

## ABSTRACT

Small and Medium Enterprises (SMEs) play an important role in an economy through generation of employments, contributing to the growth of GDP, embarking on innovations and stimulating of other economic activities. SMEs sector is said to be the back born of all developed and developing nations. Development of this sector is paramount important for any country irrespectively of their level of development. SMEs in Fast foods sector are more vital to urban sector than rural sector in Sri Lanka. In today's highly competitive business world demand for processed fast food is becoming popular among the Sri Lankan society, therefore proper management of the processed fast food supply chain is vitally important. It is argued that the final resort for any supply chain is the proper management of the inventory among the players within the chain. This study is conducting to analysis of the factors affecting the adoption of Supply Chain Management by Small and Medium Enterprises in fast food sector in urban area of Colombo. There are number of fast food industries establishing each day in all over the Sri Lanka. This study focused in high density population living in Colombo area. This study conduct to fill the gap in theoretical and empirical knowledge of supply chain practices of process of food supply chain in Sri Lanka. Data collected using in depth structure and non structure interviews with entrepreneurs', operational workers, site-observations, doctors, customers, chefs and relevant government authorities and analysis of existing documented data sources. Samples selected in randomly and distributed questioner among the Small and Medium Enterprises. Finally address to the gap between theoretical aspects and how the aspects adopt to the practice. Theoretical aspects give as guidelines to the industry but it is difficulty to find the firms adopting the theoretical aspects. It measured by quantitatively and qualitatively. The selected factors in supply chain management directly influenced to the business turnover and most of fast food industries do not adopt proper supply chin management.

**Keywords:** Fast Food Industry, Supply Chain Management, Small and Medium Enterprises, Business Turnover.