

Case study partnership

Business



Introduction: Tenured is a multinational company located in a European country. Deadener is manufactures for consumers good and the company owns several brands popular in France. As France was a key foreign market for the firm, In the early asses the top management for Tenured company decided to merge their several separate French business offices into one single head office in France .

Internal factors: ere company decided that all local companies were to move to a new office built in the suburbs of Paris Tenured : (The Company) also want to create a single corporate ultra and to eliminate some old local brands in order to bring most products under the umbrella of the Tenured. This strategic was difficult and hard to undertake as the company have many suppliers and many brands located in different European Country. So the management of Tenured thought that the only way to success is to change their purchasing strategy . Hereford, a new department was created for gathering all buyers from the different local companies. Which mean one sourcing manager per line of products . Operated and headed by one purchasing director for the entire French market.

T was further decided to launch a major partnership project, the first goal was to select a very limited number of suppliers that would supply one line of products to all of Tenured business. The idea was to bring them together with a few suppliers instead of each local company having their own suppliers.

The second goal of the project to reduce supply costs As so many changes were introduced at the same time, it was decided to implement the

partnership concept slowly so the company start with products that had little impact on the mean company's brands. The packaging used for transportation made f corrugated cardboard. External factors: Prepare is a also one of the major Scandinavian packaging supplier, saw the possibility of increasing their market share in France .

Therefore the company wanted to have the deal at all costs and they undercut market prices by 25 % to make sure they win the contract The prepare also decided to improve the offer by promising to build a new state-of- the -art- manufacturing plant and to seek further cost reductions for Tenured packaging of as much as 12 % Tenured could not resist all those great promises and prepare become one of their two preferred suppliers .