

**EFFECT OF SUPPLIER ON THE UPSTREAM, INTERNAL OPERATIONS AND
DOWNSTREAM ACTIVITIES OF AI UROOS HOTEL**



Supervised By:

MISS AQSA AMIR

Submitted by:

Badee Uz Zaman

01-122132-013

Ahmer Waqar

01-122132-004

A project submitted as a partial requirement for the award of the Degree of
Master of Business Administration

Department of Management Sciences

Bahria Institute of Management & Computer Sciences

Bahria University Islamabad

2015

Bahria Institute of Management and Computer Sciences

Department of Management Sciences

Abstract

The ultimate goals and objective of a commercial service benefactor is to deliver the premium quality service to their customers, full fill their need through most effective and efficient way and retain their profit margin. For achieving these goals and objectives company have to effectively manage their whole supply chain starting from the upstream supplier to the downstream customer. This concept is initially started in the manufacturing sector but with the passage of time it is adopted by the service sector especially the hospitality companies specifically the hotels. Hotels , as hospitality business should have proper control on their supply chain activates of the supply chain management system so that their system give the results by satisfying their customers ,please their guests and make them to visit their hotel again which ultimately result in maximization of the profit. There is lack of research available on this particular subject supply chain management of the hotels and almost none for the third world countries like Pakistan.

The objective of our project is to provide the deep knowledge and understanding of the supply chain management of the hotels by presenting the relationship between the different components which are upstream which involve the suppliers, the internal operations of the hotels and the downstream which involve the customers of a three star hotel of Pakistan. Our study's main focus is to find the relation of suppliers which are the upstream of the supply chain with the (internal operation and activities) and with the customers which are the downstream of the hotel. The research took the qualitative approach, observation and interview for the data collection.

Table of Contents

| | |
|--|-----------|
| Chapter 1 | 5 |
| 1. Introduction..... | 5 |
| 1.1. Introduction to SCM..... | 6 |
| 1.2. History of Hotels in Pakistan | 7 |
| 1.3. Types of Hotels | 8 |
| 1.3.1. Commercial Hotels | 8 |
| 1.3.2. Airport Hotels | 8 |
| 1.3.3. Conference hotels..... | 8 |
| 1.3.4. Economy Hotels..... | 8 |
| 1.3.5. Private Hotels..... | 8 |
| 1.3.6. Resort Hotels..... | 8 |
| 1.4. Al-Aroos Hotel Introduction | 9 |
| 1.5. Vision Mission Statement of Al Uroos | 10 |
| 1.6. Problem Statement | 10 |
| 1.7. Objectives of Study | 10 |
| 1.8. Scope of Study | 10 |
| 1.9. Limitations of Study..... | 10 |
| Chapter 2 | 11 |
| 2. Literature Review..... | 11 |
| 2.1. Supply Chain Management | 11 |
| 2.2. Supply Chain Management in the Service Industry | 14 |
| 2.3. Supply Chain Management in the Hospitality and Hotel Industry | 16 |
| 2.4. Internal Operations | 25 |
| 2.5. Customer Relationship Management | 31 |
| 2.6. Green Supply Chain Management | 33 |

| | |
|---|-----------|
| Chapter 3 | 36 |
| 3. Methodology..... | 36 |
| 3.1. The Purpose of Research..... | 36 |
| 3.2. Research Structure..... | 36 |
| 3.3. Research approach..... | 36 |
| 3.3.1. Data collection | 37 |
| 3.3.2. Sample Selection..... | 37 |
| Chapter 4 | 38 |
| 4. Al Uroos Hotel as Research Study..... | 38 |
| 4.1. How the supply chain management system of a hotel is effected by the relationship with suppliers | 38 |
| 4.2. How the internal operation of a hotel is effected by the relationship with suppliers?..... | 40 |
| 4.3. How the hotel's customers is effected by the relationship with suppliers..... | 41 |
| Chapter 5 | 42 |
| 5. Data Analysis | 42 |
| 5.1. How the supply chain management system of a hotel is effected by the relationship with suppliers? | 42 |
| 5.2. How the internal operation of a hotel is effected by the relationship with suppliers?..... | 42 |
| 5.3. How the hotel's customers is effected by the relationship with suppliers? | 44 |
| Chapter 6 | 45 |
| 6. Findings and Conclusion..... | 45 |
| 6.1. How the supply chain management system of a hotel is effected by the relationship with suppliers ? | 45 |
| 6.2. How the internal operation of a hotel is effected by the relationship with suppliers?..... | 46 |
| 6.3. How the hotel's customers is effected by the relationship with suppliers? | 46 |

| | |
|--|----|
| 6.4. Recommendations for Future Research | 47 |
|--|----|

List of Figures

| | |
|---|----|
| Diagram 1: Inputs which Creating Output (Waters, 2000)..... | 14 |
| Diagram 2: collaboration with Hotel's Supplies chain (Díaz et al., 2002). | 19 |
| Diagram 3: Procurement Activities (Lancioni, 1998)..... | 21 |
| Diagram 4: E-procurement's purchasing activates Association (Kothari et al., 2004) | 24 |
| Diagram 5: Component of inner SC (Paraskevas, 2001, 253)..... | 26 |
| Diagram 6: usage of client orientation inside of hotel internal SC (Paraskevas, 2001) | 27 |