

# A Look Case Study of Small NE Ohio Manufacturing Firms and their Aspirations for Possible Expansion to China

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## **Abstract**

The following paper is a qualitative business case that deals with the topic of global expansion in supply chains. Throughout this paper, the various pros and cons of expanding globally as well as the challenges with doing so will be emphasized. We will then review a possible supply chain expansion to China for two NE Ohio manufacturing firms, Quaker MFG and BDS (Bearings and Drive Systems). When reviewing this possible expansion, we will go over the challenges and rewards of making and implementing this decision on topics such as China's labor laws, business laws and customs.

Globally expanding a supply chain is always a popular topic in the business world. There are several rewards for expanding globally, but it does not come without tough implementation and a cost if not implemented correctly. Some of the rewards include tax incentives, increased business, increased profitability and even higher quality service/products as a firm could have access to more skilled suppliers. However, it does not come without heavy risks.

There are many operational and supply chain partnering issues that can go wrong in globally expanding if the market a firm is entering is not studied well enough. There are several factors to take into consideration when deciding whether or not to make the move. Some of these factors to take into consideration are the reaction of the reactions of current customers and employees, will you have the ability to hire the best people for the job, what will this cost us in the long run and even how the new market itself will react once you stick yourself in it. If any of these factors takes a turn for the worst it could cause the firm's global expansion to become toxic to the

various stakeholders of the entire supply chain, which will cost the showcased firms valuable resources.

There are even more factors to consider with an expansion globally that we will discuss in detail with respect to a move into China's market. We will be taking a look at two manufacturing firms in NE Ohio. BDS is a raw parts manufacturing supplier of items such as bearings and power transmission components. Quaker MFG is a manufacturing plant that makes intermediary product parts, but they are also a service provider as well which gives them a little more wiggle room in a global expansion project.

**KEY WORDS:** *supplier integration, supplier partnering, supply chain management, sustainability efforts.*

**Relevance to Marketing Practitioners:** This case study is relevant to marketers and researchers in dealing with global expansion issues for smaller companies in formulating their supply chain management policies and practices.

**TRACK:** Business-to-Business/Supply Chain Management