

March 2004

This is the second in a series of summaries from the recently initiated AMA Global Marketing SIG Round Table Discussions held at AMA Conference events. The following summary, global supply chain management, derived from the AMA Summer Educators' Conference in Chicago, August, 2003.

Global supply chain management has become an increasingly important topic for marketers. Global supply chain management can be viewed as a primary driver of both customer and shareholder value. A firm's global supply chain consists of multiple business partners across a wide number of countries. Numerous research issues arose during the session. All participants in the sessions are commended for the ideas they brought to the session and the knowledge they produced during the discussion. The following issues were those that received the most attention during the session.

1. Shifting nature of outsourcing. Continued growth of outsourcing was evident to all participants. The extension of off-shore production to international customer service operations has been established. But what forms will global outsourcing take in the future? The global arena gives supply chain managers significant opportunities to innovate. Innovation in the context of global supply chains has unique aspects. Participation in a supply chain requires collaboration and co-development is getting attention as a methodology for working together across company boundaries. The effect of multi-country representation, and the mix of cultures involved, is not known. The conditions under which environmental circumstances improve or diminish prospects for new development success is not known. There are process issues. Supply chains provide a natural laboratory for studying multi-cultural multi-firm innovation.

2. Structure of supply chain management in the global marketplace. Issues of scope, scale and purpose are prevalent. A key question is who participates, and the expertise they are expected to bring to the operation. Multiple perspectives can be applied to the study of global supply chains. Logistics, Operations, Supply, Market Orientation, and Customer Relationship Management were mentioned during the Round Table discussion. Conceptualizing the supply chain

in different ways contributes to understanding components and the relationships between them. Introducing the global dimension adds richness and deeper meaning. Mapping these systems is an important step toward acceptance of a paradigm. Several diagrams were displayed or created during the discussion. There was no conclusion on a definitive model, but there was agreement on the need for one.

3. Relationship outcomes. It appears that inter-firm bonds in the supply chain have some of whatever makes relationships sticky. Key elements of a relationship were identified as trust, caring, communications, honesty, and efficiency. The manifestation of these behavioral and emotional variables needs to be developed for different cultures. Cross-country comparisons of these constructs in a supply chain setting would shed light on why they work/don't work in various settings. The nature of a business relationship in different cultures has not been adequately studied. Understanding a relationship that combines two or more cultures, as in a global supply chain, can then be undertaken.

4. Ethical Issues I. Supply chains have raised numerous ethical concerns that will need further investigation on the world stage. Availability and use of information for making joint decisions is a major issue. Shared information is vital to supply chain operations. But information privacy (especially as it relates to the end consumer) is viewed differently around the world. Agreements will be needed but these may be difficult to reach because of the emotional nature of privacy rights. These rights are rooted in culture and applied in local laws. Privacy as an obstacle to information flows in global supply chains needs considerable attention.

5. Ethical Issues II. Round Table participants discussed the macro implications of global supply chains. Some participants felt this was the most important topic considered. Supply chains have potential as a mechanism that assists emerging and transitional economies in reaching the next stage of development.

Knowledge gained through cooperative ventures impacts operations locally and opens additional opportunities globally. The connection between supply chain success and global trade prowess needs to be explored. The role of learning in supply chain success may be a key. Learning organizations throughout the world need to be analyzed to obtain a better idea of how they can contribute to economic development through global supply chain participation. This research stream is underway. Studies in the supply chain setting have great potential to contribute to understanding marketing and economic development.

In summary, one clear take-away from the Round Table discussion was the richness of the topics addressed – global supply chain management. The areas discussed at the conference and highlighted here provide numerous opportunities for global marketing researchers to contribute to improved practice and economic development.

The participants of this Round Table discussion were:

Dan Bello, Georgia State University
Andrew Czaplewski, University of Colorado at Colorado Springs
Georg Fassott, University of Kaiserslautern
Frank Franzak, Virginia Commonwealth University
David A. Griffith, Michigan State University
G. Tomas M. Hult, Michigan State University
Bill Lundstrom, Cleveland State University
Juan Meng,
Matthew B. Myers, University of Tennessee, Knoxville
Pradeep Rau, George Washington University
Carl Arthur Solberg, Norwegian School of Management, BI
Vern Terpstra, University of Michigan
Arturo Vasquez, University of Texas Pan American
Dawn Valdés Wagner, McHenry County College
Yujie Wei, Georgia State University

This summary of the Round Table discussion is based on my notes, compiled during the session. Apologies to an outstanding group of participants for any omissions and all misinterpretations. Others would surely reach a different set of conclusions. To the extent these comments start meaningful dialogue, the Round Table will have accomplished its purpose.

Frank Franzak, Virginia Commonwealth University