

Innovation in Supplier Management of Chinese Sporting Goods Company ANTA

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Abstract: Supplier management can be seen as part of supply chain management and plays critical role in improving the development of company. This paper primarily selects ANTA Group as investigated subject and research its innovation in supply chain management especially in supplier management and then summary the outstanding supplier management approaches to improve whole efficiency of supply chain.

Key words: Innovation; Supplier management; Supply chain management; ANTA

1 Introduction

The recent economic recession took the toll on all business activities and impact on most business sectors in the world wide, which has stimulated the most corporations around the world to curtail inventory and concern on the innovation in their supply chain management (SCM). (Hoover, Eloranta et al. 2007) It is remarkable that how rapidly many multinational companies have improved the operation in supply chain so as to maintain profitability in the difficult times. (Damanpour and Schneider 2006) Supply chain management refers to most companies business decisions-making with activities, comprising retailers, makers, transporters and so forth. Suitable SCM with innovation can be favorable for minimizing cost and satisfy customers' requirements. (Johnson and Mena2008)

Along with the globalization, there were intense competition in resource exploration and utilization, increasing number of Chinese sporting goods companies has realized that the importance of management innovation with product innovation and started to collaborate with competitors to meet current business environment. After all, innovation can be favorable for assisting Chinese sporting goods firms to curtail spending, enhance whole quality of procedure and provide competitive advantage. (Ellram and Coope 2000) The growing number of companies has realized that a separate strategic business improvements cannot increase profits and efficiency. To some Chinese sporting goods manufacturers, they also have to seek new ways to improve their work efficiency with customers' satisfaction. (Heize and Render 2008)

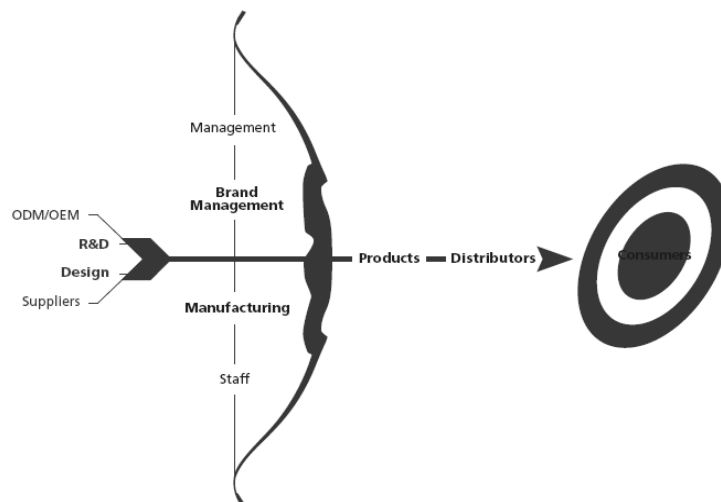


Figure 1 ANTA Group's Vertical Integration Supply Chain (Zhang 2009)

Therefore, it is imperative that company should collaborate with other partners in supply chain together to improve products and services for meeting censorious requirement from customers and

obtaining more market share. This paper mainly focuses on ANTA Group’s SCM with its innovation on supplier management.

ANTA Group has built in Fujian, China and started its business as the sporting shoes maker in 1994. Nowadays, it has become outstanding achievement in Chinese sporting goods industry. ANTA Group’s achievements mainly rely on improvement in supply chain management especially in managing the suppliers. As a matter of fact, ANTA Group extremely concern on it suppliers’ development and sharing the product designation data to suppliers so as to sustain that supplier can act in concert with its’ business strategy with SCM and then ultimately enhance customer satisfaction with loyalty. The major innovation of supplier management in ANTA Group can be found as below: (Zhang 2009)

As the figure1 shown, ANTA Group’s vertical integration supply chain was different with Chinese traditional costume maker which was support supplier to buy raw materials together. Actually, ANTA Group primarily collaborates with suppliers to manage its supply chain so as to improve the performance of suppliers and reduce the cost to certain extent. It also require supplier to positively participate in process of supply chain from offering spare parts following drawings to whole product designation. Ultimately, whole the efficiency of supply chain all can be improved.

2 ANTA Groups’ Supplier Management

2.1 Selection of suppliers

ANTA Group insists that final consumer group will determine the level of profits with operation of company. If the final customer is not satisfied with products, whole supply chain implementation would suffer influence and even lead to the failure. Therefore, ANTA Group believes that the quality of raw materials was significant which was affected by suppliers and emphasis on the selection of suppliers so as sustain the efficiency of whole supply chain.

In ANTA Group, the aim of selection procedure was select the best supplier from variety of candidates on the basis of different projects’ requirements. After all, ANTA Group’s selection criteria about suppliers would be unique and the rational selection procedure can guarantee the success in business objectives as a result of most suitable suppliers with their t effective performance in work.



Figure 2 ANTA Group’s Suppliers’ Selection Process

As the figure 2 shown as below, the whole selection procedure has comprised relevant market research on suppliers’ candidates such as market data collection on the basis of ANTA Group’s business objective with relevant project requirement so as to make rational selection criteria. Simultaneously, in the process of market research, ANTA Group also is concern on the past work situation of candidates with their partners so as to avoid trust risks. In the selection procedure, ANTA Group require that the suppliers candidates need to clearly know their responsibility and have the ability to collaborate with other partners in the supply chain with better IT technology application, cash flow and social responsibility with any potential value-added service. In addition, professional presentation among suppliers with auditing also require for obtain more accurate data with information and then support

whole selection process with development in the future. According to continuous evaluation and selection, the final decision and contract can be made and then whole supply chain can be operated in market with suitable suppliers in ANTA.

Moreover, whole suppliers selection procedure in ANTA Group was continuous with thoughtful and can be benefit for work efficiency with decline in cost. After all, the following suppliers' assessment system can be optimized in terms of effective suppliers choosing procedure with best suppliers and then build outstanding image to further development. Meanwhile, in the implementation of logistics project, ANTA Group also will follow actual situation about suppliers' work performance to make timely feedback for continuously improve criteria. As it were, in the selection of suppliers in ANTA Group, it is imperative that professional assessment team which were selected by different departments in ANTA and also familiar with the supply chain management. The justice selection mechanism is the key tool in China to create a better business environment and explore more cooperation opportunities. The mechanism should include the staff from all relevant departments to form a selection team in a more fair and profession way.

2.2 Evaluation process with reward and punishment system

As a matter of fact, ANTA Group is not only hope to choose the best suppliers from the candidates but also want to sustain better work performance of suppliers so that they can reduce cost and improve customer satisfaction in terms of analyzing current supplier base with rational assessment. According to continuous assessment, any little mistake or possible issues in the operation of supply chain such as the delivery late all can be found timely and then design suitable solution to remedy with mutual efforts.

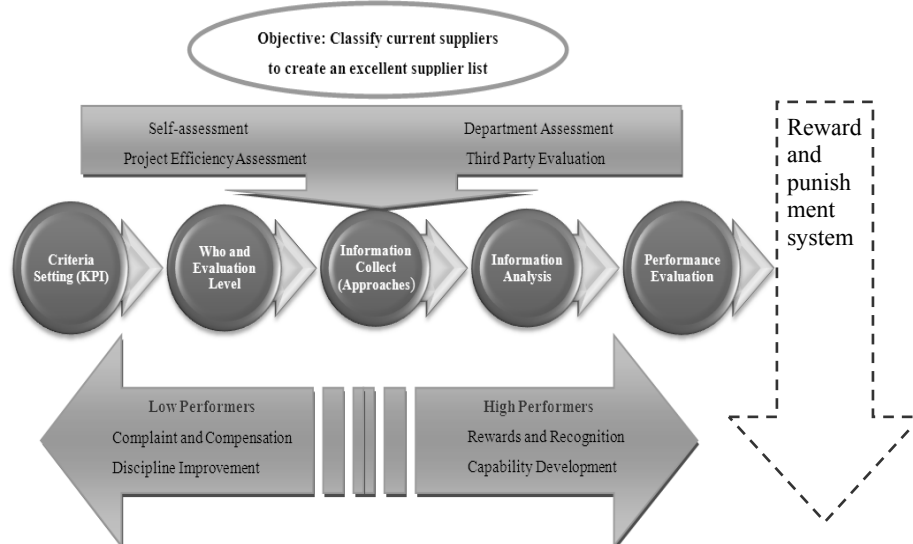


Figure 3 Evaluation process in ANTA Group

Furthermore, due to the suppliers in Group have different abilities; the one of innovation points of ANTA Group's supplier management was the fairness reward and punishment system. According to the evaluation from suppliers work performance by ANTA Group's special assessment group, ANTA Group can make the suitable reward and punishment strategy to motivate the efficiency in work from suppliers. The assessment result can be found in a password-protected website from ANTA Group which is not only can protect the privacy of suppliers but also can be favorable for finding the shortcoming and improve it. Simultaneously, in the top-level conference, ANTA Group would release out of the rank in supplier about their work performance and then offer more orders to excellent suppliers as reward. In addition, the lower performance supplier would be abolished from the suppliers list if they cannot improve work performance and continuous make mistake. Generally speaking, the fairness assessment with rewards and punishment system can be favorable for motivating suppliers work performance combine with effective communication and justice environment. After all, the rational evaluation procedure needs suitable reward and punishment approaches to support and improve.

2.3 Excellent relationship management with suppliers

To improve the management in supply chain with better relationship management, ANTA Group mainly categorized suppliers as three groups were strategic partners, long-term partners and short-term partners as table1 and table2 shown as below

Table 1 Category of Suppliers' Relationship in ANTA

Category	Level	Relationship Improvement
Strategic partners	Excellent	Key suppliers (with Strategic Alliance)
Long-term partners	Qualified	Ordinary suppliers
short-term partners	Disqualified	Correction or Disengagement

Table 2 Suppliers Relationship Management in ANTA

	General Project	Key Project
International Project (Import or Export)	Strategic partners / long-term partners with Global Network	Strategic partners with Global Network
National Project (Inside China)	Category Strategic partners / long-term partners	Strategic partners

Commonly, the strategic partners primarily undertake significant and high-level service to supply chain. The information, technology, resource, management approaches and etc all can be shared between ANTA and strategic partners. ANTA Group clearly knows about how to indentify key suppliers as strategic partners with successful strategy and reach the win-win situation. The relationship management in ANTA Group is not only can be benefit for obtaining more market share but also can be favorable for further development. The amount of strategic partners in ANTA Group was limited which can maintain whole quality of suppliers. Most strategic partners were taken part in key and significant business or project and close relationship with key suppliers can be propitious to further development of business with improvement in competitive advantage. The long-term partners can be seen as the suppliers who can offer general and qualified materials and service. The number in this category was relatively more and can sustain the steady collaboration with suppliers. In addition, short term partners were these suppliers who have been made mistake and need to correct problems timely or terminated the contract.

2.4 Value of ANTA group's supplier management

In sporting goods industry, the time and efficiency were quite importance to obtain more market share and attracting more customers in competitive market. According to excellent supplier management, ANTA Group can sustain the quality of materials and save money with high efficiency. The major value of ANTA Groups' supplier management is provide useful experience and innovation management approaches to Chinese sporting goods industry, which were compromise initial supplier selection, evaluation process with reward and punishment system and supplier relationship management. After all, most Chinese sporting goods companies have not established standard and systemic approach to manage supplier. ANTA Groups' supplier management can be benefit for sporting goods companies in China to comprehend that how to select suitable supplier and sustain continue evaluation with appropriate reward and punishment, more importantly, maintain suitable relationship with suppliers so as to utilize suppliers' expertise, technologies and skills to help companies for improving development. According to learn the supplier management in ANTA, Chinese sporting goods companies can design suitable supplier management combine with their actual situation high efficiency.

3 Conclusion

Broadly speaking, if Chinese companies want to improve its competitive advantage to volatile market, it is imperative to optimize their supply chain management especially in suppliers' management with innovation approach. As a matter of fact, managing supply chain need the participation from supplier. According to the research on the case of ANTA Group's supplier management, we can find the importance of suppliers' management to whole supply chain development with company's improvement. Actually, ANTA Group's innovation idea in suppliers' management primarily concern on suppliers selection, evaluation with relationship management which were different from traditional Chinese manufacturers in sporting goods industry and can be recommend as example to.

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