

Rationale and Recommended Response for Improving Efficiency: agro-industries operations management

Planning and controlling procurement, production, quality and distribution is a highly challenging task in agro-industry, which is typically characterized by multiple small suppliers of raw materials and the perishability, seasonality and variability of these inputs. Agro-processors can, however, achieve significant efficiencies through the introduction of the operations management techniques.

Most large agro-processors in developing countries have already adopted advanced planning and control methods. They have achieved greater efficiency in supply chain management, processing, logistics and distribution and in the management of inter-firm relationships. Such techniques have also enabled them to respond more effectively than previously to changing consumer requirements.

The same cannot be said for most small and medium-sized agro-industrial enterprises in developing countries. They have generally failed to streamline their operations. As a consequence their competitive position has, in many instances, deteriorated despite the fact that information and communications technology (ICT) is now readily available in most countries.

The public sector cannot be responsible for ensuring greater efficiency among small and medium-sized agro-processors. It can, nevertheless, play a useful, even instrumental, role through:

- Awareness building and information provision
- Specialized training, focusing on enterprise managers
- On-site training and advisory support at the company level

Such programmes should be delivered within the framework of a national competitiveness strategy, which focuses on operations management in general and on small and medium-sized enterprises in particular. Adaptations will be required to meet the special circumstances of agro-industry.

Focus of the Debate

Do you agree with the proposition statement? Please discuss.