

Bvs supply chain management case

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



Nicolas Maalouf ID: 120265 International operation and supply chain management ? ? ? ? ? ? ? ? ? ? ? ? ? ? ? ? Strengths: ? - BVS has assured its relative independence from its corporate ? parent in the US - number 2 in its field. ? - The hiring effort focused on scientists, and junior ? management. - Aggressive investment in Research; Strong and innovative ? R&D Department. ? - Intensive growth in current sales and projected sales ? - Dynamic, entrepreneurial, and ambitious head of purchasing department and have an international experience. - High-tech machinery, BVS most advanced on the market.? - BVS sustain good relations with their supplier. ? ? Opportunities: ? - Forceful investments in the pharmaceutical industry, ? enormous enlargement in R&D investments. ? - A booming forecasts of a total market – Critical product, Large Demand & limited supply (Banque de Geneve). ? - New supplier “ WildGrass NJ” having advantages in flexibility in price and supply. ? Young human capital can add value to the existing management. ?

As a part of big Pharmaceutical Corporation, BVS have to maintain an important profitability margin and an increasing drift of sales to align up the market trend since they expect a prevalent demand on a critical product they compete to produce in shorter time. The in-house situation - the situation within BVS Weaknesses: - Profitability was decreasing as sales growth. - Delay on the production schedule. - Independent management from the parent organization in the US. - Purchasing department had limited signature power. Centralized decision making (CEO) – time Cost. - Divergence and inefficient coordination between Departments. - Mediocre role of purchasing department (low image). - Depending on limited suppliers

(duopoly LCSD and BCC). - Weak presence on the US market. Threats: - Marbelpharm one year ahead of BVS. - Limited material resources (Natural ingredients & limited suppliers). - LCSD and their main competitor, BCC never compete against each other on price - High profit margin for suppliers. - Currently one supplier can provide necessary materials to all competitors. The market was dominated by a handful of companies. The outer surroundings - the situation outside BVS Risks and Opportunities The case enlightens a main problem directly related to the process of manufacturing of new critical product; some delays in R&D schedule due to the difficulties of supplying some key ingredients. That cut in supply chain can generate an immense disorder in expected figures; indeed the interruption can enlarge the valley between BVS and competitors especially Marbelpharm.

In addition, serious risk can be in attendance if Wildgras may not satisfy BVS demand in the coming years or if the market can't supply chemical materials necessary for production. In other hand, independency of BVS division is menaced and the Mother Corporation can take control of its management in order to adjust traditional management and deal with the situation in an American approach to hold back and resolve departments' confrontation and accelerate the chain enrolment.

If the new strategy helps for building-up the company, in that case BVS can catch the booming market and the new cooperation with " WildGrass NJ" will generate a new era of prosperity and BIOLOGICAL VACCINESCIENCE- BVS Michel Philippart 2012 International operation and supply chain management MIB 32 may work together on two new vaccines that improve BVS sales using young managers and researchers that can drive innovations safely

from suppliers to clienteles in that way reputation of the purchasing department get better that may help BVS to enter the us market.

The following list presents ideas that can be subject of discussion in sequence to determine and shrink current corporate risk presented on the case:

- Maintain an excellent relation with the duopoly LCSD and BCC chemical distributors
- BVS should keep dealing and as well invest into " WildGrass NJ in order to help them to be sufficient in their production, in that way they can supply BVS as expected in lower cost. Work with the source manufacturer of chemical materials and maybe invest with him in their own line of needs.
- Decentralize decision making into departments each of which will report to the allocated manager.
- Connections between " WildGrass NJ" and BVS should be combined into single responsible; Sara should be dedicated also to link the R&D department to purchasing department. Clarify the required tasks of each department In order to make supply chain more efficient, in that approach we can encourage regular meetings between heads of department.
- Data Sharing between R&D and purchasing department can ensure a certain level of readiness and speediness concerning ordering needed materials.
- Create a new IT-software that can manage internal information interconnected between R&D and Purchasing department in order to enhance the efficiency of supply chain. Seek for new resources that can supply potential investments
- Hiring new managers freshly graduated from purchasing schools, and trusted them as Sarah

Managing suppliers at BVSx Successful supplier management necessitate finding consistent and competitively priced suppliers is a must to the achievement of business; however our initial focus can't be on the accurate

price especially because we are operating in pharmacology sector where quality and lead time are the main components of the purchase agreement.

On the other hand in the longer term, strong relationships with biggest distributors and manufacturers with a collaborative approach (as co-investment and partnership) can have better impact on the overall success of the supply chain management. In that approach we can focus on what we can do for suppliers rather than on what they can do to lower costs and to deliver us needed materials as expected on time. An accurate and healthy partnership can be build-up in favour of both parties.

BVS ought to implement emergency strategy so that disruptive events can be managed smoothly as shortage in materials or lack in supply. Finally internal meetings between the top management should focus on several critical issues as seeking new areas for supplier improvement and discuss on how the corporation can improve relationships and ameliorate dealings between departments in order to hasten a healthier chain of production.

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