

An Investigation of Supply Chain Management

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Abstract

Supply chain exists in any business. An efficient supply chain management can help the organization to gain a competitive advantage by improving efficiency, reducing cost, minimizing risk and maximizing customer's satisfactory. Supplier base is vital to an overseas studying consultant industry, only when it owns abundant provider resources and stay in a healthy relationship with its suppliers. It can provide more options as it can to its customers and gain the competitive advantage in the market. This report reviewed relevant theory on supply chain and supply chain management, focusing on supplier selection, supplier relationship management, and supplier evaluation. It emphasizes on vendor selection criteria, contracting strategy and supplier relationship management. Supplier evaluation is also taken into consideration on the importance and the metrics of performance measurement. A case study was conducted to investigate and analysis the supply chain management in an overseas studying consultancy, AL Consultant Ltd. The research was completed using primary and secondary methods of information collection of AL's background and supply chain management, as well the relevant theory in this area. With the data and analysis gathered, several recommendations are given to enhance the supply chain management in AL Consultant Ltd.

Keywords: Supply Chain Management

JEL Classifications: M10

1. Introduction

1.1. Company Background

AL Consultant Ltd (AL) is an overseas studying consultant agency, set up in 1998. It is located in Hamilton, New Zealand. AL focuses on the Chinese international education market, offering international education consultancy to Chinese students, helping them to find and apply for appropriate tertiary institution, as well as language schools, primary and secondary schools to study in New Zealand. AL also provides backup services to their customers when they

arrive in the country, such as picking up from the airports, arranging accommodation, helping them to enrol in schools, opening a bank account, showing them around the city, having a welcome dinner, ensuring a smooth transition for the student at this stage, so as to increase its service value.AL.

After having been in this field for more than 18 years, AL has established good relationship with different levels of education providers in New Zealand, ranging from primary and secondary schools, universities, technological institutes, and private training establishments who provide various degrees and courses to international students. Rich supplier

resources enable AL to provide different options to its customers in China who require different courses in different location, which makes them more competitive in the market.

Due to the location in Hamilton, AL has chosen to mostly cooperate with local suppliers in Hamilton, such as the University of Waikato, Waikato Institute of Technology (Wintec), Waikato Institute of Language (WIE), Hamilton Boys' High, Hamilton Girls' High, Marian primary school, etc. This helps AL easily manage the relationship with their supplier, as well as offer a fast service to its customers studying in Hamilton.

In the past 10 years, New Zealand education providers have seen a gradual increase in the number of international students coming to study in the country. In 2015, more than 120,000 students were recorded to have studied in New Zealand, of which 30% come from China, overpassing India by more than 30,000 (Education New Zealand, 2016). In China, the number of students who go to study abroad increases yearly, reaching 5.2 million in 2015 (China Ministry of Education, 2016). The big opportunity in the international education industry attracts many overseas studying consultant agencies, AL being one.

In the past 18 years, AL has successfully helped thousands of Chinese students to study and work in New Zealand. With the increasing demand of studying abroad from the China market, AL is facing a good opportunity to expand its business in the near future.

AL has a structure of one manager overlooking the overall business, one advisor offering consult to the potential customers (students and their parents), and one office administrator taking care of the daily backup service for the students when they arrive, as well as staying in regular touch with the New Zealand schools. Now they are planning to set a new position of marketing officer to develop new business such as short-term travel and study program for Chinese pupils and middle school students during their winter and summer holiday. It is a new and emerging area for consultant agent, which require them to develop more suppliers in this area.

1.2. SWOT Analysis

SWOT analysis is a study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats (Oxford online dictionary, n.d.). In an organisation, knowing these factors greatly aids understanding the internal and external factors that affect their business. The table below is a summary of the SWOT analysis for AL Consultant Ltd.

Strengths: High-level knowledge and skill in New Zealand education market; good reputation

among the customers; wide variety of services to support students.

Weaknesses: Website is very simple and not regularly updated; lack of marketing material; poor supplier and client database; weak relationship with New Zealand providers; single market source.

Opportunities: Improving the website can expand the market; new market in other countries such as the Philippines, South Korea, and Japan; increasing demand from China; increasing demand for studying in primary and secondary school in New Zealand.

Threats: Possible increase in tuition fees; New Zealand Government may change the immigration policy without any notice; increasing crimes against Chinese in New Zealand; increasing living cost due to stronger New Zealand dollar; increasing price in real estate properties.

1.3. Research Purpose

In the international education consultant business, one of the competitive advantages comes from supplier resources. The more suppliers in its list, the more competitive an agent will be in the market. A successful consultant agent cooperates with various suppliers. However, how to manage its supply chain is becoming crucial to a consultant agency. In this research, the aim is to investigate the supply chain (SC) and the supply chain management (SCM) in AL to address the following questions.

What is AL's supply chain (SC)?

How does it look like?

What is AL's supply chain management (SCM), mainly focused on?

How does AL select its supplier, what is the criteria, what is its contracting strategy?

How does AL maintain its relationship with suppliers?

How does AL evaluate the performance of its suppliers?

The questions noted above will provide a better view and understanding of how AL Consultant Ltd manages their supply chain and thus the reason for the introduction of this research project.

2. Literature Review

With the growth of the overseas education industry, overseas study consultant agencies play a more important role in this business. It is the bridge to link New Zealand providers and international students. Supply chain management is a crucial factor for an overseas studying consultant agent to gain competitive advantage.

Supply Chain: "Competition is no longer between companies; it is between supply chains" (Heizer & Render, 2014). Supply chain exists in any business. Reid & Sander (2010) defined supply chain as "a network of activities that delivers a finished product or service to the customer". Heizer and Render (2014) also claim that a supply chain is the system of organizations, people, activities, information and resources involved in moving a product or service from supplier to customer. It is a flow of raw materials or products or service or information move from supplier to manufacturer/distributor to retailer, and finally get to end customer, involving many parties such as supplier, manufacturer, distributor and retailer (Heizer & Render, 2014).

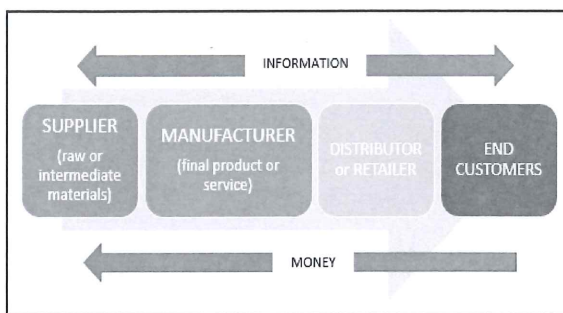


Figure 1

Supply Chain

Figure 1 depicts how the material, product, service as well as money and information flow within the supply chain.

Supply Chain Management (SCM): Supply chain involves a series of activities and many different parties. How to effectively manage activities is a key issue to an organization. "SCM is the management of material and information flow in a supply chain to provide the highest degree of customer satisfaction at the lowest possible cost" (Reid & Sanders, 2010, p. 256). It is connected with the movement and storage of materials, inventory and completed products from original supply to consumers. (Davidson, Simon, Woods, & Griffin, 2009). It includes all the activities related to the supply chain, ranging from procurement, production, transportation, inventory, etc. In each area, it has its specific management method. The objective of SCM is to coordinate activities within the supply chain to gain the competitive advantage with lowest cost and maximize customer satisfaction. (Heizer & Render, 2014). SCM emphasizes integrating internal activities and decisions with external enterprise partners to promote competitive capability (Li & Wang, 2007). According to the functions, there are different kinds of management of supply chain, such as raw material procurement management, production

management, inventory management, plan management, transportation management, supplier base management, etc. They require effective management to achieve the objective of SCM. Different organizations emphasize different areas, e.g., manufacture industry focuses on raw material procurement management, production management, for supermarkets, inventory management will be important, for consultant agents, supplier base management means a lot. An effective supply chain management can help organizations to gain the competitive advantage by increasing efficiency, reducing cost, minimizing risk, fastening response to the customer, and finally maximizing the customer's satisfaction. It also helps to increase the negotiating power with partner business. (Davidson, Simon, Woods, & Griffin, 2009).

Supplier Base Management: "A strong supplier base is essential to the success of many organisations. It includes supplier selection and supplier relationship management." (Reid & Sanders, 2010).

Supplier Selection: Supplier selection and relationship management are important aspects in a successful supply chain management. (Gharakhani, 2012). A suitable SCM system and appropriate suppliers decide the success or failure of supply chain management. (Gharakhani, 2012). "Suppliers sit at the heart of almost every organization's activities and processes" (Smith, 2014). Smith believes that supplier play a key role in an organization's management, which can be reflected by quality, price, delivery time, etc. The right supplier means a successful start and will help the organization to achieve its goal (Gharakhani, 2012).

Supplier selection is the process that how firms identify, evaluate, and contract with suppliers (Beil, 2009). Beil claims that an organization must first identify what it wants from a supplier. Only when it makes it clear can the organization can set up its selection criteria and then evaluate and contract the supplier.

The supplier criteria can be used to evaluate whether the supplier fits its supply and technology strategy such as supplier competence, delivery and quality performance (Pal, Gupta, & Garg, 2013). Their research reveals that these considerations are largely independent of the product or service sought and needed to be used when selecting suppliers. The main objective of supplier selection process is to reduce purchase risk, maximize overall value to the purchaser, and develop closeness and long-term relationships between buyers and suppliers (Pal, Gupta, & Garg, 2013). In traditional theory, the selection criteria is mainly concerned with three areas:

price, quality, delivery (Eldridge, 2012). With the evolution of the practice, some more factors are taken into consideration, such as social responsibility, environment conservation, etc. (Eldridge, 2012). They then contract with the right suppliers. Eldridge believed that selecting the right supplier can help the organization to meet the consumer demand for higher-quality ingredients. (Eldridge, 2012). Below are some of the steps to be followed when selecting a supplier.

Evaluate your needs (Deming, 2016) – Find out what the organization wants.

Set the criteria (Poulsen, n.d.) – The criteria should meet the organization's goal.

Define the process (Poulsen, n.d.) – Identify the methods to be used in selecting the supplier.

Develop a relationship (Deming, 2016) – Negotiate and contract with the supplier.

Monitor the supplier performance (Poulsen, n.d.) – Track and evaluate supplier's performance.

This gives some guidance on the selecting process for the organization to follow. These guides cover the common consideration on supplier selection and are clear for the organization to understand how to find and contract with right supplier.

When contracting with suppliers, there are different contract strategies involved and mainly it includes the following.

Strategy for most suppliers: cost-focus strategy: the organization seeks for low price from the supplier.

Strategy for fewer suppliers: long-term relationship. The organization pursues stable quality and price for long-term cooperation with the supplier.

Partnership: strategical cooperation in some areas, closer relationship between organization and supplier (Heizer & Render, 2009).

The organization can adopt the right contracting strategy subject to its own developing objective and strategy. However, to survive in the intensely competitive global economy, to discover new suppliers is just as the same important as to develop existing suppliers (Beil, 2009).

Supplier Relationship Management (SRM): The Tasmanian Government (2013) claimed that "A good relationship with suppliers is a vital part of business success." An effective relationship with suppliers can help an organization to succeed in business. Rosca (2015) stated that a vigorous supplier relationship management strategy can assist organizations to maximize partnership value, minimize risk, and manage costs through the entire supplier relationship lifecycle. Relationship management affects all areas of the supply chain and has a dramatic impact on performance. Organizations may concentrate on supply chain members who are willing to contribute the time and effort required to create a strong relationship

(Handfield, 2002). Handfield recommends that the organization should cooperate with those suppliers who also emphasize relationship management to increase cooperation and efficiency. Relationships with suppliers can make or break business. Successful SRM yields a faster time to market, transactional efficiency, competitiveness, risk management, and large financial gain (Rizza, 2015). In another words, strategic alliances with suppliers can help organizations to achieve operational benefits. These strategic alliances allow firms to improve efficiency and effectiveness by eliminating waste and duplication in the supply chain (Handfield, 2002). To maintain strategic relationship with supplier, there are some steps can be followed:

Create channels for consistent communication (Paul, n.d.). Talk to your suppliers regularly, regular communication can build close relationship with supplier and get timely information and feedback.

Pay your suppliers' accounts promptly (Roggio, 2013). Paying bills on time is the best way to earn trust from suppliers.

Build good relations with your current suppliers' representatives (Tasmanian Government, 2013). Strengthened personal relationships can solidify relationships with suppliers.

Address any issues of concern in relationships with your suppliers as they arise (Tasmanian Government, 2013). Solve any dispute before it become serious enough to ruin the relationship.

Share information with good supplier (Tasmanian Government, 2013). Keep good suppliers aware of what's going on in the company. Understand what suppliers need. Sometimes the good suppliers can recommend new customers to the organization.

Relationship maintenance requires communication skills. Communication is the key to any healthy relationship. It can create transparency on both sides of the channel and prevent hiccups or missteps (Roggio, 2013).

Supplier Evaluation: Supplier evaluation is the process by which the buyer rank orders the suppliers. (Beil, 2009). Beil proclaimed that the organization can use this rank ordering, along with other business considerations, to determine the contract with suppliers. He also recommended that the organization can identify the dimensions which it wishes to use for evaluation to start the supplier evaluation process (Beil, 2009). Gallego (2011) explained supplier evaluation as a term used in business and refers to the process of evaluating and approving potential suppliers by quantitative assessment. Završnik (1998) asserted that measuring the performance of suppliers is vital to ensuring a well-functioning supply chain. Supplier evaluation is also a process applied to current

suppliers to measure and monitor their performance for reducing costs, mitigating risk and driving continuous improvement. (NTIData, 2015). Through the research, Gordon (2006) found out that companies pursuing supplier assessment commonly see over a 20% improvement in supplier performance metrics. Therefore, evaluating suppliers' performance can be a very useful tool that leads to a better working relationship, fewer defects and problems with regard to the supply chain, as well as overall efficiency savings and cost reductions (Završnik, 1998). To get the most from suppliers and hold them to account, Gallego (2011) deemed that it's important to track and measure the supplier's performance.

The metric varies for different business. Here is a most popular checklist of evaluation criteria developed by Ray Carter, director of DPSS Consultants, in 1995.

- Competency
- Capacity
- Commitment
- Control
- Cash
- Cost
- Consistency
- Culture
- Clean
- Communication

This checklist of 10 Cs covers almost all the areas that a firm must consider to evaluate the performance of supplier. A supplier plays a key role in a firm's success and the criteria in the checklist can be used for any company.

New Zealand Policy: In July 2016, Education New Zealand released the statistics showing that international students brought over 1 billion New Zealand dollars tuition fee to the country's revenue, and created over 30,000 jobs with value over 3 billion New Zealand dollars in 2015, of which 30% were contributed by Chinese students. (Education New Zealand, 2016).

The international education industry has become the third big industry in New Zealand, ranking after agriculture and tourism. In New Zealand, there are many high qualified education providers for the international students to choose from, including eight public universities which offer academic programs, 16 public Institutes of Technology, offering professional and vocational education and training ranging from introductory studies through to full degree programs. Moreover, there is a choice of 600 registered Private Training Establishments (PTEs), whose courses are generally specific to English language learning or niche occupations such as travel and tourism, design and ICT, from which overseas students may choose.

(Where & What to study, n.d., para. 5). Also, numbers of high quality primary schools and intermedia schools are attracting more and more Chinese students to begin their early education in New Zealand. That means there are enough suppliers that can be selected by a consultant agent. Furthermore, the New Zealand government encourages their educators to cooperate with consultancy agent for enrolling more international students to the country by allowing the providers to pay commission to the agents so as to reduce the operating cost for agents to compete with the education providers from other countries. This policy will encourage the agencies to promote New Zealand international education to the international students.

Chinese Situation: In China, with the globalization and fast growth of economic, more and more Chinese parents make up their minds to send their children to study abroad. According to statistics from the China Ministry of Education (2016), more than 5.2 million Chinese students go studying abroad in 2015,, among them, 30,000 came to New Zealand (Education New Zealand, 2016). Furthermore, a trend of younger students studying abroad is emerging because their parents are worrying about air pollution and the grid education system in China (HuRun, 2016). When apply for studying abroad, most Chinese students seek for help from overseas studying consultant agents who can provide professional guide in schools and course selection, as well as documents preparation (XDF Version Overseas, 2016). With a rich education provider base, experienced overseas consultancy can provide guidance and overall information related to studying abroad so as to help students save time and money when applying for studying abroad (Jubeerich Consultancy, 2016).

The information above shows that overseas studying consultancy has become the bridge to link international students with New Zealand educational providers. To be more competitive in the market, the agents need to own rich supplier resources so as to provide various options and service to their customers whose demand varies from one student to another one.

3. Research Method

In this project, the researcher used both primary and secondary methods to conduct the research.

3.1. Primary Method

Both semi-structured interviews and observation were used as primary methods to conduct this research.

Semi-structured Interview: The researcher interviewed AL's manager and staff to collect first-hand information on AL's background and supply chain management. The interviews were held in AL's office in September, 2016, lasting for around two hours. The face-to-face talk resulted in a deep discussion on the topic of what AL supply chain looks like and how it manages its supply chain. It was an on-going interview in which the researcher could widen and deepen the topic by asking additional questions. The semi-structured interview asked the interviewee to answer questions with more information in detail, to avoid simple answers like yes or no which make it difficult for the researcher to acquire adequate information.

The interview was conducted in Mandarin as both the manager and the staff are Chinese, and to avoid confusion when communicating. The content of the interview was translated into English later on.

The advantage of this method was that the researcher can collect information related to the research. Limitations were in two areas:

- Time constraint. Both the manager and the staff did not have enough time when the researcher wanted to make further inquiries about the research topic, such as why AL did not have an evaluation process.

- From the perspective of the employee, the answer might not be complete and accurate.

Observation: Observation was another method the researcher used to conduct the research. During placement from August to October in 2016, the researcher had a chance to closely observe how AL runs its supply chain, such as how to develop supplier, how to maintain relationship with supplier, etc. This helped the researcher easily judge the actual operation of supply chain in AL and gain first hand material which could supplement information collected through the interview.

The advantage of this method was that the researcher could be involved in the daily operation and acquire first hand material in person. The limitation was that due to the limited working time, say 4-5 hours a day, for two months, the researcher could not experience all the process of management, which would affect her ability to observe overall processes and gain accurate information.

3.2. Ethical Considerations

Ethical considerations for this research includes the following steps:

- Before conducting the interviews, the participants, who are the manager and the staff of AL, were informed of the purpose and aims of this project and signed consent forms.

- The information gathered will be treated with confidentiality and no names of individuals will be used in the research report, except where participant consent to waive that confidentiality is given..

- Access to the final report and recommendations will only be available to AL and the associated Wintec Academic Supervisor.

3.3. Secondary Method

Secondary method for this project includes the use of Wintec library facilities such as books, databases ScienceDirect and Proquest, Google website, Google Scholar. Through these facilities, the researcher looked into the relevant theories and literature so as to guide the investigation on supply chain in AL. It also helped the researcher to clarify the research question prior to primary research. Existing and historic data from AL brochure and website was also reviewed to understand AL's background.

4. Results and Discussions

4.1. AL's Supply Chain

Supply chain exists in any business, including the international education industry. In a consultancy business, the suppliers refer to various educational providers (supplier) who provide various programs (products or information) to the consultant agents (distributor), who offer the program to international students (end customer). The programs include degree, major, course, tuition fee, etc.

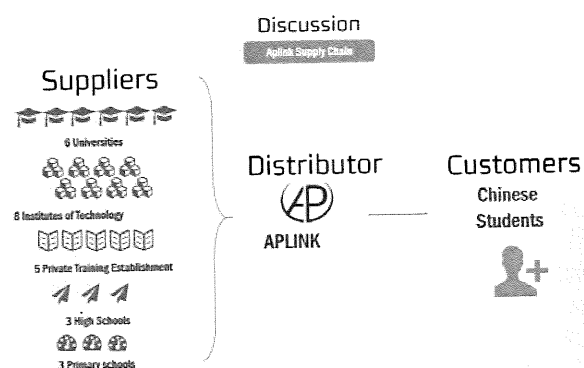


Figure 2

AL's Supply Chain

Figure 2 shows that AL has a number of suppliers ranging from University to Primary School, its end customers are Chinese students. The providers offer their own specific courses, majors, degrees to AL. AL then recommends this programs to its customers in China, who have different requirement on the service, and customises the service to each individual customer.

4.2. Supply Chain Management (SCM) – Supplier Selection

Supplier selection begins with identification of an organization's need. To select an appropriate supplier, the organization must know what he wants from a supplier. AL is offering consultant services of international education to Chinese students how to meet the demand from Chinese students is what AL needs from its supplier. 18 years-experience helps AL understand what kind of service and information meet its customers' requirements. On the basis of this understanding, AL summed up its main criteria in five areas below:

Academic ranking. Some students are keen to study in a university with good academic reputation or ranking like Auckland University, ranking No.1 in NZ, or Waikato University, famous for its business and IT courses. Therefore, ranking is one of the factors that Chinese students will consider when they choose their school abroad.

Majors or courses available. This is the number one factor that Chinese students will use for studying abroad. The future area design decides what courses, which schools that Chinese students will take. Generally speaking, business, IT, engineering, practical program such as chief, beauty, tourism, are the most popular subjects for Chinese students. Therefore, when AL selects its supplier, it always emphasizes the providers who provide appropriate courses.

Location. Though location is nothing to do with the quality or courses, many Chinese students take it as one of their consideration. They usually prefer a big city, or a beautiful coastal city. Of course, some will like a small and quiet city with only a few Chinese students. This is crucial for those students who start with English study before studying their course.

Enrolment requirement. IELTS scores are the key qualification for the NZ tertiary schools to enrol international students. Being a second language, English is a difficult hurdle for Chinese students. Usually, the IELTS scores decide which school they can apply for. Therefore, AL needs to have different level partner with different enrolment requirement to meet its customers' qualification.

Tuition fee. For most Chinese students, tuition fees are not what they will consider when selecting schools. But for similar offers, they will like to take the lower tuition fee, especially for the students who come from middle-class families.

The criteria above are the main factors that AL took into consideration when it began to select suppliers. It covers most of the conditions and requirement that Chinese students will consider when studying abroad. With these criteria, as well as some

others such as safety, living expense level, etc. AL has contracted with some education providers in NZ.

When contracting with its suppliers, AL implements two strategies: many supplier strategies with wide options and few supplier strategies with a close relationship.

Many supplier strategies. Strategically, the more suppliers, the more competitive AL can be in the market because it can offer all the courses in NZ to its customers, thus beat competitors who could not cover all the courses. The fact is, this is impossible. One reason is that some schools do not authorize consultant agent to take international students for them, the other one is that AL does not have enough time and energy to manage too many suppliers. Keeping a reasonable number of suppliers is the best choice for AL at present. Currently, AL has established cooperative relationship with more than 10 suppliers, with programs that cover most of the courses that attract its customers.

On the other hand, there are more and more inquiries for primary and secondary schools since 2015. Chinese parents are thinking to send their children to start education abroad at younger age now. That creates a new business which require new suppliers. Though AL has contracted with several primary and secondary schools, all of them are located in Hamilton, while some inquiries request other location such as Auckland and Wellington. This is one issue AL needs to take into consideration at present.

Few supplier strategies. This strategy requires a close and long-term relationship with suppliers. Located in Hamilton, AL are inclined to cooperate with schools located in Hamilton, such as Waikato University, Waikato Institute of Technology, Hamilton Boys' High, It is easier for AL to keep contact with them and provide good backup service to its customers when they arrive. Therefore, AL emphasizes on these few suppliers and recommends most of its customers to come and study in Hamilton schools. This also strengthen its relationship with them and get better support from them.

4.3. Supplier Relationship Management (SRM)

Supplier relationship management can help an organization to gain competitive advantage by getting the latest information, good support from suppliers for marketing promotion, and fast response to customers. There are some common steps to follow when managing the relationship with supplier such as visiting suppliers regularly, keeping close relationship with supplier's representatives, etc. In AL, supplier relationship is an important issue, it pays more attention to communication with providers. The staff

member who is responsible for relationship management in AL said that they have formal and informal processes in maintaining supplier relationships. Informally, they periodically visit the local providers in Hamilton, make phone calls to say hello, especially during festivals. Formally, they use email to exchange opinion on latest policies, or discuss any dispute. Attending the seminars held by the providers is another way to acquire the latest information and stay in close contact with providers. Furthermore, AL invites some key providers to China to introduce their school to Chinese students. For example, in 2015, AL invited international department staff from Wintec and Hamilton Boys' High to visit Hainan Province, China, to give seminar to Chinese customers. This close contact let more Chinese customers turn their eyes to NZ and Hamilton, especially Wintec and Hamilton Boys' High. Such activities help AL to strengthen the relationship with its supplier.

Communication skills play a vital role in maintaining relationships with suppliers, it is the lubricant in relationship management. Although AL has schedules for maintaining supplier relationships, the staff member in charge lacks English communication skills, as well as the knowledge of suppliers, which affects management effectiveness.

4.4. Supplier Evaluation

To manage effective supplier relationship, the organization needs to assess the performance of the supplier regularly. This assessment can help the organization understand the supplier's performance so as to adjust its relationship with the supplier. In the overseas consultancy field, the assessment usually covers supplier's academic ranking, cost level, tutor quality, service, international student support, facilities, environment, etc. The evaluation can give the agent a benchmark to recommend good schools to students and earn good reputation in the market, which can increase their competitive advantage in the market. AL does not pay more attention on this section. There is no formal evaluation process or metric in AL to measure the supplier's performance.

5. Conclusion

This research focuses at the supply chain (SC) and supply chain management (SCM), taking AL as a case study. Based on the literature review, after analyzing relevant domains such as supply chain management, supplier evaluation and external environment, I reach the conclusion that due to the differences between Chinese and New Zealand's situation, information and communication

management is a critical area to maintain AL's prosperity. Meanwhile it is an urgent task to work out an effective assessment process to evaluate overall performance, and to improve its capability to cope with the variability of suppliers as well as to contract with new suppliers to meet the new emerged trend in Chinese overseas studying market most crucial for AL's further development.

6. Recommendations

At the basis of the conclusion, I would like to recommend the following to AL Consultant Ltd.

- *Seek for more new suppliers.* With the increasing number of Chinese students choosing New Zealand as a destination for studying abroad, the requirement for more course and institute options will increase. That suggests that AL should negotiate and contract with t providers who are not in its current list. In addition, the new trend of younger overseas students creates new opportunities in primary and secondary schools, to which AL must look for more providers, mainly outside Hamilton.

- *Establish an evaluation metric and process.* Lack of a formal evaluation metric and process makes AL unaware of supplier performance. AL should set up its metric and evaluate its suppliers once a year.

- *Develop training program on supplier knowledge and communication skill.* Effective supplier relationship management requires good communication skills; knowledge of suppliers will help staff achieve effective communication with suppliers. AL needs to emphasize on this area and set up a regular training schedule for its staff, say once a month, so as to help is staff to improve their ability in their work.

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