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**COMPARATIVE ANALYSIS OF SINGLE VS MULTI
SOURCING STRATEGIES**

IN

LPG INDUSTRY IN SRI LANKA

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MBA in Supply Chain Management Department of Transport and Logistic
Management

Faculty of Engineering

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Thesis/Dissertation submitted in partial fulfillment of the requirements for
the degree Master of Business Administration in Supply Chain

Management

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DECLARATION

I declare that this is my own work and this thesis/dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Name of the Supervisor: Dr. Anuja Fernando

Signature of the supervisor:

Date: 19/08/2024

ABSTRACT

Purchasing and supply function is the critical process in the organization's supply chain. The main objective of the function is to acquire the right quality material, at the right time, in the right quantity, from the right sources at the right price. Select best suppliers from the market and promote diversity in the supply chain is one of the key aims of the sustainable procurement. When formulating a strategy to the procurement department the quantitative and qualitative dimensions of supply strategy is highly considered by the literatures. Accordingly, quantitative dimensions such as price, delivery, and quality must be analyzed simultaneously with qualitative dimensions such as risk and sustainability.

This study focuses comparative analysis of single vs multiple sourcing strategies in Liquefied Petroleum Industry in Sri Lanka. The report discuss the different sourcing strategies implemented in the procurement field and highlights the major factors affecting to decide the procurement strategy with their sub factors. Main factors such as Cost, Risk and Quality in the LPG industry is focused based on the literature findings and authors experience of working in the industry.

The quantitative research approach is used and primary data was collected from the employees in the selected organization (ABC company) in LPG industry in Sri Lanka and data analysis was performed using descriptive statistics and hypothesis testing. And secondly analysis was carried out by using Analytic Hierarchy Process (AHP) to develop a decision making model for the decision makers in the industry.

The conclusion of both analyses were presented the behavior of cost, quality and risk factors in the industry when selecting single supplier or multiple suppliers to supply of the selected product or service and weightage of each factors to be considered when selecting supply sources for non-critical items, leverage items, bottleneck items and strategic items in the LPG industry.

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