

# *Flora* **PARK**

## **Collaborative Supply Chain Strategies**



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# SC Strategies: Push, Pull & Advanced Purchasing Discount\*

Florist places the 1<sup>st</sup> order in advance at a **discounted** wholesale price. Importer then secures the supply from growers

If needed, florist may place the 2<sup>nd</sup> order at the **regular** wholesale price. Importer fulfills as much as inventory is available



**How can florist and importer collaborate?**

# Advanced Order (Push)

Florist accepts the discounted price and orders in advance. The importer orders whatever florist orders

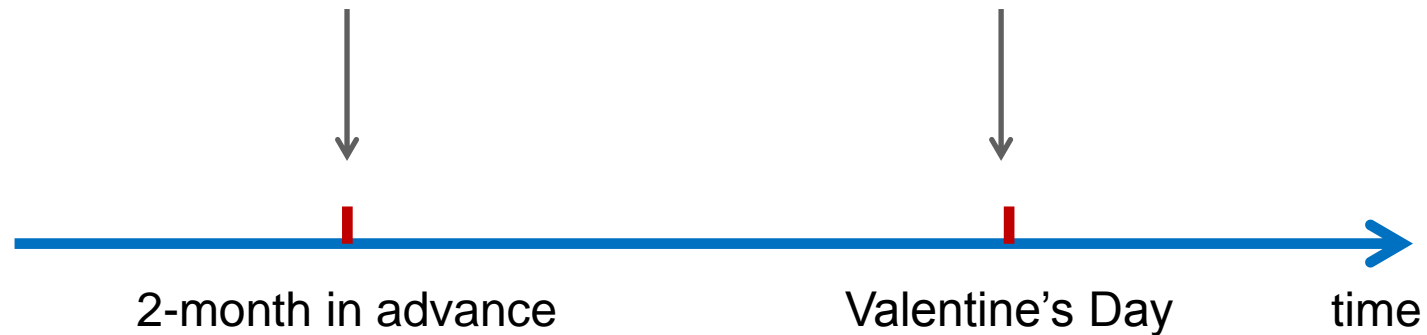


Florist takes all the risk while the importer is risk free

# Last-Minute Order (Pull)

The importer orders from growers anticipating florist's last-minute order

Florist waits until the last minute and orders as needed



The importer takes all the risk while the florist is risk free

# Supply Chain Collaboration via Contracts

- Advanced order (push contract): florist holds inventory and waits for demand.
- Last-minute order (pull contract): florist pushes inventory to importer, orders as needed in season.

	Advanced order (Push)	Last-minute order (Pull)
Pros	Price discount & guaranteed supply	Less budget required, No inventory risk
Cons	High inventory risk, High budget requirement	Short supply & higher cost

- Hybrid strategy (advanced-purchasing discount contract): florist buys the sure amount before the season, and raises the **regular wholesale price** to encourage the importer to hold additional inventory just in case.

# Hybrid Strategy (Advanced Purchasing Discount)

Florist accepts the discounted price and orders in advance. Importer orders more than the florist's order

Seeing the demand, Florist may order again from importer at a premium



Florist and importer share the risk and return

# Your Supply Chain Strategies

- How did you collaborate with your partner?
  - What information to share?
  - Push, pull and hybrid: which one are you using?
  - How did you negotiate and get your partners to agree on your terms?



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