

### **Case Study 3**

#### **Yatzamus Company Ltd**

You have been appointed an executive in a large retail company with 30% of the business overseas. The company is located in the UK, with additional retail outlets in ten EU countries and USA. Some 80% of the business is in clothing with all the 150 suppliers UK based. Many of the suppliers import the garments from overseas and sell them on to Yatzamus at a substantial profit.

Your task is to reduce the number of UK suppliers by 80%, as over a period of 30 years they have become uncompetitive in price and in delivery lead time, the result is that Yatzamus competitive advantage in the market place has declined.

Moreover the Board wishes to have 75% of the clothing sourced from overseas on a logistic supply chain basis. Additionally a new impetus is required to substantially increase the sales volume in all the overseas outlets. The finance director wishes to trade overseas in Euros.

Currently the company does not have an international management culture with over 35% of the senior personnel over 50 years of age.

You need to consider or address the following areas:

- 1) 'The provision and location of a logistics driven distribution centre in the Euro zone to serve all the Euro outlets including the UK and also those outside the EU, is a key factor in the export strategy of Yatzamus Company Ltd.' Discuss this statement.
- 2) Examine the option to trade in Euros both in overseas sales and purchasing. Identify the problem and risk areas and the interface with national currencies in the trading currencies.
- 3) Formulate a supply chain to and from the distribution centre both for product sourcing from overseas territories and exporting from the distribution centre to all the retail outlets.
- 4) Discuss the advantages of following the strategy as outlined by the Board of Directors. Give reasons in your answer.
- 5) Examine the criteria to adopt the overseas suppliers. An objective plan is required.
- 6) The Board of Directors wish to have 75% of clothing sourced from overseas on a logistic supply chain basis. Examine the countries you would recommend. In the chosen countries focus particularly on the existing supply chain network and the improvements you would recommend.
- 7) Formulate an overview of the company structure required to develop the strategy outlined and related criteria. Identify a suggested training programme, its content and time scale.

You are free to make your own assumptions and tutors/students may wish to tackle some but not all of the seven questions. Each of the titles listed below has a very comprehensive index to help conduct your research and prescribed reading for each of the questions listed.

### **Recommended Reading: Thomson Learning**

- *Export Practice and Management* 5<sup>th</sup> Edition, (2006) A. Branch
- *International Purchase and Management* 1<sup>st</sup> Edition (2001) A. Branch

### **Supplementary Reading**

- *Dictionary of Shipping International Trade Terms and Abbreviations*. 5<sup>th</sup> Edition. (2005) A. Branch. Witherby (18,000 terms)
  - *Global Supply Chain Management and International Logistics*, (forthcoming 2008) A. Branch. Routledge.
  - *Shipping and Air Freight Documentation for Importers and Exporters and Associated Terms*. 2<sup>nd</sup> Edition. (2000) A. Branch. Witherby
- E-mail: [books@witherby.co.uk](mailto:books@witherby.co.uk)