceutical industries the role of supply chain management is crucial. In order to improve SCM the supply chain orientation of the industry should be high which can be brought about taking into consideration the factors, which have been identified through this article.

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**Table 2** *Statements Included in the Final Questionnaire*

1. High trust between firms in supply chain
2. Desire to maintain valued relationship between firms
3. Voluntary information sharing with the distributors
4. Advantage sharing with the distributors
5. Open communication to customer needs
6. Responsiveness to customer needs
7. Organizational learning through supply chain
8. Recognize customers needs
9. Obtain skills from outside the firm
10. Obtain experience from outside the firms
11. Obtain technologies from outside the firms
12. Obtain knowledge from outside the firms
13. Maintain a close long term relationship among partners
14. High inter functional coordination
15. Salespersons view themselves as relationship mangers
16. Salespersons view themselves as consultants to supply chain partners
17. Salespeople and logistics manager work together

18. Sales force work cooperatively with supply chain partners on joint planning
19. Sales force work cooperatively with supply chain partners on evaluation
20. Salespersons understand their weaknesses
21. Salespersons understand barriers to performance
22. Sales force share critical information on timely basis with supply chain partners
23. Sales force has knowledge in internal logistics system
24. Sales force has expertise in internal logistics system
25. Sales force has knowledge of supply chain partner's strategic initiatives
26. Salespersons have knowledge of entire supply chain
27. Develop alliances with major customers
28. Develop alliances with major suppliers
29. Suppliers ideas for product improvement
30. Deliver goods fit for their intended purposes
31. Have role specification for supply chain partners
32. Have defined ground rules for supply chain partners
33. Have developed provisions to exit from present relationships
34. Have collaboration with supply chain partners aimed at improvement
35. Have collaboration aimed at innovation with our supply chain partners
36. Purchasing done provides inputs regarding quality for the buying firm
37. Purchasing done provides inputs regarding safety for the buying firm