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W2: Supply Chain Strategy

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Discussion: Supply Chain Strategy

CO3: Evaluate the four building blocks of a supply network strategy and how they work together to form an effective supply chain

Discussion Prompt:

Review the case study "Surplus Styles" in your textbook on page 46. Then briefly answer questions 1 through 3. Also, provide your insights into how Derick should resolve his problem including (a) what steps he should take, (b) should he go out for quotes from a list of vendors or negotiate with his current vendor. Finally, think about and briefly discuss what the differences are when selecting vendors to meet cost points versus meeting quality standards.

Sanders, Nada R. *Supply Chain Management, 2nd Edition*. Wiley, 2017-09-18. VitalBook file.

When responding to your fellow students, probe your fellow student's solutions with respect to those you proposed in your initial posting.

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W2 Supply chain strategy

Esperance Busime posted Feb 12, 2023 4:22 PM  [Subscribe](#)

Good afternoon everyone!

To answer the first question, Derick should take the following steps to solve his problem:

1. Research: Derick should research the market trends and consumer demand for hair care products that are animal-friendly and hypoallergenic. This will give him a better understanding of the market and the suppliers that can provide the necessary quality assurance.
2. Assess the current suppliers: Derick should assess the current suppliers and determine their ability to provide the necessary quality assurance. If they are not able to meet the required standards, he should look for alternative suppliers who can provide the necessary products.
3. Create a list of new suppliers: Derick should create a list of potential suppliers who can provide the necessary products with the required quality assurance. He can use industry databases, trade shows, and personal referrals to create this list.
4. Negotiate with new suppliers: Derick should negotiate with the new suppliers to determine the price and quality of the products they can provide. He should also ensure that they are able to provide the necessary certifications and certifications of their production processes.

To answer the second question, Derick should ask for the required changes from the current suppliers. If they are unable to comply, he should solicit new suppliers. To do this, he can use his research, assess current suppliers, create a list of new suppliers, and negotiate with them.

To answer the third question, Derick should go through a competitive bid in the future but only for products that require the necessary quality assurance. For other products, he can

continue to use the traditional competitive bidding process to find the most cost-effective suppliers.

In order to resolve the problem at hand, Derick should take the following steps:

- a) Conduct market research: Derick should start by conducting market research to understand the current trends and demands of the market. This will help him identify potential suppliers who can meet the new quality standards that have been set by the company.
- b) Evaluate current suppliers: Derick should also evaluate his current suppliers to determine if they can meet the new quality standards. If they are unable to meet the standards, then he may need to look for alternative suppliers who can.
- c) Solicit quotes from new suppliers: If the current suppliers are unable to meet the new standards, Derick should solicit quotes from new suppliers. This can be done through online research or through attending industry trade shows to meet with potential suppliers.
- d) Negotiate with current suppliers: If the current suppliers are willing to make changes to meet the new quality standards, Derick should negotiate with them to see if they can provide the necessary quality assurance while still maintaining competitive pricing.

In terms of choosing between competitive bidding and negotiating with the current vendor, Derick should consider several factors. If the current supplier is able to meet the new quality standards, then negotiating with them could be more cost-effective and efficient than going through a competitive bidding process. However, if the current supplier is unable to meet the standards, then a competitive bidding process may be necessary in order to find a supplier who can.

When selecting vendors to meet cost points, the primary focus is on finding the lowest cost option. On the other hand, when selecting vendors to meet quality standards, the focus is on finding a supplier who can meet the specific quality requirements of the company, regardless of cost. In some cases, meeting quality standards may result in higher costs, but it is important to consider the long-term benefits of providing high-quality products to customers, such as improved brand reputation and customer satisfaction.

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Last post **1 hour ago** by stacya mitchell

Adam Whitman Week 2

Adam Whitman posted Feb 13, 2023 8:18 AM

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There are a few steps and decisions that Derick will have to make in order to meet the new guidance on manufacturing from the president of Surplus Styles. Changing from Surplus Styles methods of competing for costs to selecting quality tested products to meet the change in market. With a detailed thought process, communication, and collaboration Derick will be able to adjust based on his new guidance.

Derick will first need to research what companies or other manufacturers produce the components of their hair care products that are hypoallergenic and free of animal testing. He will also have to consider what locations the components will be sourced from, are their local companies or will he have to venture to suppliers overseas. After researching, Derick will have to gather the data from his research and begin to ask himself a couple of questions. What are the lead times for new components and how will that initially affect his production rates. Most importantly, what are the new costs to implement this change. Next, the decision on when to halt manufacturing on their current product line and ramp up production on the hypoallergenic and animal testing free products. Another consideration could be does the equipment currently being used going to need to be sanitized before production of the new product begins.

Since Derick has a strong relationship with his current suppliers, he should feel comfortable asking for these required changes. Suppliers tend to have multiple avenues of procurement and if available through his current suppliers a lot of time and effort could be saved. If this type of request cannot be fulfilled, he will have to solicit new suppliers. It really isn't an option since he was given direct guidance from the president of the company. If Derick has been doing this for some time, he may already have suppliers in mind he can work with. In his past research for cost competitive items, he likely came across higher quality suppliers.

Derick should go through competitive bidding for the components of the hair products he needs. This may help him save some cost. If the change for his

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Last post **1 hour ago** by stacya mitchell

Week 2 discussion

stacya mitchell posted Feb 13, 2023 7:15 PM [☆ Subscribe](#)

The case study shows Derrick in a situation that is both fascinating and challenging at the same time. The way the company gets its raw materials is going through a big change. Even though Derrick may be open to the idea of producing only with natural ingredients, he must also acknowledge that there will be obstacles along the way and consider how he can begin to overcome them. Derrick must start with the manufacturer. He should use his ten-year relationship with the manufacturer to help ease into the discussion about the urgent need for product supply and request their assistance in devising a strategy to reduce bottlenecks and ensure that he receives these new raw materials promptly. Based on this long-term relationship, Derrick should give preference to keeping the current supplier, but he will also need to make sure they know that even though this relationship is important, there is business to be done, and if they don't meet the organization's supply needs, they could be replaced by a supplier who can. Derrick intends to present this in a manner that does not present it as a threat but rather as a business decision made solely to prevent business loss and reduce supply production. Derrick will also need to make sure that his current supplier is able to meet the requirements and can compete economically with the new natural materials. Supply and cost are crucial aspects. Derrick will also need to review a crucial component, which is planning ahead. Derrick will have an easier time ensuring that he always receives high-quality materials at prices that are competitive by creating a bidding procedure. It's great to have long-term supplier relationships, but it's also important to make sure they aren't taking advantage of them.

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Week 2 - Supply Chain Strategy

Damian Hoffman posted Feb 10, 2023 12:51 AM  [Subscribe](#)

1. To solve the problem, Derick needs to research market trends and changes in the hair care industry related to animal rights and quality products. He must find potential suppliers who meet new quality standards, assess the cost of high-quality ingredients, and either negotiate with current suppliers or find new ones. He also needs to re-evaluate the company's competitive strategy, communicate the changes to the rest of the company, and regularly monitor and review the success of the new practices. This will ensure that the company remains competitive in the market while still providing high-quality products.
2. Derick should ask his current suppliers if they can comply with the new requirements. If they are unable to meet the new standards, he should look for new suppliers who can provide the necessary quality assurances. To find new suppliers, Derick can research companies specializing in quality ingredients for hair care products. He can attend industry events, network with potential suppliers, and gather information through online resources such as websites and forums. Once he has identified potential suppliers, he can request information and samples of their products. He can also arrange visits to their facilities to see their production processes. After evaluating the potential suppliers, he can select the ones that meet the quality standards and negotiate the terms of the contracts. It is important for Derick to take a strategic and thorough approach in finding new suppliers to ensure that the company is able to meet the new market demands and remain competitive.
3. It's appropriate for Derick to conduct a competitive bid process for the company's products to align with the demand for animal rights and natural, organic products. This will secure high-quality ingredients that meet the new standards and maintain the company's competitive position in the market. However, the competitive bidding process may have to be modified to incorporate the new requirements for quality assurance, such as ensuring that the ingredients do not undergo animal testing. This will require Derick to research new suppliers who can provide high-quality ingredients that meet the new standards. In addition, Derick may need to work with current suppliers to meet new requirements and it's appropriate to go through a competitive bidding process to ensure the company sources high-quality ingredients that meet new standards, taking into account the demand for quality.

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Last post **yesterday at 4:30 PM**
by Esperance Busime

W2 Supply Chain Strategy

Avery Brown posted Feb 12, 2023 12:57 PM

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Good Afternoon,

It's very unfortunate that Derick will have to submit to these demands from his superiors. I think he will find it challenging to negotiate with his vendors on altering the current chemicals used in their products. Demanding them to change to a higher quality product that reflects good upon the environment and such is great, but it's going to cost the company money.

I think Derick should explore all of his options to insure that all price options are on the table. Negotiate with his current suppliers and find out what the new price would be, or if its even and option. Work with new suppliers on potential bids for the upcoming year. In the end having all the options on the table and laid out in an organized manor for his superiors would be the best option to me. It would allow his boss to weigh all of the options and make the decision based upon his own findings. Overall Derick can make a decision but I feel as if this situation will need some oversight by his boss before making the final mark.

Lastly, cost points and quality standards in my opinion almost exist on separate ends of a spectrum. You can't have the highest quality and the lowest prices at the same time. It just makes more sense for higher quality things to cost more money. Finding that perfect medium where cost and quality are balanced in a manner that promotes great sales would be what to shoot for.

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Last post **yesterday at 4:25 PM**

by Esperance Busime