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**THE DEVELOPMENT OF GLOBAL SUPPLY CHAIN MANAGEMENT  
CAPABILITIES IN THE AUTOMOTIVE INDUSTRY: THE TRANSFER OF  
SUPPLY CHAIN PRACTICES IN THE PEOPLE'S REPUBLIC OF CHINA**

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It is apparent that an industrial mode of production based on network structures is emerging in the automotive industry. The increased global competition is pushing firms- both assemblers and suppliers - toward new production patterns, based on flexibility and specialization, with higher inter-firm interaction. At the same time, automotive firms are becoming increasingly global and are establishing international networks of production. Within this scenario the development of supply networks and supply chain management capabilities in each subsidiary represents a critical issue for automotive multinational enterprises (MNEs) with respect to efficiency and quality of the final product. Therefore automotive MNEs are increasingly engaged in transferring their supply chain practices (SCP) across countries within their global network of subsidiaries and operational units.

Existing empirical studies provide some evidence pointing out that the SPC transfer process is implemented, in both industrialized and emerging countries; however, there are no clear indications on the extent of this phenomenon and there is no intensive research on the main factors shaping such process. There are still many international SCP transfer-related questions unanswered in a systematic way:

1. do all SCP practices - in the areas of outsourcing, transactional patterns, quality control, technological and delivery cooperation - follow similar patterns in terms of i) transfer attempts, ii) transfer timing and iii) local implementation at the recipient unit?
2. which factors - at the product level, external context level, firm level - influence the transfer process?

The lack of both theory-building efforts on this issue and in-depth empirical analysis, especially in critical geographic areas as the emerging markets, suggests that the implementation of in-depth qualitative research following an inductive approach could provide insights on the transfer outcomes and on the relevant factors and variables which might have an impact on such transfer. Therefore the main objective of this paper is to provide a contribution to the understanding of the phenomenon of "international supply chain practices transfer", given that this theme is still largely unexplored both theoretically and empirically.

This paper reports preliminary results of empirical research on the transfer of SCP in the People's Republic of China by a major multinational automotive vehicle-maker. The choice of

examining the automotive sector in China is due to the relevance of the recent changes that have affected it and to the features of its economic system. China is a special and extreme case because of the combination of low technological level of the local automotive industry, the high involvement of institutional actors and the complexity of the local business environment. The potential internal market and the inadequacy of the local supply base are two basic determinants pushing multinational automotive firms to commit resources while setting up operations in China. Therefore, the analysis of multinational automotive companies in China and their home-country represents an interesting and stimulating comparative case-study to investigate i) whether multinational automotive companies are undergoing a process of upgrading local supply chain management capabilities by transferring their supply chain management practices, even in a challenging environment as the Chinese market, ii) which factors - firm specific or context specific - have an impact on such process.

This paper is based on four methodological considerations. Firstly, it follows a comparative case-study approach, with the explicit goal of mapping SCP implemented by the MNE in two different locations, that is the home-country and the People's Republic of China. This allows for mapping SCP in the "potential recipient unit" and compare them with the SCP effectively implemented by the MNE in its home-country. Therefore the "comparative" approach helps to investigate similarities or differences between two operational units located in different countries and allows to understand the extent of the transfer process.

Secondly, the mapping of SCP in the two locations follows a longitudinal approach which allows to understand the evolution of SCP management. An effort is made to combine and compare business strategies and their actual implementation. This helps to understand the extent to which the business imperatives and objectives have been translated in reality and to point out those factors which have shaped such process.

Thirdly, the collection of data involves sources of information belonging to all the functional areas/departments/units involved in SCP management, such as purchasing, production, quality, logistics, R&D. This allows for a better understanding on whether the various areas of supply chain management (e.g. quality, design, delivery) follow distinct patterns and/or are affected by distinct factors.

Fourthly, it explores more in depth SCP concerning a single critical component - produced locally in both locations - which provides a "window" on differences and similarities of SCP processes within the operational units and on the possible transfer attempts and outcomes. The component is selected in order to develop the comparison along all SCP dimensions.