

11 Killing and Stealing?

Ali Baba runs a third-generation family firm, a garden centre with six branches nationwide. It's run on personal lines and he knows many of his regular customers and all of his suppliers. Each year the supply of mistletoe has become increasingly difficult to source from independent apple farmers because of the effects of climate change.

This year all of his regular suppliers seem to have none to offer. Ali meets with each one and finds that GiantCo boss Hassan, with his forty super stores, has enticed them into exclusive contracts. They are all very apologetic but what can they do?

To make matters worse, one or two complain that Hassan is demanding lower prices and higher spec packaging. They are starting to lose money on the contract and there is a danger they may be driven out of business.

The last supplier on Ali's list is his old friend Abdullah. Although he too has an exclusive contract with GiantCo, he also owns a private orchard and is willing to make an 'Open Sesame' deal with Ali to provide mistletoe.

Cassim (Ali's greedy, naive brother), seeing Ali's quiet but limited success, feels he can do better and looks to a foreign, much cheaper supplier with dubious agricultural standards. Hassan catches wind of the shipment and tips off DEFRA who confiscate the lot because of disease fears.

However this has alerted Hassan to Ali's private source of supply and he sends in his heavy mob of lawyers to threaten Abdullah and his private orchard with a court case. Ali fearful that he will have to disappoint his customers if Abdullah is shut down turns to PartnerLink plc, the world experts on business relationship management, for advice.

Their recipe is first to threaten to report GiantCo to the regulatory authorities for unfair market practices. *"This should get their undivided attention!"*

"We make them aware of a new way forward though collaboration. They must realise that traditional adversarial practices with suppliers (killing and stealing) only tends to force down product quality and reduce value to all concerned, including the customers. They should be seeking a win-win scenario where everyone prospers."

"In this situation, Hassan would be better sourcing mistletoe through Ali Baba who has a better appreciation of the apple farmers' operations. What's more he should use a framework contract which encourages both sides to seek innovation together."



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