OPERATIONS & TECHNOLOGY STRATEGIES
OF
FURNITURE INDUSTRY IN SRI-LANKA

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Abstract

This paper describes findings based on an exploration of formation of strategic groups, operations strategies and technology strategies of furniture industry in Sri Lanka. Presently, the majority of the local furniture market is dominated by only a few players, while fierce global competition creep through back curtains of small and medium scale manufacturers around the country. Though this study was aimed at finding operations strategies and technology strategies, due to its dynamic nature some aspects of business strategies has also been focused and a framework has also been depicted, linking those business and manufacturing strategies.

40 local furniture manufacturer companies were selected for the survey with a very good response rate of 80%. In the process comparisons were made with the other studies as well, in particular with U.S. and China, to identify our manufacturing strengths. For the statistical analysis of group formations, the SPSS cluster analysis techniques were used.

In the study, strategic group formation in the local Furniture Industry was analyzed and the formation of two major clusters possessing marketing and product aspects were found.

The analysis of operations strategy stages indicated existence of three major stages and their key action programmes were found to be CAD, Customer Relations and new Product Developments. Their effectiveness in the industry has been shown to relate positively to the operations strategies expected.

Identification of the technology strategies of the strategic groups using the SPSS correlation techniques indicated a positive relationship with the naturally formed cluster which possesses "product" aspects as their key norms.
A framework has also been proposed in the study to suit the Sri Lankan Furniture Industry which indicates a clear visionary objective of being "Innovators" in achieving desired progress towards a sustainable competitive advantage of the industry.