

Framework for Aligning Supply Chain Strategies and Organizational Strategies in an SOE Environment

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Abstract : The South African government supply chain management system is not adequately implemented in State Owned Enterprises (SOEs). There are weaknesses in the SOEs SCM enablers, strategies and policies. In addition, top management of SOEs still do not see SCM as strategic enough to deserve their attention, and therefore, there is very little support from top management, thus making it even difficult for SCM practitioners to execute their day to day functions, let alone delivering the letter and spirit of the relevant legislations. Supply chain strategies lack buy in from the top, and as a result senior SCM practitioners has not been involved in the corporate strategy. This has resulted in supply chain and corporate strategies being misaligned. Due to service delivery backlog, high level of corruption and continuous strikes across the country for better services it is inevitable that government leaders be more strategic about how South Africa can use SCM as a tool to improve service delivery. Consequently, there is a need to close the gap between the strategic level dealt by top management and the application of operational SCM concepts: the use of SCM concepts and, therefore, supply chain strategies - should be aligned with the corporate and business strategies in order to ensure the achievement of top level business objectives. This paper aims to explore supply chain practices in State Owned Enterprises (SOEs). The paper based on a conceptual review provides the status, trends and development and suggests a framework for aligning supply chain strategies and organizational strategies in an SOE environment.

Keywords : alignment, strategies, state owned enterprises, supply chain management, South Africa

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