

## **Supplier selection and management strategies and manufacturing flexibility**

### **Abstract**

**Purpose** - It is a general belief that using the right strategy for supplier selection and management will ensure the right suppliers who will adequately support the manufacturer to be flexible enough to meet customers' needs are engaged. Yet, there is little empirical evidence to support this view, especially in Malaysia. This paper attempts to fill this need by examining the impact of supplier selection and management strategies on manufacturing flexibility (such as product flexibility, launch flexibility, and volume flexibility). **Design/methodology/approach** - The population for this study consists of manufacturing firms in the semi-conductor industry in Malaysia listed in the Penang Development Corporation's directory. Questionnaire was used and each of the 120 companies listed in the sampling frame was sent a copy, out of which 100 copies were collected back. However, only 92 copies were usable. Data were analysed using the multiple regression model. **Findings** - It was found that the selection of supplier based on technology is important for the manufacturer whose focus is on product and launch flexibility. However, quality becomes strategically important when the manufacturer is focusing on volume flexibility. Inventory management and technology roadmap are very important supplier management strategies with robust influence on all three forms of manufacturing flexibilities, namely product flexibility, launch flexibility, and volume flexibility. In sum, the manufacturer needs to understand clearly which flexibility of its operation is required, and then adopt a working supplier selection and management strategy. **Originality/value** - This research is new and beneficial to manufacturers and suppliers in the semi-conductor sector.