Achieving competitive advantage through supply chain agility under uncertainty: A novel multi-criteria decision-making structure

Wu, K-J, Tseng, M-L, Chiu, ASF & Lim, M

Author post-print (accepted) deposited by Coventry University's Repository

Original citation & hyperlink:

Wu, K-J, Tseng, M-L, Chiu, ASF & Lim, M 2016, 'Achieving competitive advantage through supply chain agility under uncertainty: A novel multi-criteria decision-making structure' International Journal of Production Economics, vol 190, pp. 96-107 https://dx.doi.org/10.1016/j.ijpe.2016.08.027

DOI 10.1016/j.ijpe.2016.08.027

ISSN 0925-5273

Publisher: Elsevier

NOTICE: this is the author's version of a work that was accepted for publication in International Journal of Production Economics. Changes resulting from the publishing process, such as peer review, editing, corrections, structural formatting, and other quality control mechanisms may not be reflected in this document. Changes may have been made to this work since it was submitted for publication. A definitive version was subsequently published in International Journal of Production Economics, [190, (2017)] DOI: 10.1016/j.ijpe.2016.08.027

© 2017, Elsevier. Licensed under the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International http://creativecommons.org/licenses/by-nc-nd/4.0/

Copyright © and Moral Rights are retained by the author(s) and/ or other copyright owners. A copy can be downloaded for personal non-commercial research or study, without prior permission or charge. This item cannot be reproduced or quoted extensively from without first obtaining permission in writing from the copyright holder(s). The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the copyright holders.

This document is the author's post-print version, incorporating any revisions agreed during the peer-review process. Some differences between the published version and this version may remain and you are advised to consult the published version if you wish to cite from it.

Author's Accepted Manuscript

Achieving competitive advantage through supply chain agility under uncertainty: A novel multi-criteria decision-making structure

Kuo-Jui Wu, Ming-Lang Tseng, Anthony SF Chiu, Ming K Lim



www.elsevier.com/locate/ijpe

PII: S0925-5273(16)30221-3

DOI: http://dx.doi.org/10.1016/j.ijpe.2016.08.027

Reference: PROECO6510

To appear in: Intern. Journal of Production Economics

Received date: 28 September 2015 Revised date: 25 August 2016 Accepted date: 29 August 2016

Cite this article as: Kuo-Jui Wu, Ming-Lang Tseng, Anthony SF Chiu and Ming K Lim, Achieving competitive advantage through supply chain agility unde uncertainty: A novel multi-criteria decision-making structure, *Intern. Journal of Production Economics*, http://dx.doi.org/10.1016/j.ijpe.2016.08.027

This is a PDF file of an unedited manuscript that has been accepted fo publication. As a service to our customers we are providing this early version o the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting galley proof before it is published in its final citable form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain

Achieving competitive advantage through supply chain agility under

uncertainty: A novel multi-criteria decision-making structure

Kuo-Jui Wu^a, Ming-Lang Tseng^{b,1*}, Anthony SF Chiu^c, Ming K Lim^d

Taiwan

^cDepartment of Industrial Engineering, De La Salle University, Manila, Philippines

Ming-Lang Tseng acquired his BSC, MBA, Doctorate degree in Business Administration at De La Salle University, Manila, Philippines. He used to work as Executive Vice President in an international medical consumable products manufacturing group in South Africa from 2002 to 2004 and, meanwhile, as a part-time lecturer in the University of Swaziland, Swaziland, South Africa. In his academic career, he was a research fellow at Shenyang Institute of Applied Ecology in Chinese Academy of Sciences in 2012. Presently, he is a full Professor of department of business administration in Lunghwa University of Science & Technology, Taiwan and Research scholar, supply chain center, the University of Derby, United Kingdom.

In academic society services, currently, he is an Editorial Board Member of Applied Soft Computing (SCI), Editorial Review Board Member, Industrial Management and Data System (SCI) and Guest Editors of Journal of Cleaner Production (SCI), International Journal of Production Economics (SCI) and International Journal of Production Research (SCI) etc. He also contributes himself as vice president of International Society for Business Innovation & Technology Management (ISBITM); Trustee member of Asia Pacific Industrial Engineering and Management Society (APIEMS), Chair of Asia Pacific Business Innovation & Technology Management Society (APIEMS) and as a reviewer of several international journals (Operations and supply chain management). Prof. Tseng held several international conferences in Malaysia, Indonesia, China, Philippines, Thailand, United Kingdom, Switzerland, USA etc.

His research interests include total quality management, green supply chain management, service quality innovation and multi-criteria decision making analysis. He has been publishing numerous works in TQM&BE, EMAS, ASOC, ESWA, JCLP, C&E, C&IE, PPC etc. His total publication is 88 Journal articles, 115 conference papers and 25 government projects (H-index=19).

^aSchool of Business, Dalian University of Technology, Panjin, China 124221

^bDepartment of Business Administration, Lunghwa University of Science and Technology,

^dSupply chain and operations management, Centre for business in society, Coventry university, UK

wukuojui@dlut.edu.cn

tsengminglang@gmail.com

anthonysfchiu@yahoo.com

ming.lim@coventry.ac.uk

*Corresponding author: Tel.: +886 910309400

Abstract

The electronic industry suffers a rapid changing and highly rival environment. Thus, firms

have an essential need to strive for acquiring the competitive advantage. Supply chain agility

(SCA) is a tool which enable to assist firms to attain the competitive advantage. Therefore,

this study benchmarks the core competencies from a case study within the supply chain

network and establishes a set of attributes for augmenting SCA. A novel multi-criteria

decision-making structure is proposed to deal with the complex interrelationships among

the aspects and attributes. Fuzzy Delphi method uses for screening out the unnecessary

attributes, then integrating fuzzy set theory with decision-making trials and evaluation

laboratory method and closed-loop analytical network process to evaluate the SCA in

determining the core competitive advantage. The empirical results indicate that flexibility

significantly impacts by process integration, information integration and strategic alliances

for eco-design in supply chain. Then, process integration has the highest influence in

developing the competitive advantage of innovation. The managerial and theoretical

implications are discussed.

Keywords: closed-loop analytical network process, decision-making trials and evaluation

2

laboratory method (DEMATEL), fuzzy Delphi method, fuzzy set theory, supply chain agility

1. Introduction

Electronics industry encounters rapid changes in market, intense competition, fast-paced technological innovations and customer's environmental awareness increasing. Hence, firms have an essential need to develop the agility for surviving in this rival environment. Agility exists in supply chain network can help firms to achieve the competitive advantage (Hayes and Wheelwright, 1984). Previous studies emphasized that supply chain agility (SCA) focuses on promoting innovation, flexibility and speed, and then reducing the costs of production (Lin and Tseng, 2014; Tseng et al., 2008). In addition, SCA not only consider as a tool to quick respond the changes in the markets (Fayezi et al., 2015; Lin et al., 2006; Wong et al., 2014; Yusuf et al., 1999), but also encourage individual firms to work together for enhancing the environmental credentials in terms of green raw materials, eco-product design, process integration and customer-based measures (Tseng, 2010; Tseng, 2011; Tseng et al., 2015). Although supply chain network is a collaborative group that formed together to attain the mutual benefit in the economic and environmental performance, it still lacks a logical and crystal structure to guide the group in achieving the competitive advantage through SCA.

To address this gap, this study proposes a closed-loop hierarchical decision-making

structure to explore the key drivers of SCA for developing the competitive advantage. In addition, SCA has to be structured from multidimensional considerations to reflect the real situation, which might enhance the challenge and complex in the evaluation. Thus, Van der Vorst and Beulens (2002) proposed an evaluation model to reduce the uncertainty and enhancing effectiveness in searching the key drivers. This model contained the information integration, estimating the impact of alternative actions, lean production, organizational agility, quick response and individual actions. DeGroote and Marx (2013) demonstrated that information technology can increases SCA through quick respond market changes and enhance supply chain collaboration, so firms enable to reach the cost reduction, quality improvement and the innovative processes and product design support. Several studies emphasized that developing a set of measurements for exploring the key drivers of SCA is an urgent task (Venkatraman, 1989; Agarwal et al., 2007). For filling up this gap, a comprehensive measure is required to consider in integrating with interdisciplinary knowledge and real practices. Once the key SCA drivers have been found, firms enable to improve the competitive advantage under limited resources.

The measurement of SCA belongs to qualitative analysis, which uses for capture the interrelationship and interdependence within firms (Tseng, 2011; Tseng & Chiu, 2013; Tseng et al., 2015). These data are generally described into subjective ways and linguistic terms rather than numbers, so the conventional assessment approaches suffer the difficulty to

deal with non-numeric analysis. Then, fuzzy set theory offers an effective means to overcome these imprecise and vague phenomena (Lin et al., 2014; Tseng et al., 2014). The transformation process of fuzzy set theory enables to convert these qualitative measures into comparable scales. This study adopts closed-loop decision making structure in order to reduce the complexity and emotionally burdened decision with resembling the existing real situation. Subsequently, decision-making trial and evaluation laboratory (DEMATEL) applies to determine the interrelationships among the selected attributes (Tseng, 2009; Tseng and Lin, 2009; Tseng, 2010). Closed-loop analytical network process (ANP) method is used for gathering the ranking and dealing with the hierarchical structure through interdependence measures (Lin & Tseng, 2014; Tseng, 2011; Tseng et al., 2015; Uygun et al., 2014).

Therefore, the objective of this study is to develop a SCA decision-making hierarchical structure and explore the key drivers for leading firms to achieve the competitive advantage under uncertainty. Previous studies have been proposed several necessary attributes for assessing SCA, nevertheless, these attributes haven't been integrated as a comprehensive consideration in the measurement. In view of this, a hybrid method and systematic analysis procedure are required to overcome the interrelationships, interdependence and the hierarchical structure. This is the first study to consider SCA as a closed-loop hierarchical decision-making structure and adopts hybrid method to conquer the uncertainty. The detail discussion is organized as following. Section 2 presents the theoretical basis and extensive

literature review. Hybrid method is composing of fuzzy Delphi method, fuzzy set theory, DEMATEL and closed-loop ANP, which illustrate in the section 3. Empirical results and significant findings are stated in section 4. Section 5 expresses the implications. Conclusion, research limitations and future researches are provided in the final section.

2. Literature review

This section contains the background of competitive advantage, SCA, proposed measures and the proposed analytical method. These discussions provide a comprehensive theoretical basis to support the concept of this study and forming structure.

2.1 Theoretical background

Competitive advantage refers to a capability, which acquires from the attributes and resources to perform in a higher level within the industry (Hayes & Wheelwright, 1984; Tseng et al., 2008). Blome et al. (2013) presented that SCA is a complex set of dynamic aspects, these are the necessary for developing the competitive advantage. These dynamic aspects enable to underpin the performance in changing market conditions through integrating, building and reconfiguring internal and external competences (Teece et al., 1997; Wu et al., 2015). However, several obstructions contain insufficient collaboration, lacking information technology integration, inadequate alliance with eco-design, and failing to satisfy customer's

needs, which might generate the gaps in achieving competitive advantage (Cao & Zhang, 2010; MacDonald & She, 2015; Ngai et al., 2011; Sharifi et al., 2006; van Hoof & Thiell, 2014; Xu, 2006).

Undoubtedly, SCA is a tool for enhancing the competitive advantage in terms of reducing cost through operational process integration, maintaining customer-based measures, speeding up the reflection of customer's needs, improving information access and transparent, supporting eco-design alignment with supply chain partners, increasing flexibility in production and suppliers (Eisenhardt et al., 2010; Yusuf et al., 2004; Wong et al., 2014; Yang, 2014). However, the linkage between SCA and competitive advantage still remains the uncertainty and undiscovered relationship in previous studies (Zhang et al., 2003). To fill up the gap, it requires a comprehensive structure to measure and relies on a hybrid method to overcome the uncertainty.

Agility uses for transferring and applying the winning strategy to the newly accepted units of business under environment changing (Harrison et al., 1999). To increase the agility among entire supply chain, it not only requires upstream and downstream collaboration from suppliers to customer, but also seeks the lateral collaboration with competitor for integrating the total value creation process (Gligor, 2014). Once these collaborations are aligned, it can generate the agility to use for responding short-term changes in demand or supply, mitigating the external disruption occurrence, and generating the value adding to

customers for ensuring the uninterrupted service (Lee, 2004; Van der Vorst and Beulens, 2002). In addition, outsourcing function, downstream customer-based functions with eco-product design and process integration are required firms to concern in developing the agility through collaboration (Tseng et al., 2014; Wong et al., 2014; Yusuf et al., 2004).

SCA can consider as flexibility, which possess a capability to assist firms in reflecting the rapid market changing and preventing the disruption among supply chain (Christopher, 2000). Swafford et al. (2006) presented that internal integration, cross-functional alignment and external integration between customers and suppliers play important roles in developing the flexibility. Agarwal et al. (2007) emphasized that information integration, networking and collaboration are stimulated the performance of agility in quality improvement, cost minimization and lead-time reduction respectively. Therefore, Vinodh and Prasanna (2011) considered SCA as the operational dynamics, which reflects an ability to deal with the uncertainties around business environment and reflect the rapid changes.

However, SCA not only promotes the competitive advantage in terms of flexibility, speed, innovation and cost to some specific customers and markets, but also assists firms in improving their capability of collaborations, process integration, information integration and so on (McCullen et al., 2006; Zhang et al., 2003). It retains the individual firms' competitive advantage in satisfying the extensive range of needs for responding the rapid changes in the market (Braunscheidel & Suresh, 2009; Yusuf et al., 2004). Hence, SCA has to consider as a

multi-level hierarchical structure in minimizing uncertainty and resistance among the entire supply chain (Li et al, 2008; Sangari et al., 2015). This study proposes a close-loop hierarchical structure and concern the interrelationships and interdependence among proposed measures to develop the competitive advantage through SCA.

2.2 Proposed SCA measures

Ngai et al. (2011) proposed a set of competencies that included information technology, operations and management, which shows the effective operational functions to improve the performance through SCA. It is composed of a sequence or network of interrelationships fostered through strategic alliances, collaborations, process integration, information integration and customer-based measures. For achieving the competitive advantage through SCA efficiently, it requires to explore the key attributes under uncertainty. SCA is composed of four interrelationship aspects, which includes strategic alliances, collaborations, process integration, information integration and customer-based measures. To demonstrate the relationships with these aspects in developing the competitive advantage, this study selects twenty-nine attributes through comprehensive literature review and real practices to reflect the real situation with validity and reliability. Collaborations play an important role in SCA, due to it is not just a transaction, but leverages the information sharing and market knowledge creation for reaching the competitive advantage (Ding and Huang, 2010; Lin &

Tseng, 2014). In addition, collaborations enable to provide the befits to partners among the entire supply chain. However, these benefits have to depend on the following seven attributes: trust-based relationships and long tern collaboration with customers/suppliers; focused on developing core competencies through process excellence; increasing suggested improvement in quality, social and environment health and safety with partners; management and technical team-based goals and measures; first/second order choice partner in performance and capability basis; actively share intellectual property with partners; concurrent execution of activities throughout the supply chain (Chen & Paulraj, 2004; Lin et al., 2006; Tseng, 2010; Tseng et al., 2014; Tseng et al., 2015; Yang, 2014; Yusuf et al., 2004; Gligor et al., 2015).

Information integration (e.g. demand information on demand, data and files for supply chain partners) is part of critical drivers also. Because of the data and information can be easily accessed by entire supply chain partners simultaneously. Such virtual connections possess the ability to detect the market changing, enhance responsiveness in reducing cost and ensure the quality and operation flow. To enhance the information integration, several studies proposed to capture demand information immediately; prefer to keep information on file for supply chain partners; virtual connection and information sharing to all partners; information accessible supply chain-wide; customer/marketing sensitivity; quickly detect changes in our environment (Chen & Paulraj, 2004; Lin et al., 2006; Nagi et al., 2011;

DeGroote & Marx, 2013; Yang, 2014).

The process integration can be divided into two measurements; one is the vertical integration – information reach extends from firm to firm through to the networks; another one is the horizontal integration – the range of eco-product design activities widens from process integration to alliance with entire supply chain. Subsequently, five attributes are proposed to measure the process integration upon SCA, which includes reduce dispersion of toxic and hazardous materials; infrastructure in place to encourage eco-innovation within shortening time-frames; pro-actively update the mix of available manufacturing processes in the supply chain network; effectiveness of master production schedule; vertical integration in supply chain (Chen & Paulraj, 2004; Lin et al., 2006; Tseng, 2010; Tseng et al., 2014; Wonget al., 2014; Yang, 2014).

Strategic alliances for eco-design can consider as long-term collaboration with preferred suppliers and customers. The goal is to secure cost and quality advantage as well as to ensure the smooth flow of operations, within the framework of deliveries of small volumes of output (Yusuf et al., 2004). In support of this goal, collaborative initiatives have incorporated virtual connections and information sharing with suppliers and other partners (Gligor, 2014; Sharifi and Ismail, 2006; Wu and Barnes, 2011). Several studies have been investigated the strategic alliances for eco-design among the supply chain in terms of design, process and structure (MacDonald and She, 2015; Tseng et al., 2015). Only few studies have

demonstrated how these attributes can be aligned to achieve eco-product design. Thus, design eco-products for ease of use with suppliers; design eco-product with social norms in mind; reducing eco-product costs in process and supplier together; reducing eco-product development cycle time with supply chain partners and horizontal eco-product development are the important attributes that need to concern in SCA measurement (Chen & Paulraj, 2004; Lin et al., 2006; Tseng, 2010; Wu & Barnes, 2011; Yang, 2014; MacDonald & She, 2015; Tseng et al, 2015).

Customer-based measures are to jointly find solutions to material problems and address the issues. Customers and suppliers must exchange and share the information in the sensitive design (Carr and Pearson, 1999; Sharifi et al., 2006). Sharp et al. (1999) conceptualized SCA as the ability of a supply chain to rapidly respond to changes in market and customer demand. Previous literatures suggested to drive customer needs, which require to increase the competition in the market and the speed of innovation (Mentzer et al., 2008; Tseng et al., 2009). Accordingly, customer—based measures shall consider following six attributes to build up the SCA, product ready for use by individual customers, see opportunities to increase customer value, customer-driven eco-products design, retain and grow customer relationships, products with substantial added value for customers and fast introduction of new products (Lin et al, 2006; Tseng et al., 2014; Yang, 2014; Gligor et al., 2015).

Summary of above points, collaborations, process integration, information integration, customer-based measures and strategic alliances for eco-design in supply chain are the main SCA aspects for developing the competitive advantage. Although prior studies have been identified and provided various attributes to increase the understanding of SCA, it is still insufficient in concerning the measures within a hierarchical structure. Thus, this study proposes twenty-nine attributes to construct a closed-loop hierarchical structure to ponder the interrelationship under uncertainty. Table 1 presents the measures of SCA within a hierarchical structure.

2.3 Proposed analytical method

A hybrid multi-criteria decision making method can address the uncertainty that surrounds with SCA. As result of the characters of SCA contains multidimensional considerations, complex interconnections and interdisciplinary attributes, which required to adopt several approaches to deal with it. In addition, the decision maker often suffers the uncertainty during the decision making process due to the series of attributes, time pressure, lack of knowledge, limited attention and insufficient information to enhance the subjective judgement complexity and conflicts (Xu, 2006; Wu et al., 2016). To overcome these uncertain and unpredictable situation, Lin et al. (2006) adopted triangular fuzzy number (TFN) to represent the importance and performance weights to evaluate the SCA, therein,

collaborative relationships, process integration, information integration and marketing sensitivity were selected as measures. Then, Vinodh and Prasanna (2011) tried to develop an open hierarchical conceptual model with multi-grade fuzzy approach.

SCA exits interrelationships and interdependent among the aspects and attributes. Thus, several studies proposed to develop the structures for clarifying these interrelationships. Agarwal et al. (2007) utilized interpretive structural modelling to generate a multi-hierarchical structure to explore the driving powers among attributes. Sangari et al. (2015) provided a set of measures and used ANP and DEMATEL to verify the critical attributes for improving SCA. The advantage of employing ANP in this study is to provide an effective evaluation of interdependence and acquire the appropriate weight to the most important attributes for reaching the selected SCA aspects (Tseng et al., 2014). Furthermore, DEMATEL is a comprehensive technique, which enables to categorize the attributes into cause and effect group and offer the visual analysis. Although these methods can conquer the interrelationship and independence, it still requires to select the appropriate measures before construct the hierarchical structure.

In the current studies, most of them are consider the individual attribute and analysis in an open hierarchical structure for evaluating SCA (Agarwal et al., 2007; Lin and Tseng, 2014; Tseng, 2011). Hierarchical structures and decision-making closed-loop processes have been examined in previous SCA studies, which assist to search the interrelationship and

interdependence between SCA aspects and competitive advantage (Tseng, 2014). ANP enables to gather the weightage, benchmarking and ranking the attributes within the closed-loop hierarchical structures (Tseng and Chiu, 2013; Tseng et al., 2014; Lin et al., 2014). The analytical structure contains interrelationship, interdependence and closed-loop consideration are address in Figure 1.

3. Method

3.1 Fuzzy set theory

Fuzzy set theory can transfer the qualitative information into quantitative figures for making further analysis. Before the transformation, assuming that there is a universe of discourse $A = \{a_1, a_2, \cdots, a_n\}$. Then, denote a fuzzy set as \forall to present the set of pairs $\{(a_1, f_{\forall}(a_1)), (a_2, f_{\forall}(a_2)), (a_n, f_{\forall}(a_n))\}$ of A. Moreover, $f_{\forall}(A)$ is a 0 to 1 membership function of \forall , thereinto, $f_{\forall}(a_i)$ represent the membership degree a_i in \forall . There are several definitions and notations of fuzzy set theory were proposed by Tseng (2012) and Wu et al. (2015) as below:

Definition 1. If the fuzzy set \forall is s normal universe of discourse A, the membership function $f_{\forall}(A)$ has to satisfy $\max f_{\forall}(A) = 1$.

Definition 2. The fuzzy α -cut \forall^{α} of the fuzzy set \forall in the universe of discourse A is

expressed as

$$\forall^{\alpha} = \{a_i | f_{\forall}(a_i) \ge \alpha, a_i \in A\}, where \ \alpha \in [0,1]$$
(1)

Definition 3. Once the fuzzy set \forall of the universe of discourse A occurs the convex condition and each \forall^{α} is convex. The \forall^{α} approximates to interval value \forall^{i} , so it can rewrite as

$$\forall^{\alpha} = [\forall_1^i, \forall_2^i], where \ \alpha \in [0,1]$$
 (2)

Definition 4. Triangular Fuzzy Numbers (TFNs) can be presented in a triplet (x, y, z). Hence the membership function of fuzzy number \forall is stated as following

$$f_{\forall}(a_i) = \begin{cases} 0, a_i < x \\ (a_i - x)/(y - x), x \le a_i \le y \\ (z - a_i)/(z - y), y \le a_i \le x \\ 0, z > a_i \end{cases}$$
 (3)

3.2 Delphi method

Supposing that g experts are assigned to evaluate the selected attributes by using linguistic variable. This qualitative information requires to convert into quantitative evaluation through Table 1. Therefore, $G_{ij}=\left(x_{ij},y_{ij},z_{ij}\right),i=1,2,\cdots n,j=1,2,\cdots m$ shows the i^{th} expert gave the evaluation of j^{th} criterion. So the fuzzy weightage of j^{th} attribute can present as below:

$$G_j = (x_j, y_j, z_j), j = 1, 2, \dots m, \ x_j = \min_i(x_{ij}), y_j = \frac{\sum_{i=1}^n (y_{ij})}{n}, z_j = \max_i(z_{ij})$$
 (4)

This study adopts α -cut approach to defuzzy, thus the equation (1) and (2) would use for the computation of convex combination values $\left[\forall_l^i,\forall_u^i\right]$, and \forall_h^i is definite value which can acquire from the following equation.

$$\begin{cases}
\forall_{l}^{i} = x_{j} - \alpha(y_{j} - x_{j}) \\
\forall_{u}^{i} = z_{j} - \alpha(z_{j} - y_{j}) \\
\forall_{h}^{i} = f(\forall_{l}^{i}, \forall_{u}^{i}) = \lambda[\forall_{u}^{i} + (1 - \lambda)\forall_{l}^{i}]
\end{cases}$$
(5)

where λ states the uncertainty of decision making, 0 shows the highest degree of uncertainty, contrarily, 1 means the least uncertainty. This study utilizes 0.5 to address the general uncertain condition for decision makers. In addition, λ presents the degree of optimism, the value between 0 and 1 represent the decision maker from conservatism to optimism adopter. Moreover, the study assumes the experts are the neutral adopter, so the λ =0.5 is applied in the computations. Subsequently, $\gamma = \sum_{i=1}^m \forall_h^i/n$, $h = 1,2, \cdots n$ is the threshold value, the acceptable criteria can be selected from the following equation:

If
$$\forall_h^i \geq \gamma$$
, the h^{th} criterion accepts for evaluating criterion If $\forall_h^i < \gamma$, then the criterion shall be reject (6)

3.3 DEMATEL

When the screening criteria are obtained from Delphi method, it needs DEMATEL to diagnose the interrelationship through cause and effect diagram. This requires experts have to make a pairwise evaluation of the accepted attributes. The evaluations can denote as a matrix $X^d = \begin{bmatrix} x_{ij} \end{bmatrix}_{n \times n}$, called direct relation matrix. x_{ij} presents the degree that i^{th}

attribute influences to j^{th} attribute. The next step is to apply the following equation to acquire the normalized direct relation matrix X^n .

$$X^{n} = \tau \times X^{d}, where \ \tau = \frac{1}{\max_{1 \le i \le n} \sum_{j=1}^{n} x_{ij}}, i, j = 1, 2, \cdots n$$
 (7)

Once the X^n obtained, the total relation matrix is able to attain through the equation as below, thereinto, I represents the identity matrix:

$$X^t = X^n \times (I - X^n)^{-1} \tag{8}$$

From the total relation matrix X^t , sum of the rows and columns to gather the vector X^h and X^v by using the subsequent equations.

$$X^{t} = \left[\tilde{x}_{ij}\right]_{n \times n}, i, j = 1, 2, \dots n \tag{9}$$

$$X^{h} = \left[\sum_{j=1}^{n} \tilde{x}_{ij}\right]_{1 \times n} = \left[\tilde{x}_{j}\right]_{1 \times n} \tag{10}$$

$$X^{v} = \left[\sum_{i=1}^{n} \tilde{x}_{ij}\right]_{n \times 1} = \left[\tilde{x}_{i}\right]_{n \times 1} \tag{11}$$

Hence, (X^v-X^h) and (X^v+X^h) represent the vertical and horizontal axis in the cause and effect diagram individually. If (X^v-X^h) is negative, then these criteria are classified into causal group, oppositely, the criteria will be categorized in effect group. And then (X^v+X^h) shows the importance of criteria.

3.4 Analytical network process

There are n number of attributes which have to form a pairwise comparison matrix \vdash $X^a = [x_{ij}]_{n \times n}$, in which x_{ij} expresses the relative significance of i^{th} to j^{th} attribute. Similarly,

 X^a needs to normalize by using the row vector average. Approximate calculation of the weight ε_i for criterion i can utilize the following equation.

$$\varepsilon_i = \frac{\sum_{j=1}^n \left(\frac{x_{ij}}{\sum_{i=1}^n x_{ij}}\right)}{n}, i, j = 1, 2, \dots n$$
(12)

Therefore, to ensure the consistency of experts during the evaluating process, Saaty (1980) proposed the consistency index (C.I.) to monitor the degree of consistency.

$$C.I. = \frac{\lambda_{max} - n}{n - 1} \tag{13}$$

where λ_{max} is the maximum eigenvalue which needs to decompose X^a to acquire.

In addition, the consistency ratio (C.R.) consists of C.I. and random consistency index (R.I.) and obtain through the following equations.

$$C.R. = \frac{C.I.}{R.I.}$$

$$R.I. = \frac{1.98(n-2)}{n}$$
(14)

If $C.R. \leq 0.1$ means the consistency level of pairwise comparison is acceptable, otherwise, the pairwise comparison musts redo again until reaching the acceptable consistency level. Supermatrix allows ANP to manage the relationship of feedback and interdependence within the criteria. When there is no interdependent relationship between the attributes, the value of pairwise comparison should state in 0. But the relationship of feedback and interdependence occur among the attributes, such values could not be 0 anymore, thus the unweighted supermatrix X^s would be attained. In case of the supermatrix does not column stochastic (column musts sum up to 1), the decision maker is required to offer the weight to adjust the supermatrix into column stochastic. Then it becomes a weighted supermatrix X^s .

Finally, the limited weighted supermatrix X^ℓ can be acquired from the following equation which states the accurate relative weights within the attributes.

$$X^{\ell} = \lim_{s \to \infty} X^{S^s} \tag{15}$$

4. Empirical Results

Taiwanese electronics is one of the largest manufacturing sectors in the world. For acquiring the significant results and enhancing the reliability for this study, a focal firm is selected as case, which is a leading firm in Taiwan, called MWT. The detail background of the MWT, data gathering and analytical results are addressed in the following subsection.

4.1 Case information and data gathering

MWT specializes in manufacturing and selling electronic connectors, wire harnesses and cable assemblies. Its innovation and quality have underpinned its continuous growth to meet customer demand for high-quality and cost-effective connectors. It has strong research and development teams dedicated to product design and development. The firm's priorities are meeting customers' exact production needs and the provision of trouble-free equipment at low cost. MWT focuses on providing the best solutions with flexibility, speed, adaptability and cost-effectiveness. The firm provides an excellent example of SCA, and consequently it is able to manufacture a wide variety of products even in small quantities for its customers. As

a result of the SCA performance, MWT has had with 20% gross margin for past ten years and nearly a 10% net profit margin.

To benchmark current practices of SCA for investigating the competitive advantage development, it requires to make an assessment of focal firm through expert committee, which is composed of 30 experts. These experts have more than seven years working experience in developing SCA or serve in the relevant departments. Before starting the assessment, committee has to prove the proposed measures (include aspects and attributes) that are able to reflect the real situation of MWT. Once it has an expert disagree with the proposed measures, committee needs to re-discuss about the argue points until all experts get the agreements. Normally, this kind of the re-discussion might repeat several rounds, but it could enhance the reliability in the assessment. Consequently, the data gathering adopts face-to-face interview individually for raising the consistency and preventing the judgements affected by other experts.

4.2 Analysis results

Linguistic preferences transformation

After collecting the respondence from expert committee, these respondence needs to transfer into comparable scale through TFN. The initial respondence is stated in the linguistic preference, such as 1-7 scale, thereinto, 1 represent the very low performance; 2 means the

low performance; 3 is fairly low performance; 4 shows the medium performance; 5 presents the fairly high performance; 6 is high performance and 7 demonstrates the very high performance. Each scale has the parallel corresponding TFN, which provide in Table 2. The higher scale expresses the better performance in SCA. Then, the transformation process adopts Eq. (1)-(3) to convert the linguistic preferences into TFN.

Fuzzy Delphi method

From the transferred data, experts' assessments need to arrange into Delph method to screen out the unnecessary attributes by applying Eq. (4)-(6). The 33 attributes were selected in the initial proposed measures that reduce to current 29 measures, due to four attributes couldn't reach the threshold value 0.5314. These four deleted attributes are recycling revenues, green image, employee satisfaction and total supply chain cycle time respectively. The accepted rate is 88% from 33 reduced to 29. In Table 3, it shows the screening results and the remaining attributes. This purified process promotes the effectiveness and makes the measures, which more concentrate in reflecting the current problem (Noorderhaben, 1995; Tseng et al., 2015).

DEMATEL

Eq. (7)-(11) are used for categorizing the measures into cause and effect group, then

providing the visual analysis through mapping these measures. The interrelationship matrix of aspects is addressed in Table 4. Therein, the value is between 0 and 1.33 shows the weak interrelationship; 1.34-2.66 represents the medium interrelationship and 2.67-4 expresses the high interrelationship. For example, collaboration (AS1) has high interrelationship with customer-based measures (AS4) upon interrelationship value 4. In order to assist decision maker to identify the core problem easily, proposed aspects need to categorize into cause and effect group as Table 5 shown.

Obviously, only two aspects can consider as cause group only, which are collaboration (AS1) information integration(AS3), otherwise process integration (AS2), customer-based measures (AS4) and strategic alliances for eco-design in the supply chain (AS5) are belong to effect group. Based on these degree of interrelationship, the causal diagram with interrelationship can map into Figure 2. It shows that collaboration (AS1) is the key driver for developing and retaining the process integration (AS2), information integration (AS3), customer-based measures (AS4) and strategic alliances for eco-design in the supply chain (AS5) among SCA. Particularly, collaboration (AS1) and information integration (AS3); information integration (AS3) and operation integration (AS2); collaboration (AS1) and customer-based measures (AS4) can be explored the strong mutual interrelationship in Figure 2.

Closed-loop ANP

ANP uses for dealing with complex interrelationship through developing a hierarchical structure based on Eq. (12)-(14). For obtaining the converged supermatrix, the performance weights have to be evaluated first as Table 6 shown. It displays the related performance weights under collaboration (AS1). Hence, there are five pairwise comparison matrices are required to procure for arranging to the unconverged supermatrix.

Table 7 presents the unconverged supermatrix, which gathers from the pairwise comparison of aspects and attributes. This supermatrix considers the effect of interrelationship and interdependence as Figure 1 addressed. The closed-loop supermatrix allows to overcome the uncertainty and eliminate the external effects. Unconverged supermatrix needs to apply Eq. (15) to attain the converged supermatrix as Table 8 expressed. The top three aspects are collaborations (AS1), process integration (AS2) and strategic alliances for eco-design in the supply chain (AS5). Top five attributes contain with increasing suggested improvement in quality, social and environment health and safety with partners (A3); first/second-order choice partner in performance and capability basis (A5); infrastructure in place to encourage eco-innovation within shortening time-frames (A9); customer/marketing sensitivity (A17); and effectiveness of master production schedule (A11). It has the similar result with DEMATEL as Figure 2 presented, top two attributes in the closed-loop ANP reflect the collaboration is the most important SCA aspect for developing

the competitive advantage.

"none-interrelationships" This makes comparison between and "interrelationships" for exploring the difference of coefficient. Because the coefficient weights need to multiply by the importance weights, so the difference of coefficient has to be confirmed through this comparison analysis. Table 9 expresses the final result when the coefficient is loaded with "none-interrelationships" and "interrelationships" unweighted supermatrices. For the SCA aspects and competitive advantage, it shows the same ranking result. Furthermore, attributes almost have the "none-interrelationships" and "interrelationships", only pro-actively update the mix of available manufacturing processes in the supply chain network (A10) and effectiveness of master production schedule (A11) have slightly difference. In order words, it has no big difference between "none-interrelationships" and "interrelationships" in the top five ranking. Thereinto, most of the top five attributes fall into process integration (AS2).

4.3 The relationship between SCA and competitive advantage

The interrelationship weights can obtain from previous subsection, it uses for exploring the effects between SCA and competitive advantages, the detail relationships are addressed in Table 10. Table shows that process integration has strong linkage in developing the competitive advantage, especially in innovation, flexibility and cost. Moreover, flexibility can

be improved through process integration, information integration and strategic alliances for eco-design in supply chain. The significant implications are addressed in the following section.

5. Implications

This study provides a precise guideline for assisting firms in achieving the competitive advantage with extensive theoretical basis and convincible case. SCA is an important component for achieving competitive advantage, so "how to improve the performance of SCA" become a critical issue that firms are striving toward. Based on the significant results demonstrated, there are six attributes are able to assist firms in auditing the performance of SCA, such as increasing suggested improvement in quality, social and environment health and safety with partners; first/second order choice partner in performance and capability basis; infrastructure in place to encourage eco-innovation within shortening time-frames; customer/marketing sensitivity; pro-actively update the mix of available manufacturing processes in the supply chain network and effectiveness of master production schedule. These attributes confirm that collaboration and process integration are the important aspects.

An effective management relies on SCA to align with the competitive advantage under uncertain condition. Empirical results reveal that process integration is the most effective

way to acquire the competitiveness in terms of innovation, flexibility and cost. However, the process integration categorizes into effect group, firms have to enhance it through information integration. Among the competitive advantage, establishing the innovation encounters the difficulty through the implementation, due to process integration is the only aspect which has the significant effect. Considering the resources constraint, flexibility is an effective competiveness that firms are able to attain easily. Because of flexibility allows firms to deal with the extent of changes and adapt to the unanticipated situations through optimizing the process integration for achieving business goal (Eisenhardt et al., 2010; Fayezi et al., 2015). To improve the competiveness of flexibility, it requires to concern the process integration, information integration and strategic alliances for eco-design in supply chain.

Furthermore, SCA and flexibility are complemented with each other which proved in this study; once a firm lacks the flexibility, and then the performance of SCA is insufficient (Fayezi et al., 2015). SCA considers as an ability to explore unexpected environmental changes and exploit these changes to enrich the competitive advantage. It requires to supervise the operational independent suppliers in maintaining the coordinated interrelationship for improving the flexibility, increase the speed in operations and retain the competitive position through process integration (Braunscheidel and Suresh, 2009; Lin et al., 2006). Information integration is a critical driver of SCA for developing the flexibility. Thus, a firm wants to improve their flexibility, which needs to involve in large degree of supply chain

partners and share the information through process and information integration (Nagi et al., 2011). In addition, the results of this study confirm that information integration not only enables to expand the performance of SCA in developing flexibility, but also possesses the ability in improving market share, profitability, speed to market and customers (DeGroote & Marx, 2013).

The focal firm shows how to capitalize SCA to respond the market changing for attaining the competitive advantage in an intense rival environment. This environment encourages supply chain partners to search an opportunity of collaboration for developing the competitiveness. Collaboration and information integration exist a strong interrelationship and the character of complement. Hence, firms want to improve the product quality and the performance of society and environment together upon the collaboration, which has to concern the information integration simultaneously. The analysis results not only indicate that collaboration and information integration play significant roles and work as the drivers in affecting SCA and able to conquer the rapid changing environment under uncertainty, but allow firms to obtain the competiveness of innovation and flexibility as well.

More and more studies have been considered SCA as an important component in supply chain management filed. Most of previous studies adopted Likert scale to collect the feedback of respondent, however, the interrelationship, interdependence and precise

structure were always missing discussed. SCA is composed of multidimensional considerations with highly complexity and uncertainty. Accordingly, it causes the efficiency and effectiveness reduction in making decision. For overcoming these gaps, this study proposes a closed-loop hierarchical decision-making structure associate with a hybrid method. The comparison result discovers that "interrelationship" and "non-interrelationship" only exists slightly difference. Subsequently, the complexity enables to decrease through developing a closed-loop hierarchical structure. Fuzzy set theory, Delphi method, DEMATEL and closed-loop ANP are integrated as hybrid method to address the uncertainty.

6. Conclusions

Competitive advantage is acquired through developing SCA for dealing with the repaid changes and intense competition within Taiwanese electronic industry. Hence, this study adopts focal firm to benchmark the SCA with 5 aspects; collaboration, process integration, information integration, customer-based measures and strategic alliances for eco-design in supply chain. For achieving the competitive advantage, firms need to know what is their core competitiveness very well. Innovation, flexibility, cost and speed are the 4 core competiveness for achieving competitive advantage that concerned in this study. Previous studies have argued that firms should improve SCA in operating with uncertain environment and trying to gathering the competitive advantage. However, the linkage

between SCA and competitive advantage is still infancy, due to the interrelationship, interdependence and precise structure increase the complexity during the analysis.

To overcome these gaps, there are several contributions can be obtained from this study. It offers better understanding of SCA in what particular aspects can assist firms to acquire the competitive advantage with convincible case. The developed closed-loop decision-making structure enable to consider the interrelationship and interdependence among proposed measures simultaneously for reducing the complexity and provides a systematic analysis. Subsequently, this study applies fuzzy set theory, Delphi method, DEMATEL and closed-loop ANP as a hybrid method under uncertainty. This hybrid method is specific to benchmark the focal firm in dynamic environment, which allows to prioritize the attributes, offer a visual analysis in aspects and demonstrate the relationships between SCA and competitiveness.

The significant results reveal that collaboration and information integration are the major drivers to affect the performance of SCA, which confirmed the result of DeGroote and Marx (2013). Thereinto, collaboration has strong interrelationship with information integration and customer-based measures. If a firm has limited resource for improving the SCA performance, collaboration is the trigger that can lead the improvement effectively, and then it might achieve the competitive in cost. From the competitive advantage point, process integration is the most effective aspects to attain the competitiveness in terms of

innovation, flexibility and cost, nevertheless, it belongs to the effect group. Therefore, firms want to reach the competiveness effectiveness and efficiency, information integration is the most influential aspect due to it has strong interrelationship with process integration and categorize in cause group.

There are several limitations exist in this study. Although the proposed measures have been selected through comprehensive literature review, some of the attributes and information might not be able to discuss within this study. In addition, this study adopts a focal Taiwanese firm to benchmark the SCA and competitive advantage, future study can consider another leading firm or multiple focal firms to make a comparison based on the proposed analytical procedure for benchmarking an industrial norm and guiding a specific industry. Expert committee was consisted with the supply chain management experts, other experts from different fields can form into committee for enhancing the values and different consideration in further research. The role of SCA in facilitating flexibility and speed needs to make deeper discussion and examination for completing the understanding.

Acknowledgement

This study is funded by MOST 105-2410-H-262-005, Taiwan and the Dalian University of Technology Fundamental Research Fund (DUT16RC(3)038), China. Thank you for the anonymous reviewers for their fruitful comments.

References

- Agarwal, A., Shankar, R., Tiwari, M.K. (2007). Modeling agility of supply chain. Industrial Marketing Management 36, 443-457
- 2. Aronsson, H., Abrahamsson, M., Spens, K., (2011). Developing lean and agile health care supply chains. Supply Chain Management: An International Journal 16(3), 176-183.
- 3. Blome, C., Schoenherr, T., Rexhausen, D., (2013). Antecedents and enablers of supply chain agility and its effect on performance: a dynamic capabilities perspective.

 International journal of Production Research 51(4), 1295-1318.
- 4. Braunscheidel, M.J., Suresh, N.C. (2009). The organizational antecedents of a firm's supply chain agility for risk mitigation and response. Journal of Operations Management 27(2), 119-40.
- Cao, M., Zhang, Q. (2010). Supply chain collaborative advantage: a firm's perspective.
 International Journal of Production Economics 128, 358–367
- 6. Carr, A.S., Pearson, J.N., (1999). Strategically managed buyer-seller relationships and performance outcomes. Journal of Operations Management 17(5), 497-519.
- 7. Charles A., Lauras M., Wassenhove, L. V. (2010). A model to define and assess the agility of supply chains: building on humanitarian experience. International Journal of Physical Distribution & Logistics Management 40 (8/9), 722-741

- 8. Chen, F.H., Hsu, T.S., Tzeng, G.H. (2011) A balanced scorecard approach to establish a performance evaluation and relationship model for hot spring hotels based on a hybrid MCDM model combining DEMATEL and ANP. International Journal of Hospitality Management 30, 908-932
- 9. Chen, I.J., Paulraj, A. (2004). Towards a theory of supply chain management: the constructs and measurements. Journal of Operations Management 22, 119-150
- 10. Chiang, C.Y., Kocabasoglu-Hillmer, C., Suresh, N., (2012). An empirical investigation of the impact of strategic sourcing and flexibility on firm's supply chain agility. International Journal of Operations & Production Management 32(1), 49 - 78
- Christopher, M., Towill, D.R., (2001). An integrated model for the design of agile supply chains. International Journal of Physical Distribution and Logistics Management 31(4), 235-246
- 12. DeGroote, S.E., Marx, T.G. (2013). The impact of IT on supply chain agility and firm performance: An empirical investigation. International Journal of Information Management 33, 909-916
- Ding, X., Huang, R. (2010). Effects of knowledge spillover on inter-organizational resource sharing decision in collaborative knowledge creation. European Journal of Operational Research 201(3), 949-959.
- 14. Eisenhardt, K.M., Furr, N.R., Bingham, C.B., (2010). CROSSROADS—micro foundations of

performance: balancing efficiency and flexibility in dynamic environments. Organization Science 21(6), 1263-1273

- 15. Fayezi, S., Zutshi, A., O'Loughlin, A., (2015). How Australian manufacturing firms perceive and understand the concepts of agility and flexibility in the supply chain.

 International Journal of Operations & Production Management 35 (2), 246-281
- 16. Gligor, D.M., Esmark, C.L., Holcomb, M. C. (2015). Performance outcomes of supply chain agility: When should you be agile? Journal of Operations Management 33-34, 71-82.
- 17. Gligor, D.M. (2014). The role of demand management in achieving supply chain agility.

 Supply Chain Management: An International Journal 19(5/6), 577 591
- 18. Hayes, R.H. and Wheelwright. S.C. Restoring our Competitive Edge: Competing Through Manufacturing. New York, NY: John Wiley & Sons, (1984), United States.
- 19. Lee, H.L. (2004). The triple a supply chain. Harvard Business Review 82 (10), 102-112
- 20. Li, X., Chungn C., Goldsby, T.J., Holsapple, C.W. (2008). A unified model of supply chain agility: the work-design perspective. The International Journal of Logistics Management 19(3), 408-435.
- 21. Lin, C.T., Chiu, H., Chu, P.Y. (2006). Agility index in the supply chain. International Journal of Production Economics 100, 285-299.
- 22. Lin, Y.H., Chen, C.C., Tsai, Chuck F.M., Tseng, M.L. (2014). Balanced scorecard

- performance evaluation in a close-loop hierarchical model under uncertainty. Applied Soft Computing 24, 1022-1032.
- 23. Lin, Y.H., Tseng, M.L. (2014). Assessing the competitive priorities within sustainable supply chain management under uncertainty. Journal of Cleaner Production (Article in press).
- 24. MacDonald, E.F., She, J. (2015). Seven cognitive concepts for successful eco-design.

 Journal of Cleaner Production 92, 23-36.
- 25. McCullen, P., Saw, R., Christopher, M., Towill, D.R. (2006). The F1 supply chain: adapting the car to the circuit- the supply chain to the market. Supply Chain Forum: An International Journal 7 (1), 14-23.
- 26. Mentzer, J.T., Stank, T.P., Esper, T.L. (2008). Supply chain management and its relationship to logistics, marketing, production, and operations management. Journal of Business Logistics 29 (1), 31-46.
- 27. Ngai, E.W.T., Chau, D.C.K., Chan, T.L.A. (2011). Information technology, operational, and management competencies for supply chain agility: Findings from case studies. Journal of Strategic Information Systems 20, 232-249.
- Sangari, M.S., Razmi, J., Zolfaghari, S. (2015). Developing a practical evaluation framework for identifying critical factors to achieve supply chain agility. Measurement 62, 205-214.

- 29. Schaltegger, S. (1997). Economics of life cycle assessment e inefficiency of the present approach. Business Strategy and the Environment 6(1), 1-8.
- 30. Sebastiao, H.J., Golicic, S. (2008). Supply chain strategy for nascent firms in emerging technology markets. Journal of Business Logistics 29 (1), 75-91.
- 31. Sharifi, H., Ismail, H.S., Reid, I. (2006). Achieving agility in supply chain through simultaneous "design of" and "design for" supply chain. Journal of Manufacturing Technology Management 17 (8), 1078 1098.
- 32. Sharp, J.M., Irani, Z. and Desai, S. (1999). Working towards agile manufacturing in the UK industry. International Journal of Production Economics 62 (1/2), 155-169.
- 33. Swafford, P.M., Ghosh, S., Murthy, N. (2006). The antecedents of supply chain agility of a firm: Scale development and model testing. Journal of Operations Management 24, 170-188.
- 34. Tseng, M.L., Chiang, J.H., Lan, L.W. (2009). Selection of optimal supplier in supply chain management strategy with analytic network process and choquet integral. Computer & Industrial Engineering 57(1), 330-340
- 35. Tseng, M.L. (2009). Application of ANP and DEMATEL to evaluate the decision-making of municipal solid waste management in Metro Manila. Environmental monitoring and assessment 156(1-4), 181-197.
- 36. Tseng, M.L. (2010). An assessment of cause and effect decision making model for firm

- environmental knowledge management capacities in uncertainty. Environmental Monitoring and Assessment 161, 549-564.
- 37. Tseng, M.L. (2011). Green supply chain management with linguistic preferences and incomplete information. Applied Soft Computing 11(8), 4894-4903.
- 38. Tseng, M.L. Chiu, A.S.F. (2013). Evaluating firm's green supply chain management in linguistic preferences. Journal of Cleaner Production 40, 22-31.
- 39. Tseng, M.L., Lim, K. M., Wong, W.P. (2015). Sustainable supply chain management: a closed-loop network approach. Industrial Management & Data System 115(3), 436-461
- 40. Tseng, M.L., Lin, R.J., Lin, Y.H., Chen, R.H., Tan K. (2014). Close-loop or open hierarchical structures in green supply chain management under uncertainty. Expert Systems with Applications 41(7), 3250-3260.
- 41. Tseng, M.L., Lin, R.J., Tan K., Geng, Y., Lim, M. (2014). Benchmarking eco-efficiency in green supply chain practices in uncertainty. Production Plan & Control 25(13-14), 1079-1090.
- 42. Tseng, M.L., Lin, Y.H., Chiu, A.S.F., Liao, C.H. (Feb. 2008). Using FANP approach on selection of competitive priorities based on cleaner production implementation: a case study in PCB manufacturer, Taiwan. Clean Technologies and Environmental Policy 10(1), 17-29.
- 43. Tseng, M.L., Lin, Y.H. (2009). Application of Fuzzy DEMATEL to develop a cause and

- effect model of municipal solid waste management in Metro Manila. Environmental monitoring and assessment 158, 519-533.
- 44. Uygun, O., Kacamak, H., Kahraman, U. A. (2014). An integrated DEMATEL and Fuzzy ANP techniques for evaluation and selection of outsourcing provider for a telecommunication company. Computers & Industrial Engineering (Article in press).
- 45. Van der Vorst, J., Beulens, A. (2002). Identifying sources of uncertainty to generate supply chain redesign strategies. International Journal of Physical Distribution and Logistics Management 32(6), 409-30.
- 46. van Hoof B., Thiell, M., (2014). Collaboration capacity for sustainable supply chain management: small and medium-sized enterprises in Mexico. Journal of Cleaner Production 67, 239-248.
- 47. Venkatraman, N. (1989). Strategic orientation of business enterprises: the construct, dimensionality and measurement. Management Science 35(8), 942-962.
- 48. Vinodh, S., Prasanna, M. (2011) Evaluation of agility in supply chains using multi-grade fuzzy approach, International Journal of Production Research 49(17), 5263-5276.
- 49. Wong, Y.P., Tseng, M.L., Tan, K. (2014). A business process management capabilities perspective on organization performance. Total Quality Management & Business Excellence 25(6), 602-617.
- 50. Wu, C., Barnes, D. (2011). A literature review of decision-making models and

- approaches for partner selection in agile supply chains, Journal of Purchasing Supply Management 17, 256-274.
- 51. Wu, K. J., Liao, C. J., Tseng, M. L., & Chiu, A. S. (2015). Exploring decisive factors in green supply chain practices under uncertainty. International Journal of Production Economics, 159, 147-157.
- 52. Wu, K. J., Liao, C. J., Tseng, M., & Chiu, K. K. S. (2016). Multi-attribute approach to sustainable supply chain management under uncertainty. Industrial Management & Data Systems, 116(4), 777-800.
- 53. Wu, K. J., Liao, C. J., Tseng, M. L., & Chou, P. J. (2015). Understanding innovation for sustainable business management capabilities and competencies under uncertainty. Sustainability, 7(10), 13726-13760.
- 54. Xu, Z.S. (2006). Induced uncertain linguistic OWA operators applied to group decision making, Information Fusion 7, 231–238.
- 55. Yang, J. (2014). Supply chain agility: Securing performance for Chinese manufacturers.

 International Journal of Production Economics 150, 104-113
- 56. Yusuf, Y.Y., Gunasekaran, A., Adeleye, E.O., Sivayoganathan, K. (2004). Agile supply chain capabilities: Determinants of competitive objectives. European Journal of Operational Research 159, 379-392.
- 57. Yusuf, Y.Y., Sarhadi, M., Gunasekaran, A. (1999). Agile manufacturing: The drivers,

concepts and attributes. International Journal of Production Economics 62, 33-43.

58. Zhang, Q., Vonderembse, M.A., Lim, J. (2003). Manufacturing flexibility: defining and analyzing relationships among competence, capability, and customer satisfaction.

Journal of Operations Management 21(2), 173-91.

FIGURES

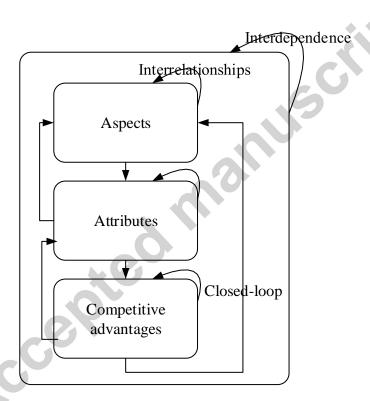


Figure 1. Analytical structure with interrelationships, interdependence and closed-loop hierarchical structure consideration

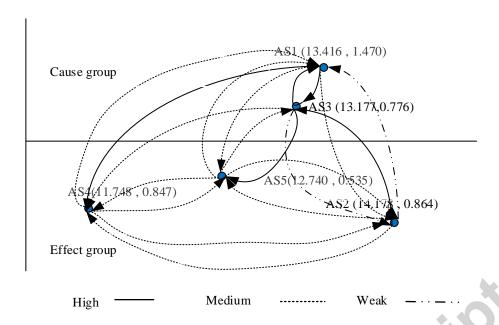


Figure 2. Causal diagram with Interrelationships

Table 1. A hierarchical structure of SCA measures

Aspects	Attributes	References
Collaborations (AS1)	Trust-based relationships and A long tern collaboration with 1 customers/suppliers Focused on developing core A competencies through process excellence Increasing suggested A improvement in quality, socia 3 and environment health and safety with partners Management and technical 4 team-based goals and measures First/second order choice A partner in performance and capability basis A Actively share intellectual	Chen & Paulraj, 2004; Yusuf et al., 2004;

```
6 property with partners
                  Concurrent execution of
                  activities throughout the
                  supply chain
                A Reduce dispersion of toxic
                8 and hazardous materials
                  Infrastructure in place to
                A encourage eco-innovation
                9 within shortening
                  time-frames
                A Pro-actively update the mix of Chen & Paulraj, 2004; Lin et al., 2006;
Process
integration
                1 available manufacturing
                                                 Tseng, 2010; Tseng et al., 2014; Yang,
                                                 2014; Wonget al., 2014; Tseng et al., 2015
(AS2)
                0 processes in the SC network
                  Effectiveness of master
                  production schedule
                  Vertical integration in supply
                  chain
                2
                  Capture demand information
                  immediately
                 3
                  Prefer to keep information on
                  file for supply chain partners
                  Information accessible supply
                chain-wide
Information
                                                 Chen & Paulraj, 2004; Lin et al., 2006; Nagi
integration
                                                 et al., 2011; DeGroote & Marx, 2013; Yang,
                A Virtual connection and
(AS3)
                                                 2014; Gligor et al., 2015
                1 information sharing to all
                 6 partners
                  Customer/marketing
                - sensitivity
7
                  Quickly detect changes in our
                  environment
Customer-base A Product ready for use by
                                                 Lin et al., 2006; Tseng et al., 2014; Yang,
```

	ACCEPTED MA	ANUSCRIPT	
d measures	1 individual customers	2014; Gligor et al., 2015	_
(AS4)	9		
	A Social particulation to increase		
	See opportunities to increase 2		
	customer value		
	A Customer-driven		
	2		
	eco-products design 1		
	A Retain and grow customer		
	2 relationships		
	2		
	A Products with substantial		
	added value for customers		
	3		
	A Fast introduction of new	SCI	
	2 products 4	~ G*	
	Design eco-products for ease		
	of use with suppliers		
	Δ	.0	
	Design eco-product with		
Strategic	social norms in mind		
alliances for	Δ	Chen & Paulraj, 2004; Yusuf et al., 2004	
eco-design in	Reducing eco-product costs in	Lin et al., 2006; Tseng, 2010; Wu & Barr	nes,
supply chain	process and supplier together	2011; Yang, 2014; MacDonald & She, 20	015;
(AS5)	A Reducing eco-product	Tseng et al., 2015	
,	2 development cycle time with		
	8 supply chain partners		
	A		
	Horizontal eco-product		
	development 9		

Table 2. Transformation values between linguistic scale and corresponding TFNs

Scale	Linguistic Preference	Corresponding TFNs
1	very low performance	(0, 0.05, 0.15)
2	low performance	(0.1, 0.2, 0.3)

ACCEPTED MANUSCRIPT							
3	fairly low performance	(0.2, 0.35, 0.5)					
4	medium performance	(0.3, 0.5, 0.7)					
5	fairly high performance	(0.5, 0.65, 0.8)					
6	high performance	(0.7,0.8,0.9)					
7	very high performance	(0.85,0.95,1.0)					

Table 3. The screening results of fuzzy Delphi method

	1	m	u	1	и	S	
A1	0.030	0.677	1.000	(0.294)	0.839	0.569	Accepted
A2	0.030	0.677	1.000	(0.294)	0.839	0.569	Accepted
А3	0.050	0.729	1.000	(0.290)	0.865	0.593	Accepted
A4	0.050	0.695	1.000	(0.272)	0.847	0.582	Accepted
A5	0.030	0.646	1.000	(0.278)	0.823	0.559	Accepted
A6	0.030	0.642	1.000	(0.276)	0.821	0.557	Accepted
A7	0.030	0.686	1.000	(0.298)	0.843	0.572	Accepted
A8	0.030	0.642	1.000	(0.276)	0.821	0.557	Accepted
A9	0.030	0.632	1.000	(0.271)	0.816	0.554	Accepted
A10	0.030	0.632	1.000	(0.271)	0.816	0.554	Accepted
A11	0.030	0.666	1.000	(0.288)	0.833	0.565	Accepted
A12	0.050	0.769	1.000	(0.309)	0.884	0.606	Accepted
A13	0.030	0.666	1.000	(0.288)	0.833	0.565	Accepted
A14	0.030	0.666	1.000	(0.288)	0.833	0.565	Accepted
A15	0.030	0.666	1.000	(0.288)	0.833	0.565	Accepted
A16	0.030	0.642	1.000	(0.276)	0.821	0.557	Accepted
A17	0.030	0.642	1.000	(0.276)	0.821	0.557	Accepted
A18	0.030	0.642	1.000	(0.276)	0.821	0.557	Accepted
A19	0.030	0.686	1.000	(0.298)	0.843	0.572	Accepted
A20	0.030	0.666	1.000	(0.288)	0.833	0.565	Accepted
A21	0.050	0.695	1.000	(0.272)	0.847	0.582	Accepted
A22	0.030	0.642	1.000	(0.276)	0.821	0.557	Accepted
A23	0.030	0.666	1.000	(0.288)	0.833	0.565	Accepted
A24	0.030	0.642	1.000	(0.276)	0.821	0.557	Accepted
A25	0.030	0.642	1.000	(0.276)	0.821	0.578	Accepted
A26	0.030	0.703	1.000	(0.306)	0.851	0.557	Accepted
A27	0.030	0.642	1.000	(0.276)	0.821	0.578	Accepted
A28	0.030	0.703	1.000	(0.306)	0.851	0.557	Accepted
A29	0.030	0.642	1.000	(0.276)	0.821	0.569	Accepted

Note: Threshold 0.5314

Table 4. Interrelationship matrix among aspects

	AS1	AS2	AS3	AS4	AS5
AS1	2.800	2.600	3.200	4.000	3.200
AS2	3.200	3.000	2.000	3.000	2.800
AS3	2.200	4.000	3.200	2.200	3.000
AS4	1.000	3.000	3.200	1.000	3.200
AS5	3.200	3.200	1.600	3.000	1.800

Note: Weak: 0-1.33; Medium: 1.34-2.66; High: 2.67-4.0

Table 5. The degree of cause and effect interrelationships

	AS1	AS2	AS3	AS4	AS5	D (Sum)	R(Sum)	Cause (D+R)	Effect(D-R)
AS1	1.352	1.653	1.431	1.491	1.516	7.443	5.973	13.416	1.470
AS2	1.260	1.516	1.223	1.306	1.352	6.657	7.521	14.178	(0.864)
AS3	1.253	1.649	1.347	1.309	1.418	6.976	6.201	13.177	0.776
AS4	0.938	1.285	1.092	0.978	1.157	5.450	6.298	11.748	(0.847)
AS5	1.170	1.417	1.109	1.213	1.194	6.102	6.637	12.740	(0.535)

Table 6. Performance weight matrix of five aspects under collaborations (AS1)

								_
	AS1	AS2	AS3	AS4	AS5	Eigen value	Weight	
AS1	1.000	0.144	0.144	1.518	1.687	0.257	0.118	_
AS2	6.952	1.000	0.167	1.458	0.689	0.444	0.203	
AS3	0.767	6.000	1.000	0.158	0.639	0.482	0.221	
AS4	0.659	0.686	6.316	1.000	0.369	0.548	0.251	
AS5	0.593	1.451	1.565	2.712	1.000	0.452	0.207	

Table 7. Unconverged supermatrix

37 26 32 33 34 35 37 37 35 36 35 34 35 38 38 38 38 38 38 38 38 21 43 29 29 29 31 19 17 30 27 $0.0 \quad 0.0 \quad 0.0$ $0.0 \quad 0.0 \quad 0.0$ 16 23 33 34 37 37 39 40 37 39 37 36 37 37 50 11 38 32 48 37 38 37 36 36 37 37 34 37 21 41 34 32 32 32 19 29 32 27 $0.0 \quad 0.0 \quad 0.0$ 39 33 34 36 40 38 40 40 38 40 38 40 38 37 37 31 44 36 33 33 40 12 24 40 39 40 40 41 36 39 39 45 21 59 19 58 27 39 42 70 $0.0 \quad 0.0 \quad 0.0$ 38 31 33 34 28 36 38 38 37 38 36 36 37 33 36 56 53 53 31 38 37 38 38 38 38 38 34 37 42 42 38 38 38 40 34 40 38 40 $0.0 \quad 0.0 \quad 0.0$ 34 31 36 33 30 36 38 38 37 38 36 35 37 11 21 59 63 37 43 35 35 35 31 34 35 35 31 34 38 38 37 37 37 36 40 39 42 37 $0.0 \quad 0.0 \quad 0.0$ 35 29 31 32 33 13 21 35 34 35 34 35 34 36 12 38 37 31 38 40 40 40 39 39 39 09 36 38 44 44 38 52 11 32 40 45 57 18 $0.0 \quad 0.0 \quad 0.0$ 38 32 33 35 32 37 38 38 37 39 37 38 38 37 39 37 38 38 37 39 37 36 53 42 29 29 35 39 45 37 37 36 35 36 36 37 32 36 40 41 38 43 42 30 38 48 49 43 $\texttt{A1} \ \ 0.0 \ \ 0$ 0 38 31 29 34 31 35 38 38 36 38 36 35 37 33 32 36 36 37 43 35 36 34 34 35 36 31 34 39 40 48 48 47 49 30 48 31 58 1 38 49 32 34 40 36 38 39 37 38 36 36 37 36 36 37 36 36 37 36 36 37 36 36 37 32 36 40 40 48 48 46 30 37 21 29 55 $\texttt{A1} \ \ 0.0 \ \ 0$ 2 32 38 25 45 33 31 33 33 32 33 31 56 31 34 35 35 33 35 34 35 34 35 36 34 34 34 36 30 34 38 38 21 47 45 49 42 11 32 53 3 37 53 23 37 31 36 37 38 37 38 36 35 36 37 37 37 37 37 37 37 37 35 11 37 38 36 36 36 36 37 38 32 36 41 41 58 52 24 26 38 39 23 45 $\texttt{A1} \ \ 0.0 \ \ 0$ 5 21 42 30 29 31 34 35 35 34 35 33 32 33 38 37 38 23 39 27 36 39 37 36 36 37 37 33 38 42 21 45 45 46 47 48 31 54 29 6 48 36 46 33 32 34 32 25 26 28 30 30 34 35 36 36 36 37 35 36 28 36 36 37 41 36 40 35 53 52 52 52 32 21 53 11 $\texttt{A1} \ \ 0.0 \ \ 0$ 7 50 40 41 37 31 41 38 18 22 15 29 26 21 36 36 35 37 37 35 37 37 33 35 35 35 37 31 36 41 41 38 37 39 37 47 37 39 37 $\texttt{A1} \ \ 0.0 \ \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \ \ 0.0 \$ 8 35 40 31 32 33 34 35 35 34 35 34 35 35 34 35 34 35 34 33 33 34 34 33 33 34 34 33 31 34 35 29 33 39 40 38 38 37 11 38 36 39 $\texttt{A1} \ \ 0.0 \ \ 0$ $\ \, \textbf{A2} \ \, \textbf{0.0} \ \,$ $\texttt{A2} \ \ \texttt{0.0} \$ $A2 \ \ \, 0.0$ 3 37 37 23 34 35 36 37 55 37 38 36 35 36 36 35 36 36 35 36 36 36 36 36 36 36 37 31 33 30 25 36 36 36 36 37 38 34 37 37 $\textbf{A2} \ \ \textbf{0.0} \$ 4 35 32 32 34 57 36 38 38 37 38 36 35 36 36 36 34 36 11 36 36 37 37 35 35 36 35 37 31 32 37 40 39 11 39 11 46 41 28 41 $A2 \ 0.0$ 6 29 36 46 33 52 34 32 25 30 28 30 30 34 38 28 42 29 27 08 29 25 36 28 26 21 28 70 22 11 15 71 21 39 32 48 52 21 11 7 33 27 75 37 31 41 38 18 22 15 29 46 21 28 26 21 19 24 24 26 30 27 30 30 25 28 29 39 37 42 55 31 44 41 47 39 11 21 8 53 36 47 33 35 41 32 26 50 38 24 32 29 32 25 37 25 24 37 37 20 31 38 27 25 25 37 30 13 35 11 09 35 38 40 41 41 38 9 36 29 35 35 38 19 11 21 15 44 17 28 27 29 18 30 30 32 31 29 28 28 31 35 27 27 19 30 11 40 41 40 40 37 32 1 49 08 26 84 62 41 58 05 96 39 15 26 37 78 65 72 96 61 25 80 50 97 74 68 67 89 62 86 80 56 87 71 44 81 54 44 45 80

Table 8. Converged supermatrix

AS 1 AS 2 AS 3 AS 4 AS 5 A1 A2 A3 A4 A5 A6 A7 A8 A9 A10 A11 A12 A13 A14 A15 A16 A17 A18 A19 A20 A21 A22 A23 A24 A25 A26 A27 A28 A29 CA1 CA2 CA3 CA4 $A \quad 0.07 \quad 0.$ $A \quad 0.06 \quad 0.0$ $4\ \ 00\ \$

 $A \ \ 0.00$ $A \ \ 0.00$ C $A \quad 0.07 \quad 0.0$ $A \quad 0.07 \quad 0.$

Table 9. Comparison of SCA interrelationship and none-interrelationship

•			•	
Attributes	interrela	interrelationships		errelationships
	Weights	Ranking	Weights	Ranking
AS1	0.0695	2	0.0696	2
AS2	0.0704	1	0.0711	1
AS3	0.0623	5	0.0623	5
AS4	0.0639	4	0.0649	4
AS5	0.0647	3	0.0655	3
A1	0.0117	15	0.0118	14
A2	0.0100	26	0.0101	26
A3	0.0138	1	0.0139	1
A4	0.0100	27	0.0101	27
A5	0.0129	2	0.0131	2
A6	0.0121	9	0.0123	9
A7	0.0120	11	0.0121	10

	ACCEPT	TED MAN	USCRIPT	
A8	0.0117	14	0.0117	18
A9	0.0128	3	0.0128	3
A10	0.0123	5	0.0123	6
A11	0.0122	6	0.0123	5
A12	0.0114	20	0.0117	15
A13	0.0121	10	0.0121	11
A14	0.0107	24	0.0109	23
A15	0.0118	13	0.0119	13
A16	0.0116	18	0.0115	19
A17	0.0125	4	0.0125	4
A18	0.0110	22	0.0109	22
A19	0.0119	12	0.0121	12
A20	0.0073	29	0.0075	29
A21	0.0075	28	0.0077	28
A22	0.0106	25	0.0107	25
A23	0.0116	16	0.0117	16
A24	0.0122	8	0.0123	8
A25	0.0116	17	0.0117	17
A26	0.0115	19	0.0114	20
A27	0.0111	21	0.0111	21
A28	0.0122	7	0.0123	7
A29	0.0108	23	0.0108	24
CA1	0.0875	2	0.0880	2
CA2	0.0879	1	0.0884	1
CA3	0.0780	3	0.0785	3
CA4	0.0770	4	0.0781	4

Table 10. The relationships between SCA aspects and competitive advantages

	Competitiveness	Innovation	Flexibility	Cost	Speed
Aspects		(CA1)	(CA2)	(CA3)	(CA4)
Collaborations (AS1)		Medium	Medium	High	Low
Process integration (AS2)		High	High	High	Medium
Information integration(AS3)		Medium	High	Medium	Medium
Customer-based measures(AS4)		Low	Medium	Low	High
Strategic alliances for eco-design in		Low	Uiαh	Low	⊔iah
supply chain (AS5)		Low	High	Low	High