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The attached educational project, by Ray Rogers, entitled The Best Practices for a U.S. Company to Manage Customer Relationships in an International Supply Chain, when completed, is to be submitted to the Graduate Faculty of the University of Wisconsin-Platteville in partial fulfillment of the requirements for the (MASTER OF SCIENCE IN INTEGRATED SUPPLY CHAIN MANAGEMENT) degree.

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**The Best Practices for a U.S. Company to Manage Customer Relationships in an
International Supply Chain.**

Submitted to

the Graduate Faculty of the

University of Wisconsin - Platteville

in Partial Fulfillment

for the Degree of

MASTER OF SCIENCE IN INTEGRATED SUPPLY CHAIN MANAGEMENT

By

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Abstract

For the seminar research paper, the goal was to conduct a thorough review of literature in the subject matter of supply chain management. This seminar research paper specifically dived into the topic that pertains to best practices for a U.S. company to manage customer relationships in an international supply chain. The author explored fifteen published articles that discussed this topic from a reflective and scholarly perspective to accomplish this graduate paper. The idea of this review of the literature was to extrapolate professional and scholar's expert advice to determine the best practices for a U.S. company to manage customer relationships in an international supply chain.

These six published articles also vary in their depth and ability to address the graduate paper topic. The author reviewed these articles to discover a relationship between customer relationships and a thriving international supply chain. Therefore, this seminar research paper should enlighten the reader about the importance of this content. Lastly, regarding abbreviations, the U.S. stands for the United States.

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Introduction

For this seminar research paper, there was an opportunity to dive deeper into an area of my interest pertinent to the topics covered in supply chain management. This literary work also provided the option of discussing and analyzing an issue by formulating a problem statement. This problem statement involved the entire seminar research paper in breaking down the concept to develop a cohesive, concise solution. The second goal was conducting a review of the literature for a specific subject matter in supply chain management. The third goal is to discover a connection between a successful international supply chain and customer relationship management.

This paper will provide a brief explanation of customer relationship management. The seminar research paper develops real-life examples of customer relationship management's positive and negative impact on the supply chain. A literature review in supply chain management and logistics operations was accomplished in this seminar research paper. Therefore, the author specifically focused on a topic that pertains to best practices for a U.S. company to manage customer relationships in an international supply chain.

Purpose of the Study

This topic was necessary because of the massive effort by U.S. companies to move or expand internationally. Also, experts saw this phenomenon because international partnership and trade presents U.S. companies the opportunity to grab a larger share of their respective industry (Arnold et al., 2017). With the increasing competition of international companies, U.S. companies felt pressure from their shareholders to compete in any means. Besides, global companies were maximizing their operations by expanding their operations to neighboring or distant countries. Therefore, U.S. companies were emulating the change in business operations

to maximize their bottom line as well. However, U.S. companies were not maintaining a successful international supply chain because customer demand did not meet a reasonable lead time. This scenario was the reason the topic is interesting and deserves the opportunity of exploration from the author.

This work also garnered inspiration from SeraCare Life Science Inc., eventually closing their new international supply chain. In this circumstance, there has been a problematic transition onto the global stage. A reviewer of this paper can look at the introduction of SAR2 Kit in the early 2000s to the Asian biopharmaceutical industry. There was a delay of over three years, and the SAR2 Kit finally went into service in October of 2011. When looking back on introducing the new product, it was discovered that SeraCare Life Science Inc. attempted to rapidly change the assembly process with a Chinese manufacturer and the distribution courier. Therefore, this paper's readers can fast-forward to 2020, and this scene shows why there needs to be a change. SeraCare Life Science Inc. cannot maintain a successful international supply chain because customer demand is not met reasonably.

To provide further perspective into the infrastructure and organization of SeraCare Life Science Inc., it is a biopharmaceutical supplier that manufactures and distributes finish goods to a domestic and international client base. Also, this corporation supplies quality control test kits for both biotechnology and pharmaceutical companies. For SeraCare Life Science Inc., this corporation follows a centralized organizational structure. The centralized structure is the concentration of decision-making powers in the management center of the organization in senior management (Westrum, 2004). SeraCare Life Science Inc. has a highly centralized structure with a high number of hierarchical levels. Regarding the execution of the action plans. This

organizational structure can significantly complicate a decision-making process and complicate the management to come to a consensus.

Lastly, the seminar research paper focused on conducting a study on a relevant topic of supply chain management. To accomplish this goal, the author explored many books and research journal articles that discuss this topic from a reflective and scholarly perspective. The idea of this review of the literature was to extrapolate professional and scholar's expert advice to determine the best practices for a U.S. company to manage customer relationships in an international supply chain. These books and research journal articles vary in their depth and ability to address the topic's seminar research paper. The author reviewed these books and journal research articles to discover a relationship between customer relationships and a thriving international supply chain.

Literature Review

The reader of this research paper will see an assessment of sources that provide insight into the research seminar paper's purpose regarding the literature review. In Akkerman's (1999) article, publishes work explored theories and possible explanations on the virtuous and vicious cycles on the road towards international supply chain management. Akkermans made a strong attempt to take on this endeavor, and he laid out his analysis and interpretation in the following order. He made the case that a litany of U.S. companies from all industries is pursuing international supply chain management. However, Akkermans utilized empirical studies to show the lack of success in the successful implementation of international supply chain management.

According to his results, 90% of U.S. companies who implemented an international supply chain always fail to achieve their goal for effective operation and higher monetization (Akkermans, 1999). Akkermans follows up this startling result by providing reasons as to why the occurrence happens. Also, he contributed to this theory-building process by discussing an exploratory causal model of goals, barriers, and enablers. The author then utilized this process to determine best practices to manage an international supply chain for a U.S. company. He stated that U.S. companies should survey international territories to see if they can afford to operate their business in that location and enlist contingency plans if the move did not work. Akkermans also made the final suggestion of promoting cross-functional careers and by actively responding to demanding customer needs. He made these suggestions when U.S. companies settled in an international location.

The final part of the article attempted to give U.S. companies a realistic view of their attempt to move to the international stage. The takeaway was that the author made the argument and illustrated the result that there was a disturbingly gloomy picture of vicious cycles frustrating the implementation of effective international supply chain management strategies (Akkermans, 1999). Akkermans made the final argument that managing an international supply chain was extremely difficult, so a U.S. company could only do their best to mitigate the possible failure in implementation.

Cooper and Lambert (2000) did not directly speak on the best practices to manage an international supply chain for a U.S. company. However, they took the approach of discussing the issues in supply chain management and its integration. The discussion of these issues can indirectly show how a U.S. company should manage its transition to the international stage. The

authors began this article by illustrating how a successful supply chain management network required cross-functional integration of all departments and stakeholders.

Cooper and Lambert then showed that the challenge to achieve success in a supply chain was determined by accomplishing this integration. Therefore, the authors presented a framework for the supply chain management. Besides, they discuss how it might be implemented and questions for future research. Specifically, the author utilized case studies conducted at several companies and involving multiple supply chains. This study's ideas illustrate the concepts described towards the end of the passage and create a model for replicating a supply chain.

According to their results, Cooper and Lambert determined several reasons as to why the integration of a supply chain can be complicated. The results showed that planning and control, work structure, organizational structure, product flow facility structure, information flow facility structure, risk and reward structure, power and leadership structure, management methods, and lastly, culture and attitude (Cooper and Lambert, 2000). The authors suggested these were numerous components that must receive the supply chain manager's attention when managing a supply chain network.

When the authors took the international supply chain into account, these nine components are all factors that must be taken into consideration when a U.S. company implements an expanded supply chain at an international stage. The most crucial factor was the planning and control component of the operations. Cooper and Lambert said that the keys to moving an organization or supply chain in the desired direction were to have an extensive joint planning process with all stakeholders (Cooper and Lambert, 2000). By gathering all the stakeholder's concerns, the authors argued that managers could adequately plan. Therefore, the extent of joint

planning was to bear heavily on the supply chain's success. Also, the control aspects can be operationalized as the best performance metrics for measuring supply chain success.

Houlihan's (1985) article did a great job detailing and theorizing an international supply chain concept. Houlihan explained that a global supply chain was a new concept in the world of logistics management. It was also a new concept that redefines business economics and an operational mission. Therefore, there were new demands and requirements to ensure the success of it. The author illustrated this point by showing the criteria needed in an international supply chain. He mentioned that, compared to a domestic supply chain network, the global supply chain network requires rebalancing inventories between production capacity and customer service (Houlihan, 1985). In other words, there must be predictable demand and rapid response to customer service. Houlihan argued that if a U.S. company did not meet these factors, it was more than likely that the company will fail due to the enormous possibility of cost.

These new demands become a challenge to a supply chain manager from an international supply chain network because it was straightforward to mismanage assets. Houlihan also mentioned the possibility of hidden costs and how they can creep into a poorly planned global supply chain. According to his result, this would result in an ineffective and inefficient network. In the text, you can see the argument that the global supply chain was created to get a separation and distance between operational production and marketing (Houlihan, 1985). He also mentioned the consequence of not achieving this is the risks of distorted demand plans. In summary, Houlihan painted the picture that the international supply chain was more demanding due to upstream production, unpredictable demand, and planning to match demand.

In Lambert (1998), the author introduced the reader to implementation issues in supply chain management. This author gave an interesting perspective on how implementation can devastate a supply chain network and its causes. Specifically, the author utilized case studies that point to a catalyst for the proliferation of the supply chain network. Lambert stated that poor coordination among the supply chain members could drastically affect the supply chain network (Lambert, 1998). The supply chain network's efficiency was defined as completing a transaction with the network partners in a short lead-time. He followed up with this point and reinforced it by explaining logistics' role in a supply chain network. The author stated that logistics' role was to plan, implement adequate flow, and store goods and storage. Therefore, a lack of coordination in any area of the process can be the catalyst for visible issue in a supply chain network.

Lambert also discussed the ability to pick the right supplier as a cause for an issue in supply chain management. He stated that the supplier is a critical component in an efficient and effective supply chain. When the wrong supplier is involved, it becomes challenging to synchronize operations and minimize lead times to meet all demands. Supply chain management integrates critical business processes from end-user through original suppliers that provide products, services, and information that add value for customers and other stakeholders (Lambert, 1998). This situation was another possible, viable catalyst that could cause the issue of supply chain management. Therefore, choosing the right supplier can be the difference between an effective supply chain and a dysfunctional mess.

The last article was an excellent read to understand the best purchasing practices within the top than corporate companies. The author of this content gave advice and a generic model for perfecting a supply chain network through the appropriate purchasing channels. This article

also extrapolated the pertinent message and developed the best management practices for an international supply chain. In this context, the authors made the case that procurement professionals need to recognize they play a crucial role in achieving senior management's critical objectives. They also stated that value stream mapping was a useful tool for understanding supply chain processes and identifying waste (Moody et al., 2018). This concept of value stream mapping was an excellent idea for purchasing, and it could be a good idea for implementing an international supply chain. The authors stated value stream mapping was useful because it centralized all processes, thus removing nuances and degrees of complexities.

To follow up on the value stream mapping idea, the authors emphasized reducing cost, i.e., waste, with a stringent endeavor. The authors then presented an interesting definition of the term. They said that value stream mapping was a lean manufacturing or lean enterprise technique used to document, analyze and improve the flow of information or materials required to produce a product or service for a customer (Moody et al., 2018). Therefore, the author suggested adopting a value stream mapping method to create an effective international supply chain.

Methodology

The primary method of approach for this seminar research paper consisted of a review of the literature. From supply chain management topics, literature, involved books, and research journal articles on supply chain management. Google scholar was pertinent in obtaining information. Secondly, there will be a secondary data analysis of research and statistics relevant to the topic presented.

Discussion

Several best work practices work well with managing customer relationships in an international supply chain from the literature review. The first practice was that U.S. companies should survey international territories to see if they could afford to operate their business in that location and enlist contingency plans if the move did not work. A second practice was establishing numerous components that must receive the supply chain manager's attention. The components were planning and control, work structure, organizational structure, product flow facility structure, information flow facility structure, risk and reward structure, power and leadership structure, management methods, and culture and attitude.

Thirdly, there has to be a predictable demand and a rapid response to customer service. The next best work practice was picking the right supplier as a partner, i.e., synchronizing operations to manage an international supply chain network. Synchronizing the partners' operations minimized lead times to meet all demands and keep customers satisfied. The last best work practice was implementing a value stream mapping. Also, there should be a centralizing of all processes, thus removing nuances and degrees of complexities.

Best work practices were typically the compilation of learned lessons from business experiences in the field of operation. Therefore, these best work practices correlated with success. In customer relationships, the best work practices presented in the articles can help maintain a positive relationship with their client base. This circumstance was due to the fact. If a corporation cannot maintain a positive relationship with customers, it has difficulty maintaining a consistent demand. Therefore, these best work practices can help manage customer relationships to operate a successful international supply chain. The best work practices discovered in this graduate paper are all useful. However, the next step is to see how

best work practices can apply to a U.S. company with an international supply chain to guarantee customer success.

A case scenario within one of the articles illustrated that these best work practices help customer relationships. This article discussed domestic and international customers and their relationship to the consumer price index, i.e., inflation. When inflation occurs, it impacts increasing the price to consume a product (Arnold et al., 2017). This situation can be translated into an internal supply chain as a harmful impact. Because inflation can negatively impact purchasing power in the U.S., supply chain managers will seek international companies to minimize the impact of cost on the bottom line. Therefore, the international supply chain manager should keep the finished goods' costs to a minimum to maintain consumers' demand. Keeping the customers happy should be the end game for the best work practices in an internal supply chain.

Besides, these best work practices can assist the customer relationship through supplies. The labor and supplies can be costly for a company's overhead. As U.S. companies moved or expanded to an international stage, it made equipment and materials cheaper, which was great. The price reduction was due to the discovery of international partners willing to reduce the cost of materials and supplies (Arnold et al., 2017). My current employer currently procured equipment and supplies through domestic companies at an agreeable contract price. They procured equipment and supplies from an international supplier, but there was an enormous amount of bureaucracy to do this. Besides, this was a challenge for my federal agency because international suppliers may not meet U.S. federal regulations. Therefore, this dynamic created an unpredictable environment for my procurement department, but it positively impacts the customer.

The purpose of the change plan's actions was to reduce a new international supply's possible failure, thus dodging the waste of large capital investment. Therefore, the change plan is to disrupt the implementation of SeraCare Life Science Inc.'s new international supply chain. To accomplish this goal, the project manager delivered the basic communication strategy with the executive leadership team at SeraCare Life Science Inc. will execute a two-year, two-phase process. The first phase in year one involves reducing the holding costs. Holding costs were those capital expenditures associated with storing inventory that remains unsold (Cooper, 2000). These costs were one component of total inventory costs, along with ordering and shortage costs. The firm's holding costs categorically included the price of goods damaged or spoiled and storage space, labor, and insurance.

In phase-1 of the process, it was holding a cost reduction method. The first step was to reduce the corporate expenses in their new international supply chain via holding cost reduction methods. The best way to ensure SeraCare Life Science Inc has enough cash to run its domestic operation by selling inventory and collecting those payments quickly. The majority of the cash, customers, and the minority was the reshuffling of cash the firm must develop to continue domestic operations. We can measure the frequency of cash collections using the inventory turnover ratio, which the user can calculate as the cost of goods sold (COGS) divided by average inventory (Arnold, 2017).

For phase-2 of the process, the user needs to set a reorder point. The second step in year two was to include a strategy to reallocate those funds into the domestic operations for SeraCare Life Science Inc. via the reorder point. Another important strategy to minimize holding costs and other inventory spending is to calculate a reorder point or inventory level that alerts the company

to order more inventory from a supplier. The reorder point considers how long it takes to receive an order from a supplier and the weekly or monthly product sales level.

A reorder point also helped the business compute the economic order quantity (EOQ), or the ideal inventory that should order from a supplier. The user can calculate EOQ with inventory software. An accurate reorder point allows the firm to fill customer orders without overspending on storing inventory. Companies that use a recorder point avoid shortage costs, which was the risk of losing a customer order due to low inventory levels (Arnold, 2017). This technique was the best method to implement into the domestic operation when all the capital investment focuses on one location for SeraCare Life Science Inc. circumstance.

The holding cost reduction method and reorder point was sole with the software technology SAP. From a historical perspective, SAP was an Enterprise Resource Planning software (ERP) from SAP AG, Germany. SAP (or generally any ERP) was in large or medium-size enterprises to integrate various functions. Each function was the respective module in SAP (or any other ERP) software. This massive endeavor was by three different departments within SeraCare Life Science Inc. There should be an expectation of people issues, especially with everyone using new technology such as SAP. Each department in SeraCare Life Science Inc. operates with its autonomy. For SeraCare Life Science Inc., this corporation follows a centralized organizational structure. The centralized structure is the concentration of decision-making powers in the organization's management center in senior management's hands (Westrum, 2004). SeraCare Life Science Inc. has a highly centralized structure with a high number of hierarchical levels.

Conclusion

The future state of SeraCare Life Science Inc. is eventually closing their new international supply chain. In this circumstance, there has been a problematic transition onto the international stage. The reader can look at the introduction of SAR2 Kit in the early 2000s to the Asian biopharmaceutical industry. There was a delay of over three years, and the SAR2 Kit finally went into service in October of 2011. When looking back on introducing the new product, it was discovered that SeraCare Life Science Inc. attempted to rapidly change the assembly process with a Chinese manufacturer and the distribution courier. This failed change made it impossible for the company to assist international customers with issues in order fulfillment properly. Therefore, we can fast-forward to 2020, and this scene shows why there needs to be a change. There is no doubt from my analysis of the situation. SeraCare Life Science Inc. needs to end its start-up international operations and focus solely on its domestic supply chain. By doing this, the company will be better able to handle customer relationships with ease and excellence.

In summary, this graduate paper's goal was to discuss the best practices for a U.S. company to manage customer relationships in an international supply chain. This graduate paper met the goal by conducting a literature review in supply chain management and logistics operations. Secondly, the author provided an illustration that discovered best work practices from the literature review. Lastly, there was a focus on discussing how the best work practices correlate with success.

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