

Globalization, the increasing pace of technological innovation, growing interconnectivity, the rising popularity of out-sourcing, and the introduction of new value-added third-party-services, affect supply chain networks for better or for worse. IMD's research looks into strategies that turn these trends into opportunities.

On the one hand, the trends above provide opportunities for success. For example through information sharing and collaboration in supply chain networks. On the other hand they also entail increased complexity. For executives involved in supply chain management it is vital to stay up to date on current best practices. IMD's research seeks to understand how successful companies manage the uncertainties, risks and challenges that come with increased supply chain complexity.

IMD's research focuses on the creation of competitive advantages through excellent supply chain management. Three recent IMD studies in particular focus on: formulating super-collaborative strategies, managing attractiveness for collaboration, and capitalizing on relationship capital in collaboration teams.

1. *Formulating Super-Collaborative Strategies*

Professor Corey Billington distinguishes four levels of collaboration in procurement and supply chain practices. He explains why "super-collaborative" relationships are different from "normal" cooperative relationships and partnerships. In super-collaborations, there is a true mutual commitment from both firms and all of their functions to create significant competitive advantages for each other. Good examples are Honda of America and Toyota, who have achieved a substantial advantage over U.S. car manufacturers by involving their suppliers into their business processes. In his forthcoming article in *CPO Agenda*, on *Collaboration as a Core Asset*, Billington further explains the value of formulating such partnership strategies and gives guidelines to reach this ultimate level of collaboration.

	<i>Combative</i>	<i>Cooperative</i>	<i>Partnerships</i>	<i>Super Collaboration</i>
Benefit to firm	Lower prices	Costs lower	Incremental Value	Competitive Advantage →
Gain in Competitive advantage	Rare	Possible	Likely	Absolute →
IMD's latest research				Formulating Super Collaborative Strategies Managing Attraction for Collaboration Capitalizing on Relationship Capital in Collaboration teams

Managing the Extended Supply Chains (MESc)

2006: April 2 – 7 at IMD

November 5 – 10 at MIT Sloan

2. *Managing Attraction for Collaboration*

It takes two to tango; so, other potential partners need to be convinced of the partnership's strategic value. Therefore, it is important to become an attractive customer or supplier to prospect partner firms. By being attractive, a company's key partners will willingly engage in each other's resource and competence development. IMD Professors Carlos Cordon, Thomas Vollmann, and Kim Sundtoft Hald have developed a comprehensive list of factors underlying the attractiveness of supply chain partners. Their research emphasizes that the attractiveness of a firm is mainly determined by the expected value of partnering with that firm and the expected comfort received from cooperating with it. As for expected value, attractive partners expect to deliver better value through reducing total cost of ownership, speed-up time-to-market, share the latest innovations, give access to strategic partners, and enhance learning and growth. The comfort you can get from an attractive firm is provided by reassurance, credible and fair policies, as well as reliable and flawless execution. An interesting case of a company that has successfully managed its attractiveness is multinational baby food and clinical nutrition company Numico, which has achieved record growth thanks to innovations co-developed with suppliers.

3. *Capitalizing on Relationship Capital in Collaboration Teams*

After the super-collaboration relationship in the supply chain has been accomplished, successful partner-firms capitalize on the investments made. Not only do they take time, effort, and money into account, but they are also very much aware of the capital residing in their partnership. Their own and their partner's employees shape the collaborative SCM-relationships, actually coordinate the supply chain operations between the firms and across business functions, and bring in ideas to make the collaboration work better. Making the most from these collaboration teams and orchestrating them in such a way that they enhance both efficiency and innovativeness is what is going to make the difference in future supply chain operations. In close cooperation with a wide variety of organizations, Professors Corey Billington, Carlos Cordon and Research Associate Willem Smit examine how firms can benefit from the relationship capital embedded in supply chain management teams.

To learn more about **Managing the Extended Supply Chain** program, **please contact an IMD Program Advisor**: tel. +41 21 618 06 06; fax +41 21 618 07 15; e-mail moreinfo@imd.ch