

Global supply chain-contamination in logistics chain critical thinking examples

[Business](#), [Marketing](#)



Operational Factors

These factors majorly concerns three aspects of an industry or company's work. They include the work processes, employee training and scheduling of employees' and machinery tasks. In this case study, the operational factors that can be identified include scheduling and validation testing. The validation tests that were required to be done for the supply of the grain to different countries were different and they were to be observed. Additionally, the exporting country had to schedule the loading processes such that the traces of carmoisine could only be found in the appropriate cargo. When these were breached, the operational processes were also disrupted. The other operational factor that can be identified in this case is the stringent checks carried out by the Japanese local authorities. Operational factors are important and necessary for evaluation of the efficiency of any industry. When these factors are not well coordinated, the industry's functionality might be paralyzed. Like in the above case, the operational factors were not properly managed, which led to the failure in the loading processes.

Communication Factors

The communication factors in this case include the various processes and persons put in place to ensure the trading countries have constant information about the processes going on in the supply chain. These factors include The Western Australian grain marketers. They ensured their Japanese and Saudi Arabian customers received their demanded goods. They also sourced for new buyers when the Japanese customers rejected their goods for the claim of the existence of a substance they considered

poisonous. The other communication factor is the transfer of feedback from the Japanese local authorities to the Australian grain industry of the presence of an undesired coloration in their cargo.

An example of these factors is illustrated by Dell's supply chain, where the suppliers keep constant communication with the headquarters, despite their dispersed locations. Dell suppliers are collaborated to ensure efficiency.

Food Commodity Marketing Factors

In this case, these factors include the varied differences in the Saudi Arabian requirements for standardization, which Japan, Canada, Norway and Sweden consider illegal. In Saudi Arabia, it is demanded that 1% of all imported grain is colored with carmoisine in an attempt to minimize black market grain trading. However, in the latter countries, which include Japan, a grain importing country from Australia, carmoisine is banned since it is linked to hyperactivity in children hence regarding it objectionable contaminant in bulky commodities. These differences pose a challenge to the exporter since they have to adjust to different markets appropriately, which proved difficult.

Dependency and Independency Factors

In the case study, the marketers responsible for selling the wheat and the bulk handler responsible for assembling and loading the cargo were dependent on each other in protecting Japan as a valued customer. The marketers required the careful packaging of the Japanese cargo as well as these bulk handlers required the activities of the marketers for their existence. Additionally, Australian grain industry depended on their Japanese customers, who also depended on the Australian wheat for the production of

noodles, bread, cake and spaghetti among others. When there was a breach in relationship between these two interdependent nations, the Australian grain industry suffered economically as the production of the aforementioned products in Japan were paralyzed.

Dell for instance understand their interdependence with their customers, therefore, they have always ensured they design and provide computers that meet the requirements of their customers.

Cultural Factors

The cultural factors in this case are closely related to the food commodity marketing factors. In this case, the supplier cannot understand how a customer of the same commodity could reject an additive that another customer demanded as a standard treatment. The cultural differences led to the breach of contract with Japan, which considered carmoisine poisonous despite Saudi Arabia demanding its inclusion in their cargo.

Outsourcing Factors

The outsourcing factors in this case include unavailability of the required commodity in the local Japanese and Saudi Arabian markets. However, there are costs involved in outsourcing. For instance, since Japan cannot produce its own wheat, they received cargo that did not meet their local standardization requirements. If they could produce their own wheat, they could have avoided the red coloring in the cargo. Their relationship with Australia would have not been interfered with since there would be no issues resulting from dissatisfaction with the cargo.

Relationship and Transparency Factors

In the above case study, the trading nations initially had good relationships with each other. The relationship between Australia and Saudi Arabia was never interfered with since Australia met all the standardization requirements of these customers. However, Australian relationship with Japan, which is one of its customers was breached when traces of carmoisine was found in their cargo. On transparency, Australia had not intended to include the colored wheat in the Japanese cargo. However, Japan did not initially understand why a substance they considered poisonous was included in their cargo. In return, they decided to abolish the acquisition of the Australian grain product until the Australian authorities clarified the presence of this unwanted compound. Visibility and Transparency; Resilience Factors

These included the measures taken to restore the relationship between Australia and Japan, which had been breached due to the inclusion of carmoisine in the Japanese cargo. The relationship was recovered in order to maintain the important trade between Western Australia and its Japanese customer. If the misunderstanding between these trading partners continued, both of them had some costs involved, which would cause diverse effects on the economies. The two countries reached an understanding, which allowed Australia to continue supplying their wheat to Japan. They also promised to eliminate the carmoisine from the cargo to ensure they meet the standardization requirements of the Japanese customer.