

Supply dynamic company review

[Business](#), [Company](#)



A company created in 2001 named Supply Dynamic with an opportunity to launch a consulting practice with the owners of AIM. The primary goal was to manage the material input related interactions with their business. The company started as an innovation center of sorts, incubated within AIM. In times of the economic recession in 2003, when there were lot of difficulties, the company secured its first multimillion dollar contract for General electronics and also it was securing thousands of dollars consulting fees for various global sourcing and offset related activities. In October 2003, the company incorporated itself as a limited liability company with the consciousness of keeping low cost and a more focused approach about the consumers' need which added a significant value to them. It started a service called " Material Demand Aggregation".

Stansbury and Kennard recognized the inefficiencies of OEM and envisioned a new business model. MDA provides OEMs with real time protection and control over the cost and the process itself. For the average OEM, the MDA benefits can be summarized as: visibility to total consolidated demand, cost saving due to elimination of uncertainty and leveraged cost, optimization of purchases, a decision support system, not replacing the existing MRP/ERP system and so on. In 2004, Stansbury sold a quarter of his company for a seven figure investment with three significant reasons. Stansbury concentrated his efforts in developing the OASIS multi enterprise platform.

In 2008, it licensed OASIS for the first time which became a value proposition for the company later. The key factor for the company was the software named OASIS. MDA was a completely new and unique concept with the combination of different things which used to educate and engage the

consumers. Claiming himself as the “ chief barrier buster” he always welcomed the opportunity to assist employees in finding creative solutions to problems. They also offered various compensations, bonus and different opportunities for the employees to contribute their ideas who could be the future leader of the organization. On November 2006, both AIM and Supply Dynamics were purchased by O’Neal Steel and started working as a wholly owned subsidiary of O’Neal Industries. The acquisition made numerous consumers for both the companies and eliminates the most up front consulting fee of the company. Also because of this acquisition, Supply Dynamics used to get a huge amount of R&D budget each year. Stansbury was determined to expand Supply Dynamic BOM characterization and OASIS license fees and to continue to generate metal distribution opportunities for his sister companies.

Problems identification

1. Lack of commitment of the top management to the business was a major problem. Trevor’s partners Kennard and Bucher spent majority of their time running AIM. Trevor Stansbury himself remains busy analysing new business ideas and opportunities.
2. Supply Dynamics had no service that is provided rather had simply dabbled in various experimental consulting services ranging from the deployment for migrating manufacturing work to low cost regions to offset useful or needed activities.
3. Although the company was modestly profitable but Stansbury did not focus to his customers. More focus should be given towards his customer’s as well as his distributors.

4. Technological: Supply Dynamics depends extremely on technology and it has licensed a sophisticated IT solution called OASIS to the OEM, which is provided in a hosted SaaS model. There is a major threat that other competitors can replicate the same platform.
5. Supply Dynamics's target market is very niche, which is original equipment manufacturers. This market can be subjected to different external threats.
6. The barriers to enter in the material market is low, therefore a broad range of competition existed in the industry. So, there is no possible threat of the suppliers in this factor. It was possible that the customers would prefer any other material if the cost rises up.
7. They did not have "Defensive Service" for the company. Stansbury did not consider risk assessment and future threats for Supply Dynamics.
8. Stansbury didn't consider the differences between his industry and others. Lack of recognizing variations between industries.
9. Outsourcing: Supply Dynamics outsourcing their products and services. It's good for the company for lowering cost but there is a problem that is security. Many outsourcing relationships inevitably might involve the third party organization's access to sensitive business data, trade secrets, and other confidential information that will hamper Supply Dynamics.
10. Supply Dynamics possess a huge amount of information regarding who is using which material and which kind of material is used how much but unfortunately they are unable to use these information for their benefits.

Suggestions for the improvement

1. The top management of the supply dynamics should be more committed to the business.
2. Other than material demand aggregation they should develop some more specific consulting services so that their clients have a more detailed list of services to choose from.
3. They should invest more on their IT solution OASIS to develop it into a more reliable and sophisticated technology so that it become non replicable.
4. As supply dynamic's Material Demand Aggregation is a supply chain solution to drive down the cost, they can use the same model to target other markets other than Original Equipment Manufacturers. This will diversify the business and make it more sustainable in the long run.
5. Supply dynamics need to have a dedicated workforce to handle their accounts, HR, Software and other departments.
6. Supply dynamics should put more focus on the data they acquire through OASIS and build a business plan to profit from these data.
7. Supply dynamics market very niche so external threats is very higher. To solve these problem they can choose Penetration pricing marketing strategy. They can sell their products at a lower price avoid the external competitions. The cost of the raw material down. Their main service is Material Demand Aggregation (MAD). Almost all the industries faces different issues regarding the raw supply of raw material And Theprices of the raw materials has been a key factor. Supply dynamics can create a new platform like OASIS using the same model of MAD for the pharmaceuticals or FMCG market, the prices of

the raw material of the pharma industry fluctuates a lot. Pharma industry can use a platform like OASIS to get a better hold on the cost of the material of their final product. It is also same for the FMCG market. Moreover this will help supply dynamics to diversify their revenue stream.