Alternative supply markets for bathroom acessories

Student



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Problem: Bodenschatz, a traditional Swiss company that develops and distributes bathroom accessories, sources various products from the Chinese market. The far-eastern producers can manufacture even small quantities at attractive prices at a good and consistent quality, which is why there is great satisfaction with the current procurement strategy. However, increasing political tensions and disruptions in the logistic chains prompted the company to look for possible alternatives.

This paper's objective is to determine whether an adjustment of the procurement strategy can stabilise the value chain or bring economic advantages.

Approach: The work was structured in the following sub-tasks:

1. Supply market analysis

Relevant (world-) economic, political, sector-specific and product-specific developments were analyzed. Different potential procurement markets were compared using a PESTEL analysis and the probability of finding suitable suppliers in the respective market was assessed.

2. Supplier identification

A generic supplier profile for the manufacturing of bathroom accessories was established. Within the identified supply markets with high potential, structured research was conducted to identify suppliers that match the generic supplier profile.

3. Recommendations

Considering Bodenschatz's strategic framework conditions, comprehensible recommendations whether an expansion or restructuring of the current value chain is appropriate have been prepared.

Result: Domestic political developments in China and the relationship between the West and China indicate that the risks in far-eastern trade are currently on the rise. The importance of the identified high-potential supply markets in Southern and Eastern Europe as well as Thailand is therefore likely to increase. In Portugal in particular, a cluster of manufacturers of products in the sanitary sector was identified. Several suppliers have expressed interest in producing products for Bodenschatz.

A gradual adjustment of value chains can significantly reduce the impact of occurring risks with little commercial impact. In addition, various inputs that support decision making for further actions have been provided.

The work has shown alternatives to Bodenschatz's existing supplier network. It is now the responsibility of the company to decide whether or not to pursue these approaches and enter into new business relationships.

Toilet paper holder as example of a bathroom acessory www.Bodenschatz.ch



Concept of the environmental analysis PESTEL Own presentment



Identified high potential supply markets Own presentment



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