

ID 119

Supply chain risk management of an agribusiness enterprise: A case study of the largest plant nursery in Sri Lanka

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Abstract

Almost all business enterprises are susceptible to risks of different forms. Hence, to a great extent, the success of running the day-to-day business operations and realizing their strategic goals depend on the effectiveness of managing risks they encounter. This paper presents a case study that examines the supply chain risk management of a leading plant nursery agribusiness in Sri Lanka. Although the supply chain risk management has been of interest to researchers and practiced by business managers as early as 1990s, its application of agriculture and agribusinesses commenced only recently. Furthermore, studies on supply chain risk management in plant nursery agribusiness enterprises are very remote. Taking ISO 31000 risk management framework as the conceptual basis, this research investigated the elements of risks encountered and how they were mitigated, in one of the largest and a very sophisticated plant nurseries in Sri Lanka as a case study investigation. This is a 40-acre nursery complex, namely Sevana Plant Nursery, which is based in Ampara District, Sri Lanka. The data collection was mainly through in-depth interviews, document review and participant observation. The research team visited and spent time with them in two occasions. The findings verified that this nursery has faced numerous risks over the past 29 years due to various factors, such as Tsunami, the Covid-19 pandemic, cyclones, Easter bombings, social unrest, and economic decline. The business primarily employed avoidance and reduction as their risk mitigation strategies. The management, with their extensive experience in plant nursery operations, not only demonstrated their effective risk management capabilities but also exhibited resilience in the face of supply chain risks on numerous occasions. The plant nurseries and agribusinesses, both large and small, can learn several important lessons in supply chain risk management through this research. Future research could be directed towards detailed studies on specific sub-processes supply chain risk management process of plant nursery agribusiness such as risk analysis and mitigation.

Keywords: Agribusiness, Plant nurseries, Risk management strategies, Supply chain risk management

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