

ABSTRACT

Any activity that a buyer undertakes to improve a suppliers performance and/or capabilities to meet the buyers short-and /long-term supply needs. It is the meaning of supplier development. Supplier development is an effort to encourage supplier to fulfil buying firm's goals and objectives. Apparel industry is involved with their suppliers but they don't push them more to fulfil their task. Following research has revealed Supplier Development activities and efficiency of apparel industry is not given enough relationship. Supplier Development not involves sufficiently to the apparel firms efficiency. This research examines the relationship between Supplier Development and efficiency of Apparel industry in Sri Lanka. Even though supplying of training facilities and giving incentives to suppliers are doing by the apparel firms for their efficiency. But those are not enough to significance level of following study. In apparel firms they are not going so far from Supplier Development concept. Still they gain minor advantages from Supplier Development. Due to competitive advantage Apparel Firms' are more focused and invest to increase their own performance and increase their efficiency. They consider suppliers are depend on their business so they not much follow them and support to them. Supplies capabilities are different from supplier to supplier. Buying firms have multiple suppliers and critical suppliers. In multiple varied suppliers are doubts to consider and invest for encouragement. If any supplier shows weak performance particular Apparel Firm can be searched and take another supplier with similar one. But critical supplier's role is very strict. Sometimes they not response buying firm's Supplier Development effort. Then it will be a loss to firm. In order to cope with growing apparel companies have been forced to create system for measuring, evaluating and developing suppliers' performance as a way to reach higher competitive market. Apparel industry is growing and extending. It is a fashion based industry. Customer's preference is critical to apparel firms' decisions. There are barriers to supplier development in apparel industry. Researcher has identified to solve this problem; researcher has investigated literature and pre studies, researches papers in the subject.

Researcher used Logit model to analysis data from questionnaire survey. At the end of the survey researcher focuses to analyse the relationship between Supplier development and efficiency of AF in Apparel industry. In Sri Lankan apparel industry is 40% of inputs are taken from suppliers so their buyer-supplier relationship is very essential to future of Apparel Industry. Overall study underlines that SD is not much powerful in Sri Lankan apparel industry.

