

## **DEFINING THE CONCEPT OF SUPPLY CHAIN MANAGEMENT AND ITS RELEVANCE TO ROMANIAN ACADEMICS AND PRACTITIONERS**

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### **Abstract**

The purpose of this paper is to describe an extended approach to supply chain management by exploring some of the more prevalent Supply Chain Management definitions, frameworks and terminology. As regards the methodology of our study, should be noted that it was based on content analysis of the most important and popular definitions of the Supply Chain Management and associated terms, through a variety of secondary sources consisting of scientific papers and publications of professional organizations and practitioners.

In our undertaking, we pursued the study and analysis of the above-mentioned concept's definitions, to set conceptual delimitations meant to clarify the extent of the Supply Chain Management concept, in the vision of both theorists and practitioners, but also to identify criteria/attributes depending on which has been defined over the years by both academics and business representatives, in order to propose new ways of defining the concept. Moreover, based on Romanian literature as reference, we took into consideration the presentation of the ways in which the term "Supply Chain Management" from English language was adopted and adapted to the Romanian language, which allowed us to identify the proper manner of transposing and defining the concept in the Romanian literature.

**Keywords:** supply chain management, supply chain, conceptual framework, logistics.

**JEL Classification:** M11

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### **Introduction**

It is common knowledge that R.K. Oliver and M.D. Weber, two consultants in the field of logistics, introduced the concept of Supply Chain Management (SCM) in literature at the beginning of the 1980s. However, the research undergone in the field of integration and coordination of different functional units began long before the term SCM appeared. In literature, these research efforts could be identified in different fields such as logistics, marketing, organizational theory, management and operational research, through focused theoretical contributions, mentioned by Florea and Clipa (2001) such as: channel searching - W. Anderson, 1957; collaboration and cooperation - D. Bowersox, 1969; inventory

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location and control in production– distribution networks - F. Hanssmann, 1959; „bullwhip effect” in production-distribution systems - J. Forrester 1958; hierarchical production planning - A. Hax and H. Meal, 1975.

Theorists’ interest and practitioners’ concern regarding supply chain management have steadily increased since the 1980s, when firms found that they can no longer compete effectively isolated from their suppliers or other entities in the supply chain and saw the benefits of collaborative relationships within and beyond their own organization. Applicability of SCM has been widely researched in numerous application domains during the last decade and a number of definitions of supply chain management have been proposed in the literature.

Despite the popularity of SCM in academic and business environment, there remains considerable confusion regarding its meaning because, as indicated by Habib (2010), some authors defined SCM in operational terms involving the flow of raw materials and products, while some viewed it as a management philosophy and some others viewed it in terms of a management process or as integrated system. Authors (Cooper and Ellram, 1993) have even conceptualized SCM differently within the same article: on the one hand, as a management philosophy, and on the other as a form of integrated system. Such ambiguity suggests the need to examine the processes related to SCM more closely to clearly define the concept.

This article appears in the context of such an issue, focusing on the presentation of the most significant ideas in literature, completed with a series of personal opinions and contributions regarding the supply chain management. We are also aiming to identify a terminology suitable for the new economic reality, for which, however, the processes of developing and shaping new adequate paradigms and cognitive models are not yet completed, given the fact that in academia there is ongoing debate as to what actually constitutes SCM or even whether the domain should be called SCM at all (Burgess, Singh, and Koroglu, 2006) and some scientific papers raises the issue of whether it is more appropriate to frame SCM conceptually as a discipline, as a domain of practice, or as an entity combining these two approaches (Dwyer, 2010). In our paper we seek out the answers to these questions. For that purpose, we analyzed various theoretical approaches and conceptualizations of the term, using secondary sources such as scientific papers, academic journals and publications of professional organizations and associations of business representatives, and we identified the ways of defining the supply chain management (and the associated concepts) and the terminology used by both academics and practitioners.

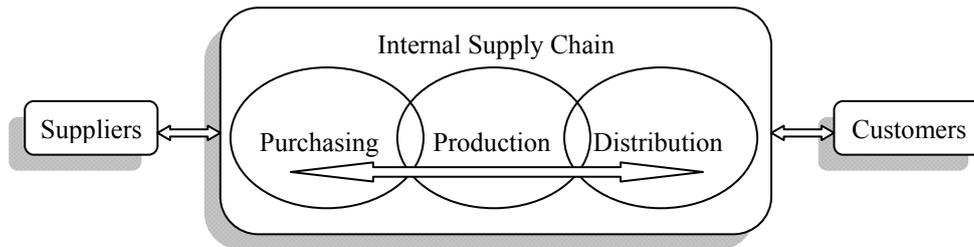
### **1. Supply Chain – definitions and models**

The concept of “supply chain” is well established in the literature and is generally referred to as the alignment of firms that bring products or services to market (Lambert, Stock and Ellram, 1998). The supply chain includes manufacturer, suppliers, transporters, warehouses, wholesalers, retailers, other intermediaries and even customers themselves. Any product traded on the consumer goods market, in its evolution from raw material to finished products, undergoes a series of successive transactions on the business to business market. For example, when a final consumer purchases a bottle of Coca Cola, he/she does not buy directly from Coca Cola, but from an intermediary (for example the hypermarket or neighbourhood store) and the product goes through several transactions on the business to

business market on the circuit Coca-Cola – wholesaler – retailer – final consumer (Căescu and Dumitru, 2011). This is a supply chain.

Chopra and Meindl (2007, p.3) believes that “a supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request. Within each organization, such as a manufacturer, the supply chain includes all functions involved in receiving and filling a customer request. These functions include, but are not limited to, new product development, marketing, operations, distribution, finance, and customer service”.

Chen and Paulraj (2004) stated that a typical supply chain is a network of materials, information, and services processing links with the characteristics of supply, transformation and demand, as you can see in the figure below (Figure no.1):



**Figure no.1: An illustration of a company’s supply chain**

**Source:** Chen and Paulraj, 2004

There are three traditional stages in the supply chain: procurement, production and distribution. Each one of these stages may be composed of several facilities in different locations around the world (Thomas and Griffin, 1996). For example, in automotive industry assembly plants are located in others countries than suppliers of different components and distribution is worldwide.

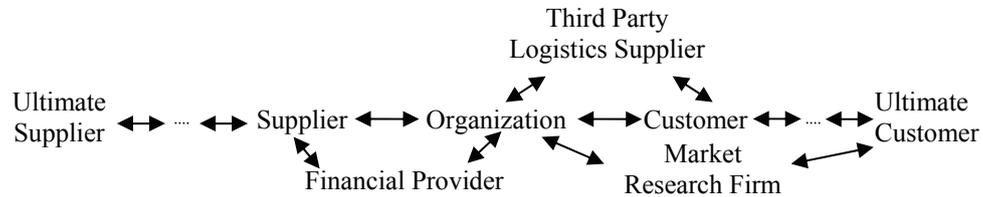
Mentzer et al. (2001, p. 4) describes a supply chain as “a set of three or more entities (organizations or individuals) directly involved in the upstream and downstream flows of products, services, finances, and/or information from a source to a customer”. According to Mentzer et al. (2001), there is three degrees of supply chain complexity: a “direct supply chain,” an “extended supply chain,” and an “ultimate supply chain” (Figure no.2). The direct supply chain consists of a central organization, its suppliers and its customers (Figure no.2a). In addition, the extended supply chain includes suppliers of the immediate supplier and customers of the immediate customer (Figure no.2b). The ultimate supply chain includes all organizations that are involved in all flows of products, services, finance, and information from the ultimate suppliers to the ultimate customers (Figure no. 2c). Also, the ultimate supply chain encompasses functional intermediaries such as market research firms, financial and logistics services providers.

Supplier ↔ Organization ↔ Customer

**Figure no. 2a: Direct Supply Chain**

Supplier's Supplier ↔ Supplier ↔ Organization ↔ Customer ↔ Customer's Customer

**Figure no. 2b: Extended Supply Chain**



**Figure no. 2c: Ultimate Supply Chain**

**Figure no. 2: Types of Channel Relationships**

Source: Mentzer et al., 2001

The supply chain can have different degrees of complexity related to the numbers of members and the variety of business process, but always there is a central organization. This organisation can manage the entire supply chain or not and even the supply chain is not managed, the supply chain - as a phenomenon of business -still exists (Mentzer et al., 2001).

Ayers (2001 p. 4) suggest that a supply chain is: “Life cycle processes comprising physical, information, financial, and knowledge flows whose purpose is to satisfy end-user requirements with products and services from multiple linked suppliers”. According to this definition, the supply chain encompasses processes that cover a broad range of activities including sourcing, manufacturing, transporting, and selling physical products and services. Life cycle refers to both the market life cycle and the usage life cycle and these are not the same for durable goods and services. Therefore, product support after the sale becomes an important supply chain component (Ayers, 2001).

An integrated supply chain model can generally containing three interrelated flows: material flows (which has itself three different stages (purchasing, transformation and distribution), informational flows (electronic data exchange or website linkages) and the financial flow (which include the payment to suppliers and subcontractors for the goods and services and the payment by the customer to retailer for the final product) (Waller, 2003). Obviously, the physical distribution is a critical part of supply chains and information and financial components are as important as physical flow in many supply chains. In addition, we have to underline the role of knowledge inputs into supply chain processes. For example, the supply chain process for new products requires close coordination of intellectual inputs (the design) with physical inputs (components, prototypes etc.).

The flows direction in the supply chain is not only forward, from first supplier to final customer. Goods can flow back up the supply chain for different reasons such as service or repair, remanufacturing, recycling or disposal. The reverse chain can play an important role

in areas such customer satisfaction, recycling and environmental protection. Reverse logistics refers to a set of programs or competencies aimed at moving products in the reverse direction in the supply chain (i.e., from consumer to producer) and related activities may include handling product returns, recycling, reuse of materials, waste disposal, refurbishing or remanufacturing (Moise, 2008, p.198).

Finally, we must note that a supply chain have multiple linked suppliers. There are a large number of different configurations for supply chain. Some are very short and simple, such a small grocery buying vegetables directly from the farmer and the others are long and complicated like a fish cannery that source from fishermen and sell the products through a retail network. Increasingly more companies' coordinates in both upstream and downstream echelons in a supply network the material and information flows among a number of different suppliers, manufacturers and distributors (Seifbarghy and Gilkalayeh, 2012).

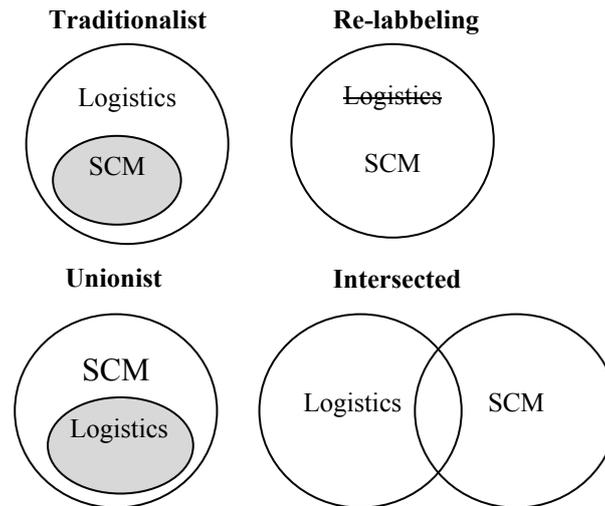
## **2. Critical Review of Supply Chain Management Definitions and Terminology**

As we shown in previous section, the supply chain consists of all the activities and process associated with the flow of goods and information from the raw material stage to the end consumer of the product/service. The integration of activities and processes among the members of the supply chain is frequently referred to as Supply Chain Management (Handfield and Nichols, 2003).

The field of Supply Chain Management (SCM) was born to manage the flow of information, products and service across a network of customers, enterprises and supply chain partners. (Russel and Taylor, 2009) and since its introduction as a concept in the 1980s, supply chain management has undergone significant changes and extensions.

Many authors attribute the foundations of SCM to the historical evolution of the logistics function and several consider that SCM and logistics are synonym. Waters (2008, p. 38) states that "Logistics - or supply chain management - is the function responsible for the transport and storage of materials on their journey from original suppliers, through intermediate operations, and to final customers". Even if SCM consist of logistics management activities, however, there is a difference between the concept of supply chain management and the traditional concept of logistics. Logistics is the management function responsible for all movement of materials within the boundaries of a single organization while SCM takes a broader view of movement through all related organization that form the supply chain. Supply chain management acknowledges all of traditional logistics and also includes activities such as marketing, new product development, finance and customer service (Hugos, 2006)

Larsson and Halldorsson (2004) identify four conceptual approaches on SCM versus logistics: traditionalist, re-labelling, unionist and intersected as you can see in the figure below (Figure no.3):



**Figure no. 3: Perspectives on SCM versus Logistics**

**Source:** Larsson and Halldorsson, 2004

The *traditionalist* school view SCM as a part of logistics, along the lines of external or inter-organizational logistics. The *re-labelling* perspective simply renames logistics: what was logistics is now SCM. According to the *unionist* view, logistics is a part of SCM, limiting logistics to one of many business processes or areas. The *intersection* perspective show that SCM is a broad strategy that cuts across many if not all business areas where logistics covers the operational decisions, SCM is related with strategic decision, and tactical decisions fall to the intersection.

On the other hand, Ballou, Gilbert and Mukherjee (2000) identify three dimensions of SCM, as follows: intra-functional dimension (regarding the management of activities and processes within logistics as a function of the company), inter-functional coordination (refers to the coordination of activities (pertaining to certain functions) between the functional areas of the company) and inter-organizational coordination (concerning the coordination of the chain of activities taking place between legally distinctive companies, in compliance with the product flow).

Thereby, over the past 30 years, the concept of Supply Chain Management (SCM) has been explored by various researchers and practitioners. In the next table (Table no.1) we synthesized the conceptual evolution regarding supply chain management through several definitions and concepts of SCM from its introduction until today.

**Table no.1: Definitions and Concepts of Supply Chain Management**

<b>Author(s)</b>	<b>Definitions</b>
Oliver and Webber (1982).	“Supply chain management (SCM) is the process of planning, implementing, and controlling the operations of the supply chain with the purpose to satisfy customer requirements as efficiently as possible. Supply chain management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point-of-origin to point-of-consumption.”
Tan, Kannan and Handfield (1998)	“Supply chain management encompasses materials/supply management from the supply of basic raw materials to final product (and possible recycling and re-use). Supply chain management focuses on how firms utilise their suppliers' processes, technology and capability to enhance competitive advantage.”
Bowersox, Closs and Cooper (2002)	“Supply chain (sometimes called the value chain or demand chain) management consists of firms collaborating to leverage strategic positioning and to improve operating efficiency. For each firm involved, the supply chain relationship reflects strategic choice. A supply chain strategy is a channel arrangement based on acknowledged dependency and relationship management. Supply chain operations require managerial processes that span across functional areas within individual firms and link trading partners and customers across organizational boundaries.”
Sweeney (2007)	“Supply Chain Management is the systemic, strategic coordination of the traditional business function and tactics across these business functions within a particular company and across business within the supply chain, for the purpose of improving the long term performance of the individual companies and the supply chain as a whole.”
Krajewski, Ritzman and Malhotra (2007)	“Supply Chain Management consists of developing a strategy to organize, control and motivate the resources involved in the flow of services and materials within the supply chain.”
Bozarth and Handfield (2008)	“Supply Chain Management is the active management of supply chain activities and relationships in order to maximize customer value and achieve a sustainable competitive advantage.”
Simchi-Levi, Kaminsky and Simchi-Levi (2008)	“Supply Chain Management is a set of approaches utilized to efficiently integrate suppliers, manufacturers, warehouses, and stores, so that merchandise is produced and distributed at the right quantity, to the right locations, and at the right time, in order to minimize system wide costs while satisfying service level requirements.”
Wisner, Tan and Leong (2012)	“Supply chain management is the integration of trading partners' key business processes from initial raw material extraction to the final or end customer, including all intermediate processing, transportation and storage activities and final sale to the end product customer.”

Analyzing the definitions in Table no.1, we identified a number of key concepts and derived concepts used to explain the term SCM:

- the key concepts are the following: planning, implementing, controlling, business processes, customer requirements, processing, movement, storage, point-of-origin, point-of-consumption, relationship, integration, logistics activities, coordination, managerial processes, collaboration, organizing, , motivating, customer value, competitive advantage, suppliers, manufacturers, warehouses, stores, costs, service level, business function, performance, transportation;

- the derived concepts are the following: operations, efficiently, raw materials, work-in-process inventory, finished goods, sharing data, systemic, strategic, sustainable, long term, right quantity, to the right locations, and at the right time.

The examination of definitions, key and derived concepts resulted in the identification of four major criteria: management activities; logistics activities, objective and components. Within each criteria we have grouped the most significant key and derived concepts and we presented definition of SCM related to each criteria (Table no. 2).

**Table no.2: The four major criteria of Supply Chain Management concept**

Criteria	Concepts	Definition
1. Management activities	<i>Key Concepts:</i> planning, organizing, implementing, motivating, controlling <i>Derived Concepts:</i> goods, services, efficiency	SCM consist in planning organizing, implementing, motivating and controlling efficiently of all the activities involved in movement of goods and services from the first supplier to the ultimate customer.
2. Logistics activities	<i>Key Concepts:</i> transportation, processing, storage <i>Derived Concepts:</i> raw materials, work-in-process inventory, finished goods	SCM includes transportation, processing and storage of raw materials, work-in-process inventory and finished goods from initial extraction stage to the final customer.
3. Objectives	<i>Key Concepts:</i> value, customer requirements, trust, competitive advantage, relationships <i>Derived Concepts:</i> sustainable, long term	SCM include a number of value-added processes designed to satisfy customer requirements, to establish a long term relationships, to build the trust among the supply chain partners and to achieve a sustainable competitive advantage.
4. Components	<i>Key Concepts:</i> suppliers, manufacturers, warehouses, stores <i>Derived Concepts:</i> products, services	SCM encompasses suppliers, manufacturers, warehouses, stores and other intermediaries that are involved in the movement of products and services from point-of-origin to point-of-consumption.

Analysis of SCM literature reveal that there are many views of supply chain management, but academic textbooks and researchers in the field of logistics and supply chain management typically adopt the Council of Supply Chain Management Professionals (CSCMP) definition, namely: "Supply Chain Management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities."

Another organization recognized in the field, namely the Global Supply Chain Forum (GSCF) states that SCM is a new business model necessary for an organization's success and everyone in the organization needs to be involved. According to the GSCF definition, after Lambert, Cooper and Pagh (1998, p.1), „Supply Chain Management is the integration of key business processes from end user through original suppliers that provides products, services, and information that add value for customers and stakeholders.” The definition from APICS - Association for Operations Management take into considerations the same coordinates as GSCF; for APICS, SCM refers to „the design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, synchronizing supply with demand, and measuring performance globally.”

Also, for the Chartered Institute of Purchasing & Supply, SCM is „the management of all activities aimed at satisfying the end consumer, as such it covers almost all activity within the organisation; it includes a number of key success factors that include a clear procurement strategy, effective control systems, and development of expertise” and for Logistics & Supply Chain Management Society, the same concept refers to „a business strategy to improve shareholder and customer value by optimizing the flow of products, services and related information from source to customer and encompasses the processes of creating and fulfilling the market’s demand for goods and services. It is a set of business processes engaged in a common goal of satisfying the end customer.” Also, CIO (business unit of International Data Group) Dictionary, compiled by T. Wailgum and B. Worthen (2008) expresses the essence of SCM concept, defining the term in this way: „the combination of art and science that goes into improving the way company finds the raw components it needs to make a product/service and deliver it to customers.”

Therefore, we can say that for practitioners SCM represents and reflects an holistic approach to the operation of the organisation, and for theorists SCM is a melting pot of various disciplines, with influences from logistics, transportation, operations management, distribution, marketing, as well as purchasing and information technology (IT). In most theoretical approaches we have studied, SCM seems to be defined as a concept that involves coordinating and integrating all the activities involved in delivering a product (including activities regarding supply raw materials and spare parts, manufacturing, tracking and assembly processes, warehousing and inventory, order entry and order management, distribution across all channels, delivery to the customer, and the information systems necessary to monitor all of these), while practitioners usually focused in their definitions on some Supply Chain Management objectives, like embedment the activities across and within organizations in such a way as to provide value to customer, increasing client satisfaction, determine improving operations, increasing profits, reducing cost, reducing response time in various activities involved in the supply, manufacturing and delivering chain, tackling competitive pressures, better exploitation of the opportunities of globalization. Considering the main criteria for defining Supply Chain Management presented in the Table no. 2, we can say that the practitioners’ definitions are drawn mainly from the perspective of the goals and management activities.

### **3. Exploring the concept of Supply Chain Management in Romanian literature**

In Romanian literature, many other terms were and are still used for the concept of “supply chain”. Although the issue of translating and of the significance of this concept in Romanian was rarely taken into discussion by Romanian specialists, a recent study (Butilc, Crişan, Salanţă and Ilieş, 2011) regarding adopting and adapting this term to Romanian language, showed that:

- there is no uniform designation for “supply chain” and “supply chain management” in Romania, observing not only the lack of standardization and correlation between the work of multiple authors, as well as the use of different terms in the work of the same authors;
- variation (regarding the terms used in Romanian language for translation from English language) does not take into account the geographical area of origin nor the affiliation to academic or business environment of the authors;

- there is an almost general mistake in understanding the term, especially from practitioners, insisting on the logistics side of it.

The same study showed that adopting the terms of SC and SCM to Romanian was done in two different ways: the first way was by not translating the term in Romanian, keeping its Anglo-Saxon form (we find this form more in the case of practitioners than of theoreticians, appearing as such more frequently in the presentations of the specialists in the field than in scientific books or articles) and the second form supposes finding corresponding terms for SC and SCM and adapting these terms depending on the context used and the researcher's experience. Regarding this second situation and coming to complete the above mentioned study, we will now present the most commonly used terms and their way of being defined in Romanian literature, as follows:

- "lanț de aprovizionare" (in an approximate translation in English, this means "procurement chain") is a term frequently used in Romanian literature. According to Lupșe and Cosma (2006, p.120), a general definition of this concept refers to "all suppliers, production facilities, distribution centres, warehouses and clients, along with raw materials, the stock of prefabricated products and the stock of end products and all resources and information involved in answering client demands". According to the same authors, synonyms are: "rețea logistică" ("logistics network") and "rețea de aprovizionare" („supply network"). The same term, "lanț de aprovizionare", is found in the works of other specialists, such as Pelău (2007) and Amancei (2009). In the same context, the term "aprovizionare" ("procurement" or "supply") is found in the Romanian literature followed by other key words, such as "livrare" ("delivery"), "furnizare" ("provision") or "desfacere" ("sale"). For example, authors Fotache and Hurbean (2006, p.75) believes that "supply chain management" is the term found in Romanian literature as "managementul lanțului de aprovizionare-desfacere" ("supply-sale chain management") or "managementul lanțului de distribuție" ("distribution chain management") and mainly refers to the "optimization and automation of all economic processes taking place in a company, from supply with raw materials and materials, to the processes of production, transport and distribution of end products". According to the same authors, supply chain management allows the management of the company's extensive processes, integrates both internal and external processes, ensures flexibility and transparency in operation, from the phase of supply with raw materials and materials needed in the production, up to the delivery to the final consumer. The term of "supply chain" is replaced by "lanț de aprovizionare-furnizare" ("supply-provision chain"), in the works of Mocuța (2009) or "lanț de aprovizionare-livrare" ("supply-delivery chain") in the works of other specialists, such as Bălan (2007). Moreover, Burda (2009) considers "lanțul de aprovizionare-livrare" ("the supply-delivery chain") a complex logistic system where raw materials are transformed into end products and delivered to end users/consumers";

- "lanț de distribuție" ("distribution chain") is a term used, for example, in a definition offered by another specialist, Roceanu (2003, p.3), for whom „supply chain management represents the management of the distribution chain ("lanț de distribuție") and refers to the practice of coordinating the flow of assets, services, information and finance going from suppliers (raw materials and components) to producers and sellers (direct or distributors) and, finally, to clients. This process includes generating orders, receiving orders, following orders, efficient and on time delivery of goods and services. Moreover, Popa (2009) uses as synonyms the concepts of "managementul lanțului de distribuție" ("distribution chain

management”) and “managementul lanțului de distribuție/aprovizionare” (“distribution/procurement chain management”), considering that “supply chain management” refers to the strategies and activities associated to “lanțul de distribuție” (“distribution chain”) and this chain includes all organizations and processes that relate to products and services from the perspective of the buying company and typically covers anything referring to raw materials and ingredients up to the moment of consumption;

- “lanțul logistic” (“logistics/supply chain”) is also accepted as translation in Romanian of the concept of „supply chain” and it is also found in many of the handbooks of specialty courses in the Romanian university study programs (such as Babeș-Bolyai University in Cluj-Napoca, West University in Timișoara or Academy of Economic Studies in Bucharest). For example, Ilieș (2006, p.98) believes that the “supply chain” (“lanțul logistic”) (which, admits the author, is known in literature as “lanțul aprovizionării, lanțul furnizării or lanțul livrării” – “procurement/supply chain, provision chain or delivery chain”), includes “all activities making up the flow and transformation of goods, from the stage of raw materials to end consumers or users, as well as the associated information flows, and can also include companies specialized in logistics services, including non-operator third parties”, while, the author notices, the so-called “management al lanțului logistic” (“logistics/supply chain management”) means “systemic and strategic coordination of traditional functions and policies related to these functions inside a company and between different companies in the logistic chain, aiming at improving long-term performances of companies taken individually and of the logistic chain in general”. We find the same vision in the case of other theoreticians, such as Putz and Bîzoi (2010), for whom “managementul lanțului logistic” (“logistics/supply chain management”) supposes coordination and management of all activities involved in reaching optimum performance of the logistic chain, the latter being considered an economic process linking suppliers, producers, warehouses, logistics, distributors and end clients and has the form of an integrated collection of skills and resources whose aim is service and product delivery to clients. Moreover, in the works of other Romanian authors (Vasilu, Felea, Mărunțelu (Albăstroiu), Caraiani, 2008), the concept of “lanț logistic” (“supply chain”) combines all processes developed in a single homogenous chain from the supplier, producer, seller, to the client and represents the improvement of flow management coming from the “supplier of the supplier” to the “client of the client”. The transition from the logistics approach as internal enterprise activity, most often with operational goals, to logistics approach as supply chain form, implies that inherent decisions of the organization will interact with these of other external entities (clients, suppliers, service providers etc.) with which that firm interferes in its quality of opened structure and the problem is to synchronize the enterprise flows with those of entities with which it interacts (Vasilu, 2008);

- “lanțul ofertei” (“offer/supply chain”) is the term considered by other theoreticians as being the most appropriate translation in Romanian of the „supply chain” concept. Butilc, Crișan, Salanță and Ilieș (2011) considers that when the term is not used in English, many times the term “supply” is mistranslated into Romanian because in this context, “supply” means “oferta” (“offer”), not “aprovizionare” (“procurement”) and in these conditions “supply” can be defined as the offer created by the members of a chain. For the above reasons, the authors believe that “managementul lanțului ofertei” (“offer/supply chain management”) is the best form of translating this term, as it includes processes regarding the research-development activity, marketing, production management, logistic

management, innovation management, sale management, client service management. In another work written by a Romanian author in collaboration with other two foreign specialists (Glaser-Segura, Anghel and Tucci, 2006, p.18), it is considered that “managementul lanțului de ofertă” (“offer/supply chain management”), defined as “a construction of productive systems exceeding organizational boundaries with suppliers and clients and integrated in systems based on human capacity and information techniques in order to satisfy the customer’s demands”.

It is important to mention that, in different press articles, glossaries or presentations of practitioners in Romania, there are also other forms of translating into Romanian the term “supply chain”. For example, “lanț de aprovizionare și producție” (“supply/procurement and production chain”), “lanț de distribuție-aprovizionare” (“distribution-supply/procurement chain”) or “proces de aprovizionare și livrare” (“supply and delivery process”).

Considering the above, we believe that the proper manner of transposing in Romanian literature may also be that using the term “supply chain” in English, which is already known and widely used (in fact, this formulation is used by ARILOG - Romanian Association of Logistics, member of the European Logistics Association, involved in the promotion and development of science and techniques of logistics in Romanian companies), but also finding and using a corresponding term by translating it into Romanian. In this sense, the term that we consider appropriate is “lanț logistic” (“supply chain”). We do not believe appropriate reducing the significance of the concept to the procurement activity (because, for example, logistic service providers 3PL and 4PL can coordinate the logistic chain without doing the procurement/supply) or to the distribution activity (because the companies in the 4 PL categories specially created to manage logistic chains do not really distribute anything). In our vision, the “lanț logistic” (“supply chain”) is a comprehensive term, is a coordinated system of organizations, people, activities, processes, information and other types of resources involved in physically or virtually moving a product from the supplier to the client. “Lanț logistic” (“supply chain”) represents several legally separated entities, including the final client/customer, who contributes to the creation of a product with the aim of improving chain competitiveness, as a whole.

Take into consideration the definitions, terminology and concepts related to supply chain management that we analyzed in this paper, we present our own definition of this concept:

*Supply Chain Management consist of planning organizing, implementing, motivating and controlling efficiently all the of activities involving transportation, processing and storage of raw materials, work-in-process inventory and finished goods from original suppliers, through warehouses, production facilities, stores and other intermediaries to the final customers in order to satisfy customer requirements and achieve a competitive advantage by adding value to products/ services.*

## Conclusions

In view of our analysis regarding SCM conceptual framework, based on secondary data form research papers of theoretician and practitioners from Romania and abroad, we concluded that managing a supply chain includes activities such as material sourcing, production scheduling, and the physical distribution system, supported by the necessary information flows. Moreover, Supply Chain Management involves challenges such as

building trust, exchanging information on market needs, developing new products and satisfying customers' requirements as efficiently as possible. Considering the controversy in the literature presented in the introduction of this paper, we appreciate that our analysis has shown that SCM is both a subject and a practice field. We also consider that our study contributes to the development of the conceptual framework by identifying attributes (key concepts and derived concept) whereby supply chain management operates both in academia and in practice, but also by determining the proper manner of transposing and defining the concept in the Romanian literature.

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