INTERNATIONAL SUPPLY CHAINS FOR SME’s?
Who works in a SME?

(1-249 Employees)
Going global?
Suppliers or customers?
HUGE CHANGES IN THE LAST 20 YEARS

- ICT & falling costs led to emergence of global value chains (GVC)
  - Production & supplier networks
- Increasing globalization
  - Emerging actors (born global)
  - Different challenges (transports, lead-times, customs etc.)
- Countries remain different
  - Culture, language, laws, regulations etc.
- Small and not very internationalized firms
  - Less internationally experienced management & employees
KEY WEAKNESSES

- Cost structures too high
  - Usually local sourcing due to low quantities and/or missing know-how
- Experience of management/employees
  - Experienced Managers to be found in multinationals but not in SMEs
- Laws & Regulations
  - Changing laws & regulations

Figure 11: Key weaknesses of a company with regard to internationalization
Cost Structure Industrial Companies

Supply Chain Costs from 55% to 85%
Improved access to raw materials/products means...

- knowledge of the suppliers market
  - quantity, capacity, quality and stability
- an eye on costs of
  - raw material
  - transport of raw material
  - transport of finished product
- coordination and control of materials flow
- knowledge of distribution channels of products
FROM ZERO TO PROFITABLE

Cost Structure Industrial Companies
Cost reduced by 10%

- Suppliers
- Manufacturing Assembly Test
- Overhead
- Profit
LACK OF KNOWLEDGE → WHAT TO DO ABOUT IT?

• Management
  • Exchange of knowledge between SMEs and larger companies
  • Market knowledge, both customers and suppliers
  • Before starting an internationalization project, leaders should establish a basic network of relationships

• Employees
  • Enforce employees to do more international sourcing
  • Allow employees to travel
LACK OF KNOWLEDGE ➔ WHAT TO DO ABOUT IT?

• Insufficient specialist expertise
  • Enforce knowledge in global sourcing, value analysis (processes, products, materials) etc.

• Insufficient linguistic expertise
  • Target markets language expertise to be improved
CONCLUSIONS

Difficulties

• To find reliable suppliers
• Coordinating with suppliers
• Incompatibilities
  • production plan provider / own company
• Distance
• Communication

Coordination difficulties causes increase in the cost of raw material

Chances

• Global supplier network
• Increased customer base
• Local production
• New markets
• Lower material costs
• Network of relationship
  • customer and suppliers

Larger base of suppliers and customers
International Supply Chains are a Chance for SMEs!
Thank you for your attention!
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**Since 07/2013**
almala gmbh, www.almala.ch Consulting, process & security management **Owner**

**Since 05/2013**
Since 09/1999
School of Management Fribourg **Member of the Management Board**
Responsible for „Industrial Liaisons“

**Lecturer** (business economics, supply chain- and quality management)

**2013 - 2014**
Euromangers AG (Recruitment and selection of management executives) **Managing Partner**

**2011 – 2012**
Loomis AB (Intl. Cash Logistics) **Managing Director** Loomis International Services GmbH, Vienna Austria

**2010 - 2011**
Loomis Schweiz SA, Rümlang/Switzerland (Domestic cash logistics) **Country Manager**

**2002 – 2010**
Metalor Technologies SA, Neuchatel / Switzerland (Precious Metals) **Head of Logistics, Procurement & Security**

**1994 – 2002**
Saia-Burgess Murten AG, Murten / Switzerland (Eletromechanical Products) **Head of Logistics & Purchasing**

**1989 – 1994**
Ascom Autelca AG, Gümligen / Switzerland / **Various purchasing functions**

**1988 – 1989**
Gebr. Meier AG Zollikofen / Switzerland / **Workshop planner**

**1987 – 1988**
Federal Department of Foreign Affairs **Part time employment in Swiss embassies as janitor in GDR, Hungary and CSSR**

**1985 – 1987**
Von Roll AG, 3000 Bern / **Service technician**

**Working Experience:**
- Confirmed experience as Managing Director for international valuable logistics services and Country Manager – of the Swiss operation with 150 employees - for an international valuable logistics provider
- Proven leadership skills in different areas – operations & supply chain management, purchasing, logistics, safety & security and facility management
- Experienced in various sectors such as precious metals, chemicals, automotive supplier and telecommunication industries

**Proven knowledge:**
- Key account management, reorganization and restructuring in the areas production, logistics, facility management
- Developing, leading and implementing international supply chain concepts
- Management of complex outsourcing projects
- Development and implementation of security & safety concepts to protect people, values and property in Europe and Asia
SOURCES

• http://www.intracen.org/uploadedFiles/intracenorg/Content/Redesign/Events/Partner_events/R4D_Workshop/Giorgia%20Giovannetti.pdf
• https://www.bloomberg.com/quicktake/china-s-silk-road
• https://www.volico.com/the-rapid-global-growth-interconnect-bandwidth/