The root cause could very well be a misalignment of their supply and product strategies. Realigning the two is hardly easy. But the reward--a remarkable competitive advantage that generates high growth in sales and profits--makes the effort worth it. (Porter's generic strategy)

An interaction approach to global sourcing: A case study of IKEA (Hultman et. al, 2012)

Aim: the process of global sourcing is governed not only by rational single firm decisions but also by interactions amongst supply network actors. How the driving forces of global sourcing have been influenced by **interaction** between firms.

Global sourcing: IKEA and the PAX supply network

1. A key component in the low cost strategy at IKEA has been to own only a small proportion of the means of production.
2. The remaining part of the IKEA case study focuses on the global sourcing of a particular IKEA product, namely the PAX wardrobe system.
3. Two main product groups make up the PAX wardrobe system: the wardrobe frame and a set of sliding doors in various designs.
4. The main reason for sourcing tempered glass in China was cost reduction
5. There seemed to be several reasons for continued sourcing in Europe; either patents (sliding profile), or contracts that were tied to IKEA (fittings), or the shortage of supply of certain components to be sourced from China (e.g. rubber and steel components).

Discussion

1. Most notably, cost reduction was undoubtedly an important driver towards, initially, international purchasing and, later, global sourcing.
2. However, a focus on cost motivations alone neglects the significance of complex coordination strategies within the global supply network required for global sourcing.
3. The step from international purchasing to global sourcing is identified here through the development of more than one assembly unit, leading to a need for worldwide integration of operations, primarily sourcing and

performance improvement.

H6: Supplier agility has a positive effect on the level of performance improvement.

Our results point to the importance of common goals, aligned metrics, and defined processes that occur in parallel between purchasing and stakeholders, purchasing and suppliers, and the combined synergistic effect of these performance measurement systems on network agility performance.

Traditional category management approaches have been largely focused on internal spending patterns and have targeted high spend areas for cost savings based on driving common specifications, part families, or services.

An alternate emerging approach is to organize around internal categories based on bilateral characteristics defined on the one hand by the needs of constituent internal stakeholders, but secondarily by the characteristics of the external supply marketplace.

Periods of decreasing integration in the relationship and in net life cycle are seen as negative and costly. Therefore companies wish to either intensify or finish the cooperation as quickly as possible.

Proposition 6: The importance of the integration dimension is enhanced--sometimes even at the cost of decreasing penetration--by the domino effects, which in turn increases the likelihood of the development of domino effects.

International integration seems to be both a reason for changing and continuation as well as an effect of the changes as more group organizations in the cases are working together.

MANAGERIAL IMPLICATIONS

1. A knowledge base would be to learn which organizations and nets that form the total industrial network and how they are connected.
    1.1. Here the international integration in the relationships, nets and the total network can be a useful source of information.
2. The next step would be to try to anticipate the risk of dissolution or split, as well as the possible establishment or joining of relationships and nets, by making use of the concepts of negative and positive connectedness as well as complementary and overlapping nets. (where to find latent conflicts and companies waiting for a change.)
3. Possible indirect relationship changes should be thought through before embarking upon the switch and before making the extra financial capital available.
    3.1. Companies have fewer but closer partners or give higher priority to certain of their partners. (better possibilities to influence and foresee changes of strategic relationships within the net.)
4. In other cases, efforts to decrease dependencies in the net should be

Information System Innovations and Supply Chain Management:
Channel Relationships and Firm Performance
(Kim, Cavusgil and Calatone, 2006)

First, we explore whether and in what way a firm's internal channel capabilities are enhanced by Supply Chain Communication System innovations.

Second, we examine how SCCS innovations influence the firm's market performance (e.g., sales growth, market development, product development) through enhanced channel relationships.

Third, we investigate the extent to which SCCS innovation is a source of competitive advantage for firms.

Model and hypotheses

IS Innovations as Resources of the Firm

1. Applied Technological Innovation for SCCS
    1.1. Proactive adoption of new SCCS technologies through applied technological innovations, especially before they are fully adopted by competitors in the industry, can be a source of competitive advantage enhancing efficiency in channel activities both within the firm and with its partners (affect a firm's channel capabilities, e.g., information exchange, inter-firm coordination positively).
2. Administrative innovation for SCCS
    2.1. administrative innovation for SCCS in this study refers to the extent to which the firm possesses the necessary knowledge and skills to exploit or use its SCCS in a way that competitors cannot imitate easily.
    2.2. Firms can seek administrative innovations for SCCS in various ways. For example, SCCS deployment can be tailored to the firm's core competencies or capabilities.

Cultural adaptation and socialisation between Western buyers and Chinese suppliers: The formation of a hybrid culture (Jia et al, 2016)

this paper engages with the discussion around buyer-supplier relationship in a cross-cultural context and focuses on behavioural adaptation (instead of changing value or fundamental beliefs) following Schein (1992) to address three research questions (conclusion answered these questions):

(1) How is a Hybrid Culture formed between a Western buyer and Chinese supplier?

(2) What is the nature of a Hybrid Culture in this context?

(3) What is the role of hybrid culture in the relationship between socialisation and relational capital?

Theoretical background

Socialisation and cultural adaptation

1. Socialisation
    1.1. Socialisation is the level of interaction between, and communication of, various actors within and between the firms, which leads to the building of personal familiarity, improved communication and problem solving (Gupta & Govindarajan, 2000).
    1.2. Formal and informal socialisation
    1.3. Relational capital refers to the degree of mutual respect, trust and close interaction that exists between the partner firms (Cousins et al., 2006; Kale et al., 2000;
2. Cultural adaptation
    2.1. cultural adaptation as "An attempt to elicit approval from members of a foreign culture by attempting to become behaviourally more similar to members of that culture." (Francis' 1991, p. 406)
    2.2. Lin (2004) provides a useful process model of cultural adaptation and claim that cultural adaptation process includes three separate

the two groups (IPOs and account management teams) of TBSs and doesn't permeate into the rest of the organisation i.e., those who are further away from the buyersupplier interface.

4. Socialisation and cultural adaptation processes are intertwined in a way that socialisation is visible and explicit at the surface level while cultural adaptation is more invisible and implicit at a deeper (close to cultural value) level.
5. socialisation may be a prerequisite to cultural adaptation because without socialisation and interaction, it is impossible for people to understand each other'scultural values and then adapt accordingly if necessary.
6. We therefore propose that:
7. P1. The combined informal and formal socialisation leads to cultural adaptation.
8. P1a. Interface teams (IPOs and account management teams) hosting trans-cultural Boundary Spanners (TBSs) who socialise formally and informally at the interface between Western buyers and Chinese suppliers are the most likely to adapt culturally.
9. P1b. TBSs acting as boundary spanners and cultural knowledge brokers and setting the boundary of the hybrid culture reduce cultural tension between a buyer and a supplier.

An integrated conceptual model of hybrid culture

1. Hybrid culture is an outcome of cultural adaptation embedded in informal and formal socialisation between interface teams.
2. The nature of the hybrid culture is a combination of Guanxi elements and western rules and procedures.
3. P2. The higher the level of cultural adaptation attained through informal and formal socialisation the stronger the hybrid culture between a Western buyer and a Chinese supplier.
4. P3. The stronger the hybrid culture in a cross border buyersupplier

a new competitor analysis.

2. All the analysis made by the team can be found in a special database called DAMIS, which stands for “Dasa Market Information System”
3. Future in not just a continuation of the past

orientation, is more formal and based on the interplay of competition and cooperation, i.e. it occurs at a corporate rather than personal level.

Mitigating strategies for SCRR

International inter-firm learning

Cultural adaptation

1. Lin (2004) proposes that there are three levels of cultural adaptation: to understand, to adjust and to learn.
2. As it seems logical that cultural adaptation offers itself as a mitigating strategy against SCRR caused by cultural differences, we consider cultural adaptation to be a form of international inter-firm learning.

Mutual benefits of cultural adaptation

1. There are generally three concepts describing close business relationships: strategic alliance, partnership and obligational contractual relations.
2. In the context of this research, the mutual benefifits realised by both parties in a buyer-supplier relationship will be related to partnership performance:
   2.1. Relationship effectiveness refers to the degree to which partners find the relationship to be productive and worthwhile.
   2.2. Cost-reduction benefits provide a measure of the degree to which the business-to-business relationship has enabled the parties to generate benefit as a result of reduced operational costs (Myhr, 2001).
3. Generally, commitment is described as a kind of lasting intention to build and maintain a long-term relationship.
4. Three key measures are tentatively proposed as indicators of mutual benefit or partnership performance between a Western buyer and a Chinese supplier. These include relationship effectiveness, relationship quality and cost-reduction benefits.