



Elizabeth Arden: Company background and current situation

- Established in 1910 in NYC
- One of the world leading cosmetic brands
- Total net sales of \$1.127 billion in 2007
- Company goal to grow to \$2 billion net sales by 2010
- Planned established serious changes required in existing supply chain

Existing Problems of Issues



Operations Management and Operational Issues

Why is Operations management important?

The main issue focused on: Consideration of Suppliers

- With the consideration of suppliers, there is an objective to reduce costs, but it might have more or less and specific issues discussed within the problem:
 - Logistics
 - Material Management
 - Supply chain
- The strategy & the implementation of each Supply


Dynamic Capabilities (Duc)

- Organic capabilities based capabilities with respect to product innovation
- A greater investment on technology will positively affect innovation and safety leadership
- Concentration on dynamic capability is essential
- Processes become more efficient with collaboration (e.g. intellectual property)
- The business strategy will enable employees to better performance

Capability Building

What are dynamic Capabilities?

- The firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments (Ducet al., 2009)
- Enablers and inhibitors (Ducet al., 2009) also focus on to use of specific well-defined parameters (e.g., ITDS) such as product development or strategic decision-making



Life Cycle Thinking Framework

Recommendations of Managerial Implications



Discussion Questions

- What's more important to you when you buy cosmetics? The ingredients or the costs?
- Is the brand name more important to you?



Elizabeth Arden

NEW YORK

**Elizabeth Arden Executing Supply Chain Re-
engineering**

By Group C

TheCaseSolution.Com

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**Operations Management
and Operational Issues**

Why is Operations management important?

The main issue focused on:

- Consolidation of Suppliers
- With the consolidation of suppliers, there is an objective to reduce costs in an attempt to be maximize costs and profits. Issues discussed within this problem:
- Logistics
- Materials Management
- Supply chain

- * The strategy & the implementation of each.
- Supply

Dynamic Capabilities (Kane)

- Material resource-based capabilities will impact on product innovation
- A greater investment on technology will positively effect value creation and industry leadership
- Collaboration as a dynamic capability is essential
- Processes become more efficient with collaboration. E.g. innovation process
- The turnkey strategy will enable employees to further collaborate

Capability Building

What are dynamic Capabilities?

- The firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments (Teece et al. 1997 p5-16)
- Eisenhardt and Martin (2000) describe them as a set of specific and identifiable processes (p. 1106) such as product development or strategic decision-making

**Recommendations &
Managerial Implications**



Discussion Questions

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Existing Problems & Issues

1. Supply Chain and Logistic Problems

- Increasing costs and low value added work



2. Suppliers and Materials Management

- Numerous existing suppliers and poor centralised management

3. Global Brand Repositioning / Value Creation for Consumers

- Lack of customer orientated focus in organisational design; decreased share prices



A woman with dark hair is looking to the left. A large, dark red magnifying glass graphic is overlaid on the image, with its handle extending from the bottom left and its lens centered over the text. The background is a blurred cityscape.

Existing Problems & Issues

THE NEW

UN

YOUR STORY

1. Supply Chain and Logistic Problems

- Increasing costs and
low value added work



2. Suppliers and Materials Management

- Numerous existing suppliers and poor centralised management