

# Central transport, inc. essay sample

[Economics](#), [Globalization](#)



## I. Basic Facts

Jean Beierlein is the new president and CEO of Central Transport (CT) and has received an offer for a collaborative relationship from Susan Weber, who is the current president and CEO of SAB Distributions. CT and SAB has historically worked together and has developed a long lasting business relationship. The market has undergone dramatic changes that caused SAB to make changes in order to strive to remain competitive. However, SAB is losing their competitive edge over their competitors within their distribution market. Thus, SAB realizes they must use a different approach with the assistance of CT. Susan stated that SAB needs to change its business model and expand to attract larger retailers in the Mid-Atlantic States and provide more services similar to third-party logistics companies. They intend to use the third-party logistics for most of their logistics services. SAB distribution made a decision to approach Wegman's Food Service, Inc. as their first customer to market their new Services. Wegman's is a privately owned successful Northeastern company.

Wegman's has globalized their business over the past 15 years and offers customer oriented services such as in-store bakery, restaurant and deli, take out options as well as cooking demonstrations within their stores. SAB believes Wegman's will listen to her proposal concerning their expanded services to help Wegman be more competitive. I believe SAB realizes the potential of this business venture which will provide a competitive advantage in distribution. SAB will need to establish more third-party logistics responsibilities and/or outsource delivery, inventory, transportation, and warehousing management. SAB will continually need to evaluate their

products and services to remain competitive with other distribution companies. With CT's experience third-party logistics they both can successfully take on the new changes as well as any challenges. If they work together successfully, they will obtain a competitive advantage over their competitors, as well as have the ability to generate increased sales/margins as well as retain/ acquire more customers.

## II. Case Questions

1. Why and how has the competitive market place for SAB changed in the last five to seven years? The competitive market place for SAB changed in the last five to seven years due to globalization which is the major factor that is changing the business world even today. This type of business environment provides economic and political opportunities as well as some threats which needs to be realized. However, there are challenges within the supply chains that have an effect on the global economy as follows: blurring of traditional organizational boundaries; more volatility of supply and demand; shorter product life cycles.

2. What advantages might Central experience in the proposed new venture? There are many advantages that Central might experience in the proposed new venture. The fact that CT and SAB already have an established long lasting business relationship will assist in a successful collaborative effort. Additionally, technology has impacted a great deal of change in the way companies do business as well as in globalization. Technology has assisted with the transformation process of companies allowing an exponential amount of reach to customers across the globe. Essentially, it creates a

network of virtual business fronts without the brick and mortar. Hence, technology allows everyone to connect to the world's knowledge pools that create an avenue for individuals as well as businesses (small and large alike) to reach out and acquire whatever product or service they need/want. This allows them to attract customers as well as retain customers with repeat business from anywhere in the world.

3. What issues would SAB and Central face in the proposed new approach?

The issues that SAB and Central would face in the proposed new approach is that they may have conflicts of interest as they not only are collaborating in this new venture but also are competitors in business. They also could run into problems with overlapping/redundant management/supervisor positions having differing goals and decisions of how to move forward during the new approach. The companies could eventually have differing business development views which could cause problems for both companies if not managed effectively. Additionally, they could run into issues with technological security from hackers acquiring information or causing internal problems in their sites.