Guest-Editor’s Preface

Multi Supplier Operations — Strategy for Competitive Production in Europe

The manufacturing industries in Europe are faced with extreme competitive pressure. Due to the internationalization and globalization of the markets, those regions have competition advantages in industrial production which dispose of favourable frame conditions or large own markets.

Within the Triad, i.e., within the economic regions Europe, Japan and the USA, high-tech products are dominating today as regards consumption and production. During the last decade there has been a serious shift towards the Japanese economic region. Electronics and technical consumer goods ‘made in Japan’ have reached a large share in the entirety of industrially produced goods. Meanwhile, Far Eastern enterprises are leading in this field. In many cases, they pushed the USA out of the first place, and they are now trying also to take over large technical markets in Europe.

The causes for this development are production philosophies that are superior to the methods based on the division of labour which have grown over the years in Europe and the USA. In the automobile industry, these philosophies have become well-known through a study made by the MIT which certifies that Far Eastern enterprises have large advantages in the development and production of automobiles due to their “lean management”. Lean management eliminates disturbances in production. Lean management tries to avoid any waste. Continuous improvements are the principle for an increase in efficiency. Lean management also proceeds from a new understanding of quality which says that each manufacturer is responsible for the quality of the product or service provided by him.

In Japan, the idea of lean management is applied consequently also to the supplier industry. There, suppliers are involved early in the development of products and the planning of production. Only a few suppliers, however, with a higher technical and economical competence, form the backbone of logistics. This development illustrates the great importance of the supplier industry for production as regards quality and cost. The consequent involvement of suppliers requires communication on the shortest way. Thus, communication technologies and the management of cooperation are decisive keys in the interplay between manufacturer and supplier.

If Europe wants to hold its ground on the international market it has to follow new ways in the cooperation with enterprises beyond its borders. The aerospace industry has already pursued this strategy successfully for some 25 years. There are new communication technologies available. Thus, the prerequisites for an opening to international cooperation are there. However, many companies still hesitate to adopt this idea. Nevertheless, there are some successful examples showing the organizational possibilities in this direction. Multi supplier operations can be the basis for one successful strategy in future European production.

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