The Customer-Supplier Relationships in Supply Chain Management: A Small Manufacturing Enterprise (SME) Perspective

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ABSTRACT Customer-supplier relationship (CSR) is deemed vital in supply chain management (SCM) processes; well researched, received, understood and practised in large corporations. Sadly, SME’s face a major challenge of benefiting from the concept. This is an exploratory study followed by observations from purposively selected SMEs manufacturing firms. This paper discusses the significance and impact of the relationship in a SCM operation and its success towards the attainment of 'Just in Time' (JIT) production in the small manufacturing enterprises (SMEs) sector. Literature reveals that SMEs do not have the negotiating power over their suppliers due to orders being on a smaller scale than those of large entities, and as a result it is difficult to operate a JIT system. Some measures which are significant to product quality and cost effectiveness must be put in place before the implementation of JIT in order to attain a successful SCM operation.