

# **\$100 Question:**

# **Supply Chain Priorities for small firms**

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# agenda

- ➔ **motivation and research question**
- ➔ **methodology and data set**
- ➔ **key insights**
- ➔ **model**
- ➔ **prioritization framework**

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→ **motivation and research question**

→ **methodology and data set**

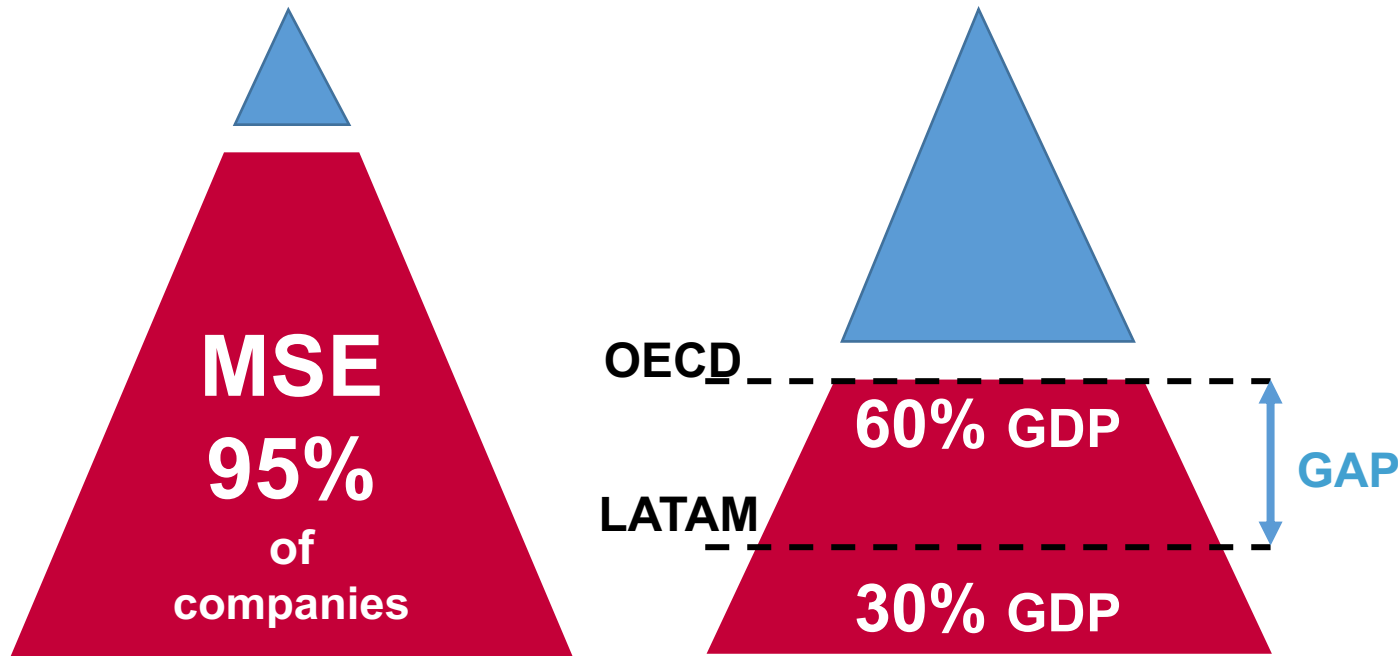
→ **key insights**

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## motivation

# GAP in performance at LATAM can be filled by better practices



Data Source: OECD - ECLAC. (2013)

## GAP in productivity LATAM x OECD



## Best practices lead to better performance

(McKenzie & Woodruff, 2016)  
(Lockamy III & McCormack, 2004)



# What Supply Chain practices should small firms prioritize?



Limited Resources



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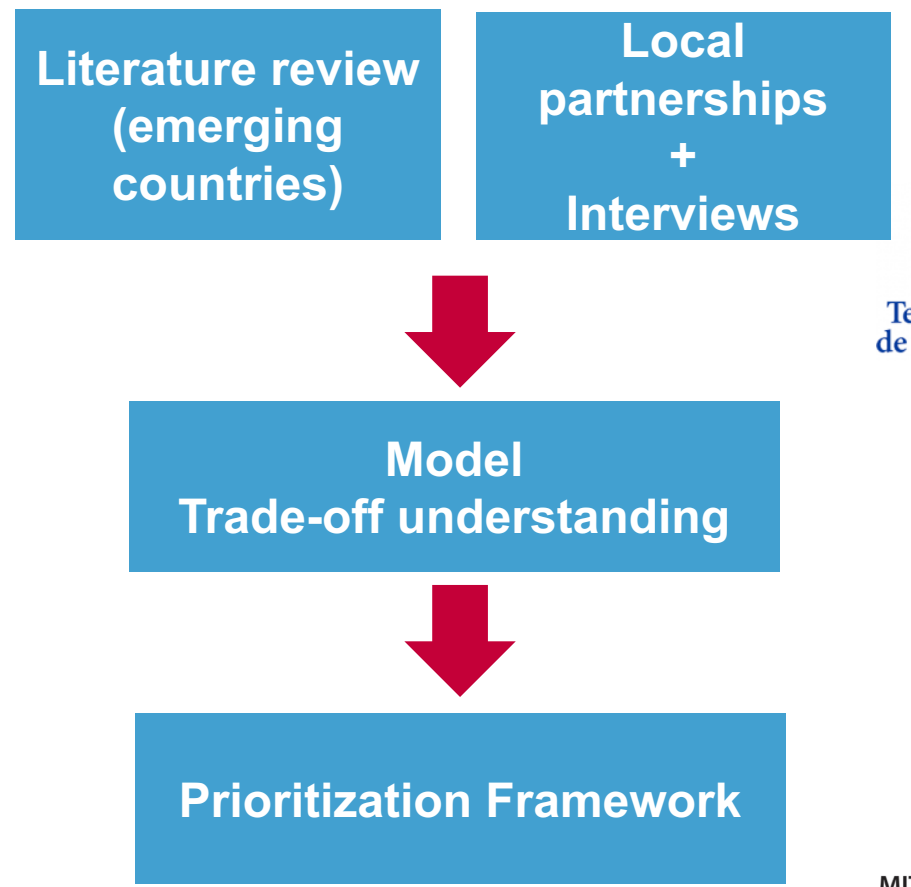
➔ **model**

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# A deeper understanding of the problem is more impactful than a new technology



METHODOLOGY



**data set**

# Deep dive into Mexico City companies' operations



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# Although growth leads to survival, not all the companies will grow



**Lack of business  
opportunity**



**Lack of ability to capture  
business opportunity**



**Firms are not competing in price, but in:**



**Product differentiation**



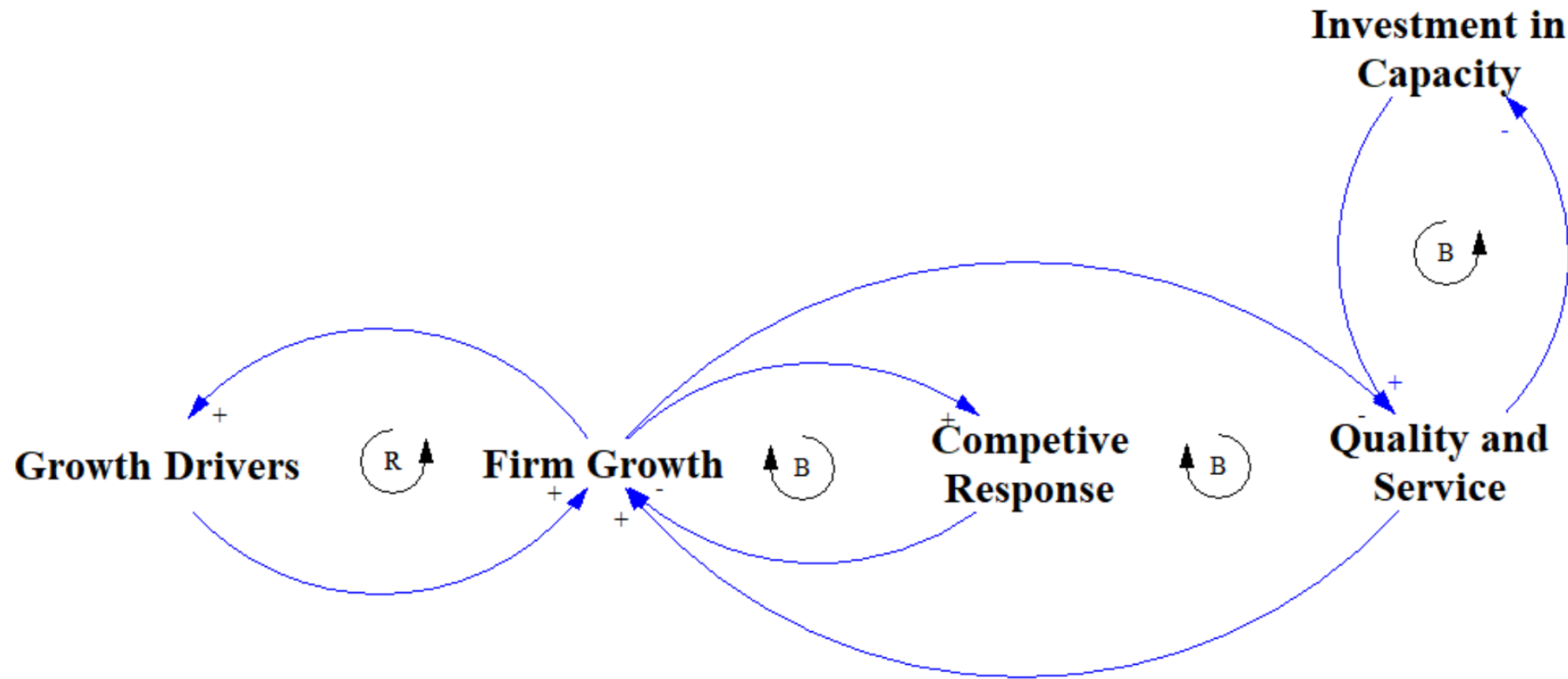
**Service differentiation**

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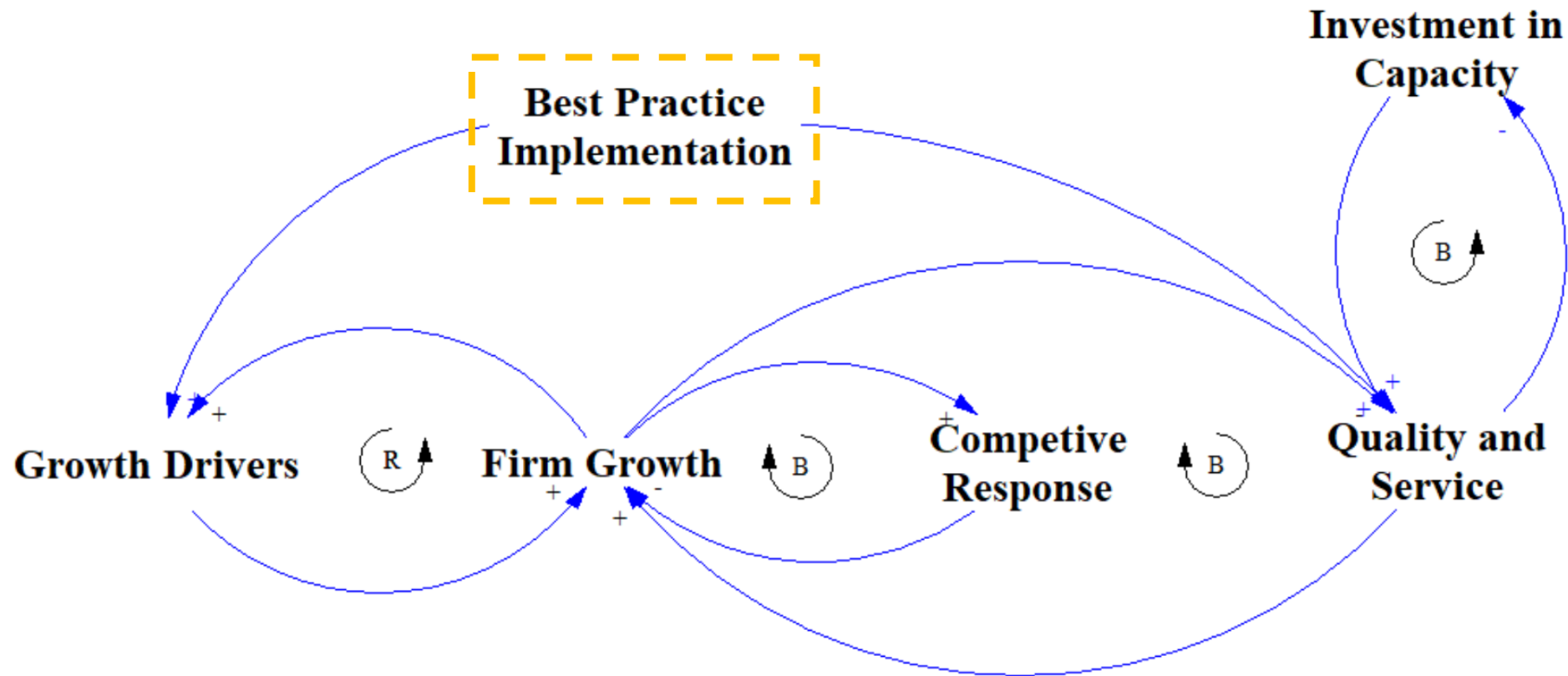


# Supply Chain practices can fuel growth through improving the quality of work



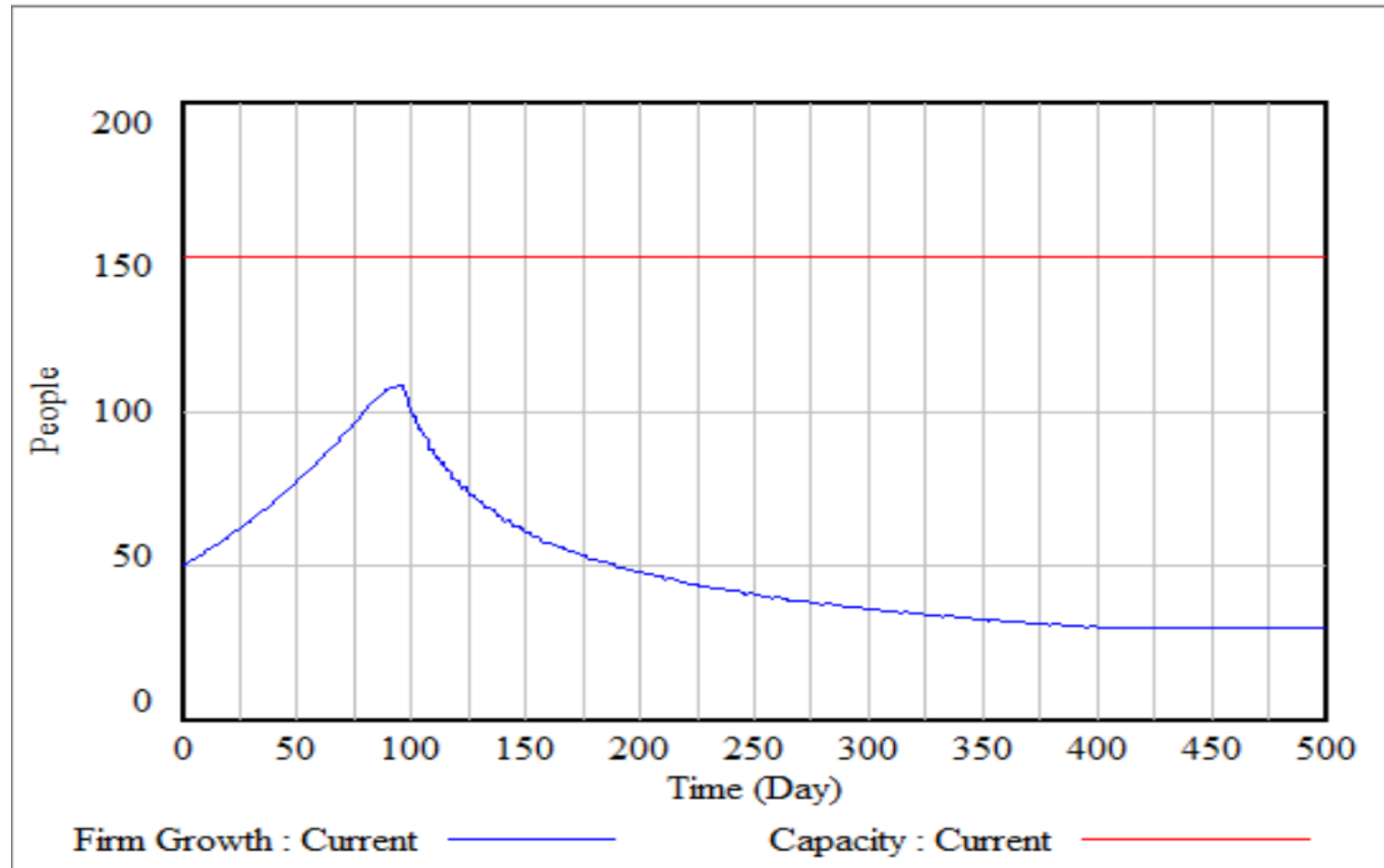
Based on Limits to Success model (Kim & Anderson, 2011)

# Supply Chain practices can fuel growth through improving the quality of work

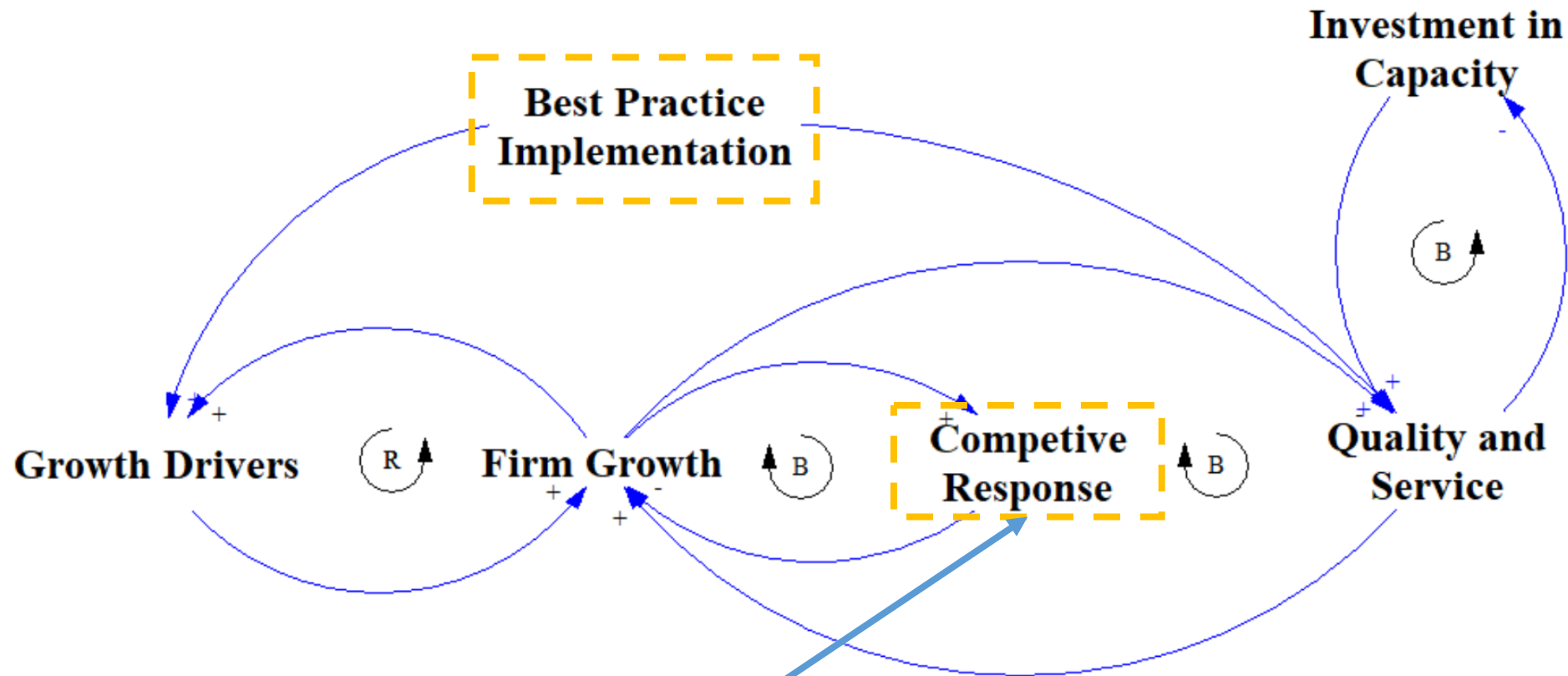


Based on Limits to Success model (Kim & Anderson, 2011)

# Supply Chain practices can fuel growth through improving the quality of work



# Supply Chain practices can fuel growth through improving the quality of work



In the small firm context,  
price competitive  
response is very high

Based on Limits to Success model (Kim & Anderson, 2011)

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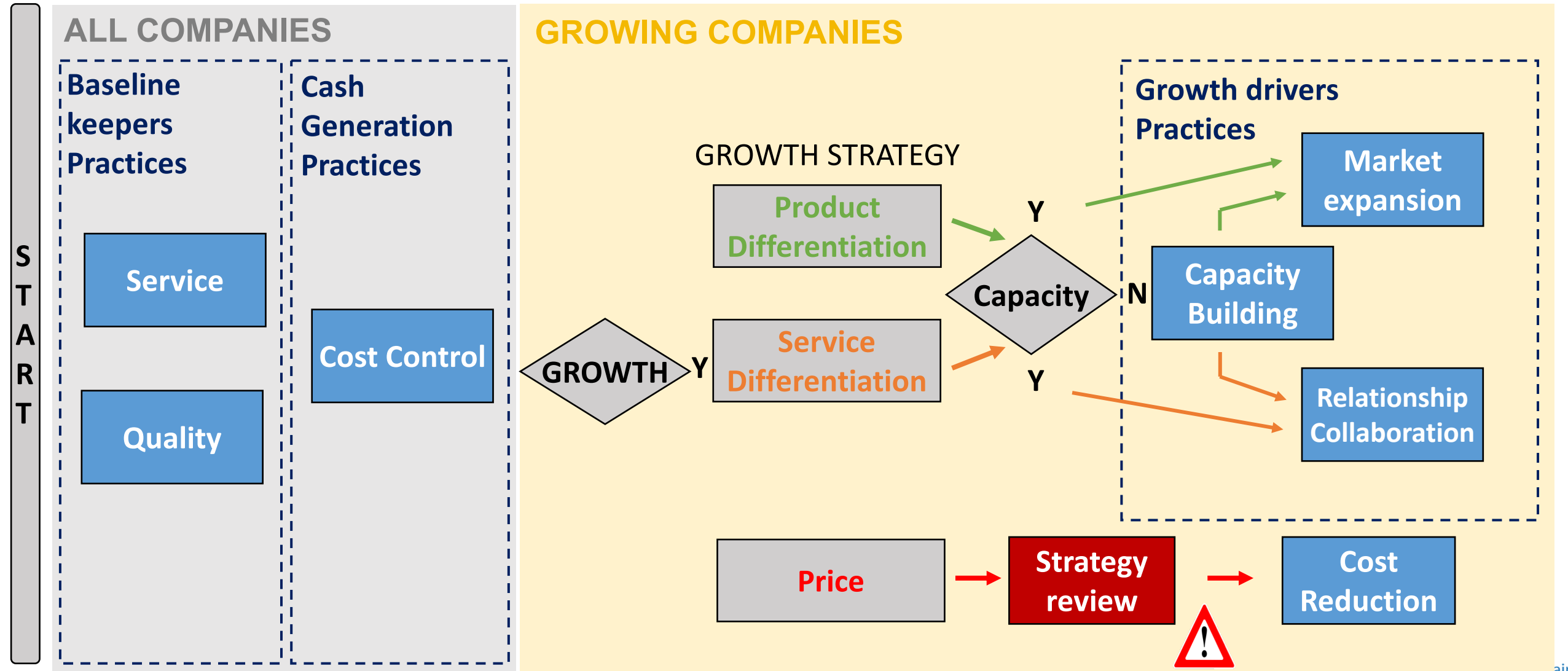
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# Supply chain activities were split into 7 categories to support the framework



# Service and quality are universal priorities for growing firms, capacity is key



- **Service and quality are universal priorities and keep firms baseline**
- **For growing firms, capacity is key**
- **Once capacity is built, firms should focus on:**
  - **Market expansion – new customers**
  - **Customer collaboration – new sales**