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# **Supply Chain Management in the Hospitality Industry: A Research Agenda**

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**Key Words:** Supply Chain Management, Supply Chains, Hospitality

## **Introduction**

Supply Chain Management is at the heart of competitive advantage for any organisation. Without Supply Chains, the Hospitality Industry would quickly grind to a halt. There would be no fruit or vegetables in our restaurants, no beer or wine in our bars and no beds or toilets in our hotels. There would be no recycling of glass or the disposal of food products. There would be no customers. Given the importance of Supply Chains to the Hospitality Industry it is perhaps surprising that so little is published about Supply Chains and how Supply Chains can be managed. The aim of this working paper is to define SCM and establish an agenda for undertaking research into this important but neglected topic.

## **Literature Review**

Supply chains are seen as the glue that holds together the different stages of the process from the raw material at the start to delivering the right product to the end user. They also consist of all parties who are either directly or indirectly trying to satisfy customer demands (Chopra and Meindl, 2013). It is a common perception that supply chains link manufacturers to their suppliers but other variables need to be considered such as the customer, distribution, warehousing and transportation (Chopra and Meindl, 2013). Christopher (2011: 3) defines Supply Chain Management (SCM) as “the management of upstream and downstream relationship with suppliers and customers to deliver superior customer value at less cost to the supply chain as a whole” whilst Johnsen, Howard and Miemczyk (2014) state that SCM incorporates a number of business functions such as purchasing, operations, logistics and distribution. SCM consists of a number of firms cooperating to improve operational efficiency, thereby leveraging strategic positioning (Bowersox, Closs, Cooper and Bowerson, 2013). According to Crompton (2009), the goal of businesses operating a SCM model is to maximise profit through enhanced competitiveness which is achieved by having the lowest cost in the shortest time-frame possible whilst delivering the desired level of service. Importantly, for the 21<sup>st</sup> century, Hospitality organisations need to ensure that their Supply Chains are agile, adaptive and aligned (Lee, 2004) if they are to cope with innovative, disruptive technologies invariably spearheaded by the digital age (Christensen, Wang and Bever, 2013).

There is a dearth of research concerning Supply Chain Management in the Hospitality Industry. Shi and Liao’s (2013) paper on Managing supply chain relationships in hospitality services highlights the effects of interorganisational trust and interdependence between

supply chain partners in hospitality services. The focus here is on Supply Chain relationships rather than SCM, although issues of trust and interdependence would affect how the Supply Chain is managed. SCM practices and performance in the Canadian Hospitality Industry is the focus of Fantazy, Kumar and Kumar's (2010) research. Using data collected from 105 Canadian hotels, the authors provide statistical evidence that Strategic Purchasing (an approach to purchasing whereby the role of the purchasing function has changed from a transactions-oriented function to a higher strategic level function) can positively contribute to a hotel's performance through SCM practices. Meanwhile, Zhang, Song and Huang's (2009) article focuses on Tourism SCM. Whilst the authors state that there has been much research on SCM in the manufacturing industry (which, technically, is part of SCM) over the last twenty years, there are, the authors claim, very few studies on SCM in the tourism industry.

### **Methodology**

As there is a lack of research into SCM in the Hospitality Industry, it would be first necessary to establish the nature of SCM in the Hospitality Industry, identifying the key SCM issues. Based on this, a conceptual framework for conducting research into SCM in the Hospitality Industry would need to be established, similar, perhaps, to that presented by Zhang, Song and Huang's (2009). Once this had been completed, the next phase of the research project would be to construct a number of case studies on businesses that supply hospitality firms with products. This would represent exploratory research whereby new insights are sought into phenomena (Saunders, Lewis and Thornhill, 2009) with the objective of establishing future research (Blumberg, 2005). After conducting a review of literature on SCM, it is envisaged that semi-structured interviews be held with key stakeholders and, together with other evidence, this would be incorporated into the case studies. The interviews will be transcribed and analysed using Matrix Analysis, as recommended for cross-site, qualitative data analysis by Cassell and Nadin (2008). The aim of this method is to produce a complete matrix, analysing similarities or differences by row or column. Once the second phase of the research is complete, the next phase will be to undertake descriptive research to establish processes, mechanisms and relationships between the parties (Brotherton, 2008). A survey of businesses involved in the Supply Chain will be undertaken to inform this stage of the research. Finally, the fourth phase of the research will focus on explanatory research which will focus on explaining the relationship between the variables (Saunders, Lewis and Thornhill, 2009). The methods to be used in this phase are yet to be determined but might include a combination of quantitative and qualitative methods.

### **Results**

This paper presents an agenda for research into SCM in the Hospitality Industry and, therefore, there are no results at the present time.

## **Discussion**

This working paper has discussed what SCM is and has outlined the case for research into SCM in the Hospitality Industry. The paper proposes a four stage process for undertaking research into this important yet neglected topic:

1. Identifying key issues and the development of a conceptual framework for research;
2. Exploratory research involving case studies on firms involved in the Supply Chain, incorporating interview data from key stakeholders;
3. Descriptive research using a survey with key stakeholders to establish processes, mechanisms and relationships between the parties;
4. Explanatory research focusing on explaining the relationship between the variables identified in the previous stages of the research.

This is a very ambitious research agenda and its feasibility will depend on having the necessary resources in place. However, given the fact that the University of Huddersfield has an international reputation in logistics research, notwithstanding the excellent industry links built up over many years, more recently cemented via the Novus partnership, we firmly believe that such an ambitious agenda is manageable, although it is possible that, as the research proceeds, the authors may narrow down the study scope to a significant topic in supply chain management.

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