

Case study on backward integration

Business



Backward Integration Case Study:

Backward integration is one of the types of vertical integration in microeconomics. Vertical integration is a special type of ownership of business processes, technologies, equipment, infrastructure, etc by the single company. The company belonging to the vertical integration model tries to embrace all the processes which are related with production, resource supply or the direct sale to the consumers. Backward integration is the type of vertical integration which is characterized with the desire of the definite company to control not just the process of production, but the stages which precede production, so that resource supply, production of the selected details of the final good, etc. Backward integration is a widespread phenomenon and it exists in numerous kinds of business - in industry, agriculture, small and big business, etc.

If one speaks about agriculture, it is natural that the company which sells fruit or vegetables wants to embrace the processes of growing these vegetables, collecting them, sorting, packing them and transporting them to the store. In the same way automobile manufacturers often embrace such processes as production of tires, glass, etc in order to reduce the dependence from the small and big companies which can set their own prices which are often not convenient for the automobile manufacturer. Backward integration is a wise model of business, because serious companies strive to become more and more independent improving the quality of their service without the increase of prices. Naturally, it is safer to rely on your own potential and resources than to expect it from partners which can bankrupt or spoil the quality of their products. Backward

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integration is a special model of business which can be quite useful for the analysis, because the student discovers the approach towards manufacturing and understands companies' ambitions about conquering as many stages of production of the final product as possible.

It is wise for the young person to observe the theory of the issue before the analysis of the case in order to have the general impression about the matter. In order to research the case professionally, the student is expected to dwell on the cause of the fulfilment of backward integration and its effect on business. Moreover, he is to analyze the pros and cons of the issue and evaluate the actual usefulness of the model. Then the student plans to increase the effectiveness of writing, he can rely on the constructive piece of help of the Internet sources and of a free example case study on backward integration in particular. Experienced writers share their intelligence and ideas with students supplying them with free sample case study on backward integration, which can inform about the manner of writing, format and the appropriate structure of the text.