

A reflective on a case study on ikea and gefco report

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A Reflective Report on a Case Study on IKEA and GEFCO

Introduction

The report is based on personal reflections about the case study carried out by a group of five. The case study focuses on two organizations; IKEA and GEFCO. IKEA is a set of multinational companies that designs and sells furniture to its customers. GEFCO on the other is a logistics organization that operates in the United Kingdom. It deals with automotive logistics but in recent times it has diversified to include other areas such as inbound and outbound logistics. The two corporations may seem unrelated but on a broad analysis the two will appear to be similar in terms of the supply chain. Both businesses have suppliers with whom they do business. IKEA recognizes the importance of the suppliers in its supply chain hence strives to maintain a cordial and working relationship with the suppliers. They also seek to establish long lasting relationships with the suppliers in a bid to reduce the costs associated with multiple providers. That is in line with the company's objective of cost reduction. IKEA also exercises control over its suppliers to make sure they deliver, and they abide by the set rules and regulations such as the pollution restrictions (Zhong & Rui 2011). GEFCO has suppliers who are mainly outsiders they provide the company with trucks used for transporting goods. The company does not exercise control over its suppliers hence they end up polluting the environment by using vehicles that are not environmental friendly.

Conclusion

In conclusion, it is evident that the two groups apply different modes of relating with their customers. IKEA has a position for its customers in the supply chain. The customer is primarily involved as a mechanism for cutting down on cost. The customer is allowed to visit the warehouses or showrooms and get the goods they want themselves and even check them out. The company does this so as to reduce costs involved in handling inventory. IKEA uses B to C approach that is a one-way policy (Zhong & Rui 2011). GEFCO boasts of involvement in logistics hence it primarily applies the B to B strategy since it gets goods moving from one business to another. It ensures a continuous flow of goods. GEFCO is more flexible in terms of customer relations since the client does not need to worry about how goods get to their destinations.

Recommendations

Both GEFCO and IKEA ought to improve in many areas. To start with, the two companies should use an advanced information system whereby products are scanned, and the workers can keep track of the products and ensure efficiency in delivering the goods. The use of machine also does help in sorting the products according to destination. IKEA tracks their products by use of barcodes and automated robots which help in cutting down the cost of labor. Since both companies are involved in the movement of goods, one has to look their green policy. GEFCO has tried but failed to control environmental pollution especially by the numerous trucks it uses for transportation. IKEA is trying to curb pollution by applying the technique of

recycling the packaging.

Additionally, both companies should employ varying techniques so as to make sure they deliver to their clients. Looking at the distribution channels used by the two organizations, some comparisons can be done too. Both companies should have have different operational business centers all over the world. IKEA has opened shops in many parts of the world with about 300 retail outlets in 37 countries. GEFCO has its share of stores since it plays a part in inter-boundary logistics. Both companies have an interest in the railway sector since they depend on rail in one way or the other. In the countries where they operate rail is the most cost-effective mode of transport. The distribution by both companies is aimed at being cost effective hence they seek to reduce waste space. IKEA uses flat packaging while GEFCO uses trucks with double floors. GEFCO also uses the door to door distribution system since it delivers goods to the clients. IKEA, on the other hand, uses their traditional showrooms where customers can visit and acquire the goods from (Zhong & Rui 2011).

References

Zhong, Zin, and Rui Han, " Analysis of IKEA's Value Chain Management Strategy." IEEE Xplore. 1 Jan. 2011. Web. 27 Nov. 2014.