

The strategic relationship building through value procurement: A systematic review of literature from the apparel industry

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In the midst of the dynamics in the domain of supply chain management, most of the businesses are forced to strengthen the strategic relationships with their supplier base. Therefore, companies tend to move away from the traditional supplier-buyer relationship to a longer-term collaborative strategic relationship with a limited number of key suppliers. Strategic relationship building symbolizes the importance of enterprise wide thinking where functional units inside the firms and key suppliers from the firm's supply chain all work in concert to bring value to the marketplace. The purpose of this study is to explore how the strategic relationship building with suppliers in the procurement process enhances the overall operational performance of apparel industry. For an example, in apparel industry, quality and the productivity should be calculated at the initial stage of the production. Value procurement models allow firms on selecting the best quality, cost and other factors instead of selecting the lowest cost supplier. Consequently, the study identifies the set of appropriate procurement strategies to minimize impact of costs to the production processes to retain long term relationship among suppliers. This study is based on a comprehensive, systematic review of literature published in relation to the areas of strategic supplier relationship and value procurement applicable to the apparel industry. The findings of this research is based on reviews of 17 articles which describe different models, frames, processes and appropriate theoretical terms. Through the effective categorization and integrative analysis of the above findings, this paper expects to introduce an innovative conceptual model of how to develop strategic supplier relationships to maximize the effectiveness of the industry.

Keywords: Apparel industry, Strategic relationships building, Value procurement