Chapter 15
Supply Chain System and Barriers of Exporting:
Evidence from Ghana in Sub Saharan Africa

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ABSTRACT

This research applies interviews to investigate export barriers pertaining in the supply chain system of the agricultural industry of Ghana, as a representative country of Sub Saharan Africa. Evidence is provided from an unexplored area which is likely to bring new insights into export barrier literature primarily focused on lower emerging economies in Sub-Saharan Africa. The study identified four main export barriers; which are logistics, functional, marketing and financial barriers. The study concluded that management of firms have to be proactive in disassembling export barriers to enable a commanding role in pursuit for strong economic and industrial development in African and beyond.

INTRODUCTION

This research presents the results of a qualitative research using case studies to investigate export practices and barriers exporters in the agricultural industry of Ghana encountered in the supply chain system in relation to the distributors of their products. A multiple case study approach was applied to interview seven managers in the agricultural sector outsourcing farm produce from out growers in the supply chain system.

Supply chain management (SCM) has been a key contributory factor to many firms' success in exporting rather than applying the same old traditional intra-enterprises' focus on internal processes which are sometimes expensive and identified as a major challenge in operations (Matopoulos, Vlachopoulou, Manthou, & Manos, 2007).

Many scholars have highlighted the increased need for collaboration, emphasizing the establishment of closer and long-term working relations to create effective partnerships with suppliers at various stages in the supply chain system to develop efficient and responsive partnerships with suppliers in order to deliver exceptional value to customers (Gunasekaran, Patel, & Tirtiroglou, 2001). In most cases, collaboration in the supply chain is not always easy to achieve when past

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supply targets are not met regarding inefficient communication within the supply chain system (Christopher, 1998). A number of factors related to the business environment, the industry structure, and firm characteristics may still influence the series of dyadic business relationships which comprise the supply chain, enabling or deteriorating the collaborative opportunities (Gunasekaran et al., 2001).

A supply chain is a set of organisations or entities that pass materials forward, in the process, several independent firms or functions are involved in manufacturing a product and placing it in the hands of the end user in a supply chain (Matopoulos et al., 2007). Raw material and component producers, wholesalers, retailer merchant\s and transportation companies are all members of a supply chain (La & Masters, 1994). Stock, Greis, and Kasarda (2000) define supply chain as the alignment of firms that brings products or services to the market. SCM has also been defined as a network of organisations that are involved through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services delivered to the ultimate consumer (Christopher, 1998).

All these concepts of supply chain include the final consumer as part of the supply chain (Stadtler, 2005). Therefore, a supply chain consists of multiple firms supplying and distributing products or services to the ultimate consumer. The objective of managing the supply chain is to synchronize the requirements of the customer with the flow of materials from suppliers in order to affect a balance between what are often seen as conflicting goals of high customer service, low inventory management, and low unit cost (Bala, 2014). The operational supply chain refers to the series of primary and support supply chains that have to be constructed to provide the inputs and outputs that deliver products and services of any company (Cox, 1999). All companies have operational supply chain and these supply chains are normally unique to the firms creating the linkage.

Benefits of Supply Chain Management (SCM)

SCM has become popular in recent times (Stadtler, 2005) as specific drivers may be traced to trends in out sourcing, an emphasis quality-based competition, time and various contributions to environmental uncertainties in operations (Ramanathan & Gunasekaran, 2014). Many firms and organisations have increasingly turned to outsourcing for their supplies and depended on reflective means to coordinate the flow of materials into and out of the firm (Puertas, Martí, & García, 2014).

Paramount to this phenomenon is ways of coordination towards a closer relationship with suppliers in terms of delivery based on time quality and defect-free products (Bala, 2014). Customers in recent times are demanding products consistently, reliable fast delivery with no damages which necessitates closer collaboration with suppliers and distributors. The intense competition combined with rapidly changing economic conditions contributes to market place uncertainty which requires great understanding and flexibility on individual firms in the supply chain to foster stronger relationships (Bala, 2014). The benefits firms can expect from supply chain management are lowered inventory risks and costs, along with reductions in warehousing, distribution and transportation cost (Horvath, 2001).

Other benefits include sustainable cost savings through increased productivity and streamlined business processes in procurement and purchasing (Horvath, 2001). Accelerated product delivery times, more efficient product development efforts and lower manufacturing costs could be beneficial to the firm (Horvath, 2001). In the long term, the most significant benefits to businesses with advanced supply chain management capabilities will gradually improve customer responsiveness, increased flexibility for changing market conditions, improved customer service satisfaction and effective marketing (Mentzer et al., 2001).

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