

Assume that you are the Manager of a goods packaging factory of one of the prominent and leading B2B (Business to Business) organisations. Being in the goods packaging business for more than 20 years, your organisation has developed promising and effective business relations with its suppliers and consumers/clients. Paper is one of the essential and largely used entities in the production of packaging materials for most goods. One of your regular paper suppliers is a foreign-based reputed firm. The firm has been associated with your business for the past 15 years. They have been selling world-class paper rolls to you at reasonable prices. Their paper quality is high and reliable and they have been delivering the products on-time. However, most of your competitors in the goods packaging sector/market buy similar paper products from local vendors in India, which manufacture their paper in small scale units. Their quality standards are low and the order lead time is usually quite variable. Their charges are, however, much cheaper and non-standardised.

Now, amidst the COVID-19 pandemic, your regular supplier is facing a lot of issues in transporting the paper supplies to your factory due to a halt on the import-export business. They are taking much more than the usual delivery time and have increased their prices upto 150% due to the higher transportation and delivery charges. They are, however, working in compliance with the government laid norms and ensuring all possible safety regulations for their staff and for the delivered products. On the other hand, the local suppliers are delivering orders in cheaper rates and within usual lead times, but the quality and reliability of orders are unclear and not trustworthy.

Being a B2B firm, your organisation is also facing difficulties in sustaining the supply chain and meeting the net product demand. The lockdown situation has given a further hit to your production as only 20% staff is being allowed to work in the factories. Over that, you are also facing enormous challenges in delivering the manufactured goods to your own consumers. In order to meet the sales demand, you have to manage the factory and its working on your own and ensure that the production continues at an even greater pace. However, you realise that your regular supplier is facing difficulties in delivering the products to the factory on-time and is also charging more. You have to make a choice to stick with your regular supplier or shift on to a local vendor. Come up with an optimal solution to the problem and discuss the consequences.

Moderator - Arjun B

Participants -

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