It is very important to have multiple business models because production decisions can change over time. As Tayur stated in her research, outsourcing became big in the early 21st century and is now on the rebound. These types of changes have affected out economy on many different levels. On top of this, changes can be so fast you need to have a backup plan.

E-Business has had a huge impact on the supple change. Companies like amazon have gotten so big and powerful they control the supply. If they change their business model to turn a larger profit they could make almost all online prices skyrocket.

Using different modes of distribution helps one find the optimal area of distribution as well as transportation and allocation of resources. A single change could destroy a business if they aren’t prepared, one of the best way they can prepare is to have multiple models set up so if one fails the other would still be working (Swaminaj, 14).

Sources:

http://public.kenan-flagler.unc.edu/faculty/swaminaj/research/paper/st.pdf