

Case 3: Vols-R-Us Global Supply Chain Network Design

Kevin Robinson and Tony Gunn II



Mexico Epic Analysis

- GDP & Growth Rate
- Population
- Foreign Direct Investment

- Ease of Doing Business
- Legal & Regulatory Framework

Economic

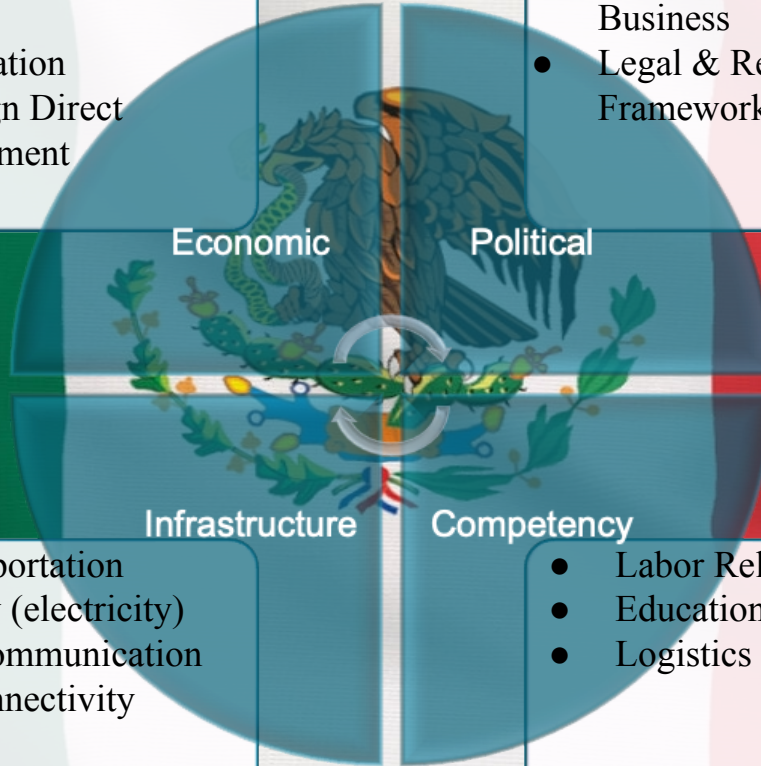
Political

Infrastructure

Competency

- Transportation
- Utility (electricity)
- Telecommunication & Connectivity

- Labor Relations
- Education Level
- Logistics Competence





China Epic Analysis

- GDP & Growth Rate
- Population
- Foreign Direct Investment

Economic

- Ease of Doing Business
- Legal & Regulatory Framework

Political

- Transportation
- Utility (electricity)
- Telecommunication & Connectivity

Infrastructure

- Labor Relations
- Education Level
- Logistics Competence

Competency



Comparison Analysis

Mexico

Strengths:

- Favorable trade agreements
- Strategic proximity= shorter shipping times
- Growing competency

Risks:

- High transportation costs (air way)
- Limited transportation routes (infrastructure)
- Security concerns

China

Strengths:

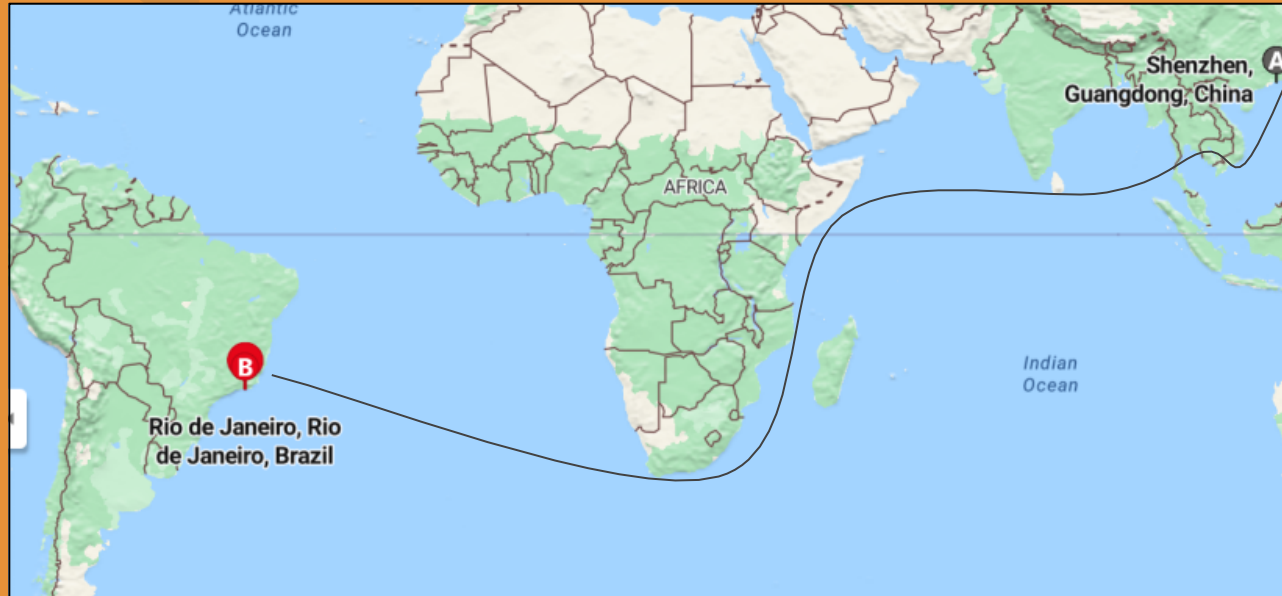
- High GDP & FDI
- Ease of Business
- Infrastructure Investment
- Highly Competent Workforce

Risks:

- Longer Supply Chains
- Possibly
- High Tariff Implications

	Economy	Politics	Infrastructure	Competence	EPIC Index
Mexico	70.5	59	48	49.5	57.25
China	82	54.5	75.5	62.9	70.73

Sourcing the Compressor



SPLIT 9000 BTUS ELECTROLUX
ECOTURBO • FRI0 • 220V

FRETE GRÁTIS

Resgate
DE: R\$ 1.099,90
POR: R\$ 947,00
10X R\$ 94,70 S/JUROS

+1000Km

PREÇO NO BOLETO R\$ 899,65



Logistical Execution & Contingency Planning

Total Value of Ownership



Mexico:

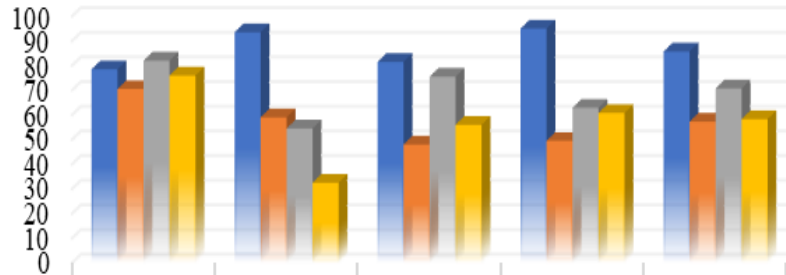
- Perceived Value
 - Response Time (-)
 - Quality (-)
 - Cost (+)
 - Flexibility (-)
- Total Cost of Ownership
 - Transportation
 - Cost of Quality
 - Risks

China:

- Perceived Value
 - Response Time (+)
 - Quality (+)
 - Cost (+)
 - Flexibility (+)
- Total Cost of Ownership
 - Transportation
 - Cost of Quality
 - Risks

Charts

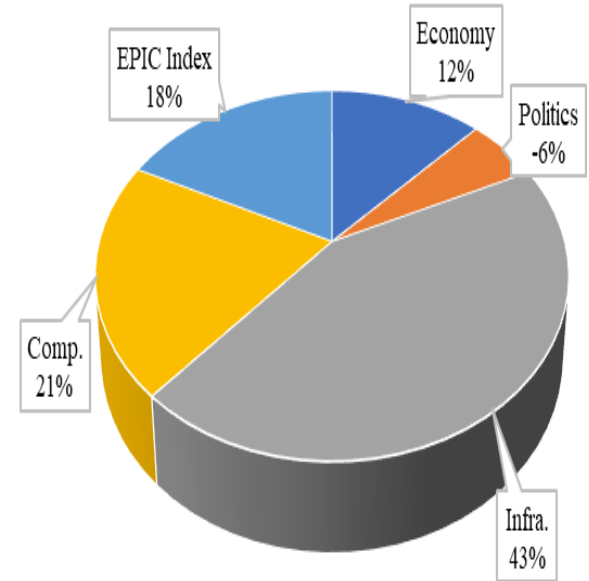
OVERALL COMPARSION



	Economy	Politics	Infra.	Comp.	EPIC Index
United States	78.5	93.5	81.5	95	85.7
Mexico	70.5	59	48	49.5	57.25
China	82	54.5	75.5	62.9	70.73
Brazil	76	32.5	56	60.8	58.26

■ United States ■ Mexico ■ China ■ Brazil

China vs Mexico Difference



■ Economy ■ Politics ■ Infra. ■ Comp. ■ EPIC Index

Source Links

White Paper:

- (2014) Global Supply Chains EPIC.pdf
- Dr. Alex Rodrigues Global SCM Class Powerpoint

China:

- Economic:
 - [China GDP 1960-2023 | MacroTrends](#)
 - [China Population 1950-2023 | MacroTrends](#)
 - [Foreign direct investment \(FDI\) into China - statistics & facts | Statista](#)
- Political:
 - [CHN.pdf \(doingbusiness.org\)](#)
 - [China-U.S. Legal and Regulatory Update \(thompsonhine.com\)](#)
- Infrastructure:
 - [Transport infrastructure in China - statistics & facts | Statista](#)
 - [2021 electricity & other energy statistics \(preliminary\) | China Energy Portal | 中国能源门户](#)
 - [China Telecommunication Market Report \(2020-2025\) \(globalmonitor.us\)](#)
- Competency:
 - [China's Labor Force - Data, Trends, and Future Outlook \(china-briefing.com\)](#)
 - [Education in China - statistics & facts | Statista](#)
 - [Logistics Industry in China - Statistics & Facts | Statista](#)

A/C Links:

- [Global Air Conditioner \(AC\) Market | Report, Size & Share \(6wresearch.com\)](#)

Mexico:

- Economic:
 - [Mexico's economic momentum continues; outlook improves - Dallasfed.org](#)
 - <https://tradingeconomics.com/mexico/balance-of-trade>
- Political:
 - <https://archive.doingbusiness.org/en/data/exploreeconomies/mexico>
 - <https://www.oecd.org/about/impact/reforming-telecommunications-in-mexico.htm>
- Infrastructure:
 - <https://www.trade.gov/country-commercial-guides/mexico-power-sector-electricity-infrastructure-and-smart-grid>
 - <https://www.oecd.org/about/impact/reforming-telecommunications-in-mexico.htm>
- Competency:
 - <https://www.economy.com/mexico/labor-force>
 - <https://clubdecarga.com/en/2021/08/03/mexico-asciende-en-el-indice-de-logistica-de-mercados-emergentes/>