

# Nissan cogent movie review example

[Business](#), [Management](#)



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## **Summary of the Case**

The video Nissan Cogent presented Nissan’s initiative of the same name. In particular, Nissan Cogent is a co-development regeneration tool that involves the Nissan European Technological Center, Cranfield University, and 89 of Nissan’s suppliers.

The case described how Nissan and its suppliers use Nissan Cogent to communicate and coordinate with each other during the design and development phase so that a better understanding of each other’s needs may be obtained. On one hand, Nissan Cogent would enable suppliers to improve their processes and products and maintain their reputations as quality suppliers. On the other hand, Nissan Cogent also ensures that Nissan is able to obtain the parts that it needs more quickly, more cheaply, and in conformance to their standards.

## **Overview of Key Concepts/Theoretical Points Made in the Case**

One of the key points made in the case is that the design and development phase is the most important part of the manufacturing process or of the company's overall operations as efficiency at this phase can lead to the elimination of waste and the increase in lead times. As discussed in the International Rubber Exhibition and Conference (Anon., 1999), which was held in Manchester, England on June 10, 1999, the responsibility for design and development used to lie with the customer, but now the supplier is expected to make major contributions in the overall manufacturing process. As stressed in the conference, manufacturers that don't have strong design and development capabilities cannot remain competitive. As Johnson, Wyatt and Evans (n. d.) further asserted, the increase in car manufacturers' need to outsource many of their key technologies has shifted the emphasis from supplier development to relationship management. Supplier development is the process " where a partner in a relationship modifies or influences the behavior of the other partner with a view to increasing mutual benefit" (Jones and Saad, 2003, p. 232) and where cross-functional teams within the organization work closely in sharing their knowledge, solving problems, and seeking improvements in their interface and internal processes. However, as car manufactures place more responsibility on suppliers for the design and development of various car systems and components and as they move supplier involvement further upstream, communication between the two parties needs to occur earlier and become more strategic, which emphasizes on the collaborative nature of the relationship (Johnson, Wyatt and Evans, n. d.). Supplier involvement is especially important because, as Chen and

Paulraj (2004, p. 126) cited, “suppliers account for approximately 30% of quality problems and 80% of product-lead time problems.” Moreover, this value accorded to the company’s relationship with their suppliers is supportive of the claims of previous researchers who indicated that companies would not seek to reduce their costs or improve their profits at the expense of their supply chain partners (Croom, Romano and Giannakis, 2000). Instead, they would strive to make their entire supply chain more competitive, which implied that it was the supply chains and not the individual organizations that competed. This conforms to the definition of supply chain management provided by Harland (as cited in Halldorsson, 2007, p. 286), which states that supply chain management is the “management of a complex network of organizations involved in exchange processes.” Croom, Romano and Giannakis’ (2000) findings were also similar to those of Miguel and Ledur Brito (2011), which showed that supply chain management had a positive impact on operational performance based on a multidimensional construct consisting of process integration, cooperation, long-term relationship, and information sharing. This multidimensional construct, in turn, was based on competitive priorities such as time, quality, flexibility, and cost. As such, Miguel and Ledur Brito (2011) suggested that supply chain management could be a source of competitive advantage. With the Cogent program leading to less resources and less time used in the manufacturing process, this program can be likened to the concepts of lean production, which aims to make use of less of everything, and which is in contrast to mass production (Taylor and Brunt, 2001). Because of the improvements that result from the use of Lean techniques and tools in

manufacturing, the Lean Enterprise Research Center (LERC) explored the benefits of this approach in New Product Introduction, and it was also about this same time that Nissan Cogent was started. Nissan Cogent, like the LERC research project, was an IMI (Innovation in Manufacturing Initiative) project (Taylor and Brunt, 2001).

Another key point made in the case was the importance of understanding and thoroughly discussing the requirements before proceeding with the actual design and development, which may be quite time consuming but which in the long run will lead to reduced waste. MacMillan (2004) even compared the Japanese habit of having lengthy debates before committing to the formation of a product to the Nissan Cogent practice of having lengthy talks before drawing conclusions.

### **Application of the Theoretical Points in the Case**

Nissan launched the Cogent program because they recognized the great contribution of their suppliers to the company's success. They considered their suppliers as the source of their competitive advantage and as such, they wanted to involve their suppliers right from the beginning of the manufacturing process, particularly in the design and development phase. They ensured that the Cogent program would benefit not only Nissan but their suppliers as well and they showed their suppliers -- through the Cogent learning sessions and Fast Track —that the program was a truly collaborative effort where close communication and coordination played an important role and where the suppliers' feedback mattered. They also explained how Cogent would result to a “leaner” process where the wastage of resources would be minimized. As well, Nissan recognized the importance of the role

played by top management, who was in the best position to understand the needs of supply chain management (Hahn, Watts and Kim, 1990). In this regard, they made sure to invite their suppliers' top executives to the Cogent earning sessions in order to obtain their support and buy-in before cascading information about the Cogent program to the rest of their suppliers.

## **Problems and Difficulties in Implementation**

One of the problems and difficulties with the implementation of Nissan Cogent is the communication and coordination between Nissan and its many suppliers. In particular, it would be very difficult to orient and train all of the suppliers with regards to the objectives of Nissan Cogent and how it will be implemented. Not only will the large number of suppliers pose a challenge; even the disparate locations of all the suppliers will make communication and coordination quite difficult. To address this, it should be ensured that all of the suppliers have the proper infrastructure to enable easy and fast communication with Nissan. In the same regard, since Nissan Cogent would involve close coordination between Nissan and the suppliers, this might cause some delays in the design and development process, although this can be addressed by ensuring that the communication process is effective and properly streamlined. As well, with the many suppliers that Nissan works with and with these suppliers being located in different places, it may become difficult for Nissan to ensure compliance of the Nissan Cogent standards and practices.

## **Summary of Key Learning Points**

The Nissan Cogent program teaches some important things about an effective supply chain management, which focuses mainly on the importance of supplier involvement. As stressed by the Cogent program, suppliers should be involved in the design and development phase of the manufacturing process in order to eliminate waste and to improve lead times. Nissan also showed how their suppliers were a source of competitive advantage and as such ensured that they developed a collaborative relationship with their suppliers, which was beneficial for both parties. Finally, Nissan showed that top management support was important in making this initiative successful and ensured the involvement and buy-in of their suppliers' top executives right from the start.

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