

Ashmark Corporation, Dealing with a Supply Disruption

Questions?

Bose Corporation Case Study

By: Tyler Capen

Summary of Article

- Bose Corporation, their development of new products, and their production of products that are highly reliable and consistent.
- 10% of production comes from foreign suppliers.
- The company has developed a highly complex supply chain system that is highly efficient and reliable.

Summary of Article Continued

- After six months of delivery without reports, Bose recognizes suppliers to supply for a full range of achievement level, reporting that they are qualified suppliers.
- Bose has introduced a unique system of starting just-in-time (JIT) purchasing with global sourcing.
- Bose has developed a unique and effective system based on just-in-time (JIT) is.

What is the relationship between Supply Management Strategy and Performance Measurement?

Bose needs to choose suppliers that will be able to maintain its ability to fulfill the performance objectives they set for their performance measurement. This relationship can be measured for the company to achieve.

Reasons for Achievement Program

The main reason for Bose achievement program is to order for the company to build long, rewarding relationships with suppliers. Suppliers feel better working with a firm because they are one of their preferred customers.

Also, Bose may be able to receive bid-bids or discounts due to the supplier's best source of importance.

Single Sourcing Purchased Parts

Advantage: Single Sourcing offers clear benefits for companies with lower prices per unit. It also increases freight cost as much as possible.

Risks: If parts do not get delivered on time, or defects are found within the shipment, will delay all operations for the company and put them under threat.

JIT purchasing with international Suppliers

Difficulties: JIT purchasing requires low inventory levels at all times. This makes it difficult with international suppliers because of the longer lead times it requires to receive the product.

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After a supply disruption, Bose Corporation implemented a new purchasing system to ensure that they were able to continue to supply their customers. The system was designed to be a more efficient way of purchasing and to be more cost-effective. The system was designed to be a more efficient way of purchasing and to be more cost-effective.

Summary Of Article Continued

After six months of delivery without incident, Bose encourages suppliers to apply for a certificate of achievement from, signifying that they are qualified suppliers. Bose has developed a unique and effective system known as just in time (JIT).

What is the Relationship Between Supply Integration Strategy and Performance Measurement?

Bose needs to choose suppliers that will be able to manufacture to Bose's specifications. Suppliers very often do not, at least in the beginning. Suppliers need to understand the scope of the job.

Reasons for Achievement Program

The main reason for Bose achievement program is in order for the company to build long, outstanding relationships with suppliers. Suppliers feel better working with a firm knowing they are one of their preferred customers.

Also, Bose may be able to receive kick-backs or discounts due to the supplier's lack of cost of insurance.

Single Sourcing Purchased Parts

Advantages: Single sourcing parts allows full order quantities with lower price per unit. It also minimizes freight cost as much as possible.

Risks: If parts do not get delivered on time, or defects are found within the shipment, will delay an operation by the company and you from faster volume.

JIT purchasing with International Suppliers

Difficulties: JIT purchasing requires low inventory levels at all times. This makes it difficult with international suppliers because of the longer lead times; it requires to receive the product.

Summary of Article

- **Bose Corporation- Headquartered in Framingham, Massachusetts. Producer of of audio premium speakers used in automobiles, high-fidelity systems, and consumer and commercial broadcasting systems.**
- **20% of purchases come from foreign suppliers. 35% of purchases come from directly local suppliers as well. Bose ships finished products directly to Delco, Honda, and Nissan**
- **The company has developed a detailed supplier performance system that measures on-time delivery, quality performance, technical improvements, and supplier suggestions**

Summary Of Article Continued

- **After six months of deliveries without rejects, Bose encourages suppliers to apply for a certificate of achievement form, signifying that they are qualified suppliers.**
- **Bose has adopted a unique system of marrying just-in-time (JIT) purchasing with global sourcing**
- **Bose has developed a unique and effective system known as just-in-time (JIT) II.**

What is the Relationship Between Supply Management Strategy and Performance Measurement?

Bose needs to choose suppliers that will be able to realistically be able to fulfill the Performance Standards they have set forth. all Performance measurements must be obtainable for the supplier to achieve.