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Seven-Eleven Japan Analysis

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¹ Executive Summary

The purpose of the report is to evaluate the quality of the situation in Seven-Eleven Japan at the same time familiarizing with the challenges through realizing the opportunities and giving some recommendations on the same. On the other hand, the process of investigation pertains having a look at the background of the firm, undertaking a holistic evaluation of current practices, dwelling on the critical analysis of the company, as well as creative reflection while concluding by giving some recommendations on the current challenges faced in the company. The company has a selected supply chain supporting its procedure although it faces problems of increased indirect demand susceptibility and transportation rate. At other times there exist unexpected cases request of explicit items abruptly. Nevertheless, quality as far as customer satisfaction is concerned still stands out despite having in place operational strategies that have consequences. To solve the aforementioned challenges, the company needs to utilize the 7-dream concept model. Again, use of just-in-time strategy also helps at the same time using the strategies that have already being applied in Japan in their United States stores.

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Seven-Eleven Japan Analysis

Introduction and Background

Every company starting in a new market always struggles to deliver quality products as well as satisfy their customers' needs. However, they face several challenges that will either fail them or make them more successful depending on the approach and strategies to be employed. Hence, Seven-Eleven Japan has emerged being the most successful company and managed to run its supply chain effectively. Nonetheless, they are faced with several challenges. This paper will focus on the evaluation of the quality situation in Seven-Eleven Japan as well as realize the challenges by analyzing and recognizing the opportunities and finally proposing recommendations.

Seven-Eleven Japan was among the first companies to start convenience stores in Japan. However, although there were several convenience stores in the United States, in 1974 Yokado Co., Ltd incorporated with Southland Corporation to develop the first convenience store in Japan. From the day the first convenience store was established, the stores have been opened at a significant rate and currently, they are more than 20,000 (Madhani, 2017). Again, before, the convenience stores could attain this remarkable accomplishment in Japan, they had to present administration practices from the United States and formulate their business strategies. The success of the company is attributed to the utilization of the distribution and inventory management systems that has close attention to details.

Holistic Evaluation of Current Practices

Currently, Seven-Eleven Japan operates instinctively because it has selected a supply chain that supports its procedure. For instance, the company established at least fifty to sixty

stores in a region that strengthens them and takes down the raise of revitalization hence being supportive to customers (Madhani, 2017). Furthermore, the Seven-Eleven Japan possesses transportation trucks to carry their products from one store to another to boost stocks. The inventory framework is operated on a data basis conveying directly to the provider and distribution centre (Tsai & Chen, 2017). Therefore, the conveyance framework is adjustable to ensure efficacy and increase awareness.

Again, despite the activities done to increase quality, the company is faced with other problems including a high transportation rate and increased indirect demand susceptibility. Although the company has minimized the cost of transportation, response plays a critical role in quality improvement (Sachdeva et al., 2015). Thus, to reduce the lead times they need to provide a steady circulation of trucks to attain the inevitable expenses because transportation takes a large share of costs to satisfy customer desires. Similarly, increased indirect demand susceptibility occurs in different ways, for instance, the company introduces new items every week and thus leading to seventy percent of the goods traded at stores varying each year. This made it a challenge in predicting demand.

Also, there are unexpected cases when nearby stores can augment requests for explicit items abruptly. For example, in case of a baseball match individuals may have increased needs and orders for snacks and beers, and thus will require them to have more products in their stores. As a result, the occurrence of such a match might interfere with the normal operations and require the stores to focus more on the products requested. However, the stores will need to react to the customers' requests because failure to that will make them lose customer share or reduce certain excess products (Rauch et al., 2015). Besides, during this receptive supply chain, it will indicate different perceptions because of the increased demand hesitation and help stores to

request on the finances of the development that may yield more revenues. However, when such problems occur the company undergoes enormous losses each year.

Critical Analysis

Quality plays a critical role in the success of the company. Therefore, convenience stores have worked on satisfying consumers' demands and wants whenever they need it (Hunneman et al., 2017). Besides, convenience stores are more approachable while utilizing Seven-Eleven Japan strategies. The company has used innovative technology as well as rapid accessibility of resources (Pham et al., 2018). Also, convenience stores can be operated through neighborhood capabilities for instance be responsible in offering cooking and accretion of food in volumes based on the request. Thus, the stocks will be stored as rudimentary material through considerations of close stock inventory, the same way they should have all the inventories available at the store regularly. There is hasty reinstatement that needs to be handled, for that reason, the store has to design its strategy properly and supply the stocks as required quickly.

Nonetheless, the strategies utilized have several dangers that are related to them. For example, by focusing on the local capability, the approach leads to decentralization. Similarly, the local stock inventory can lead to outdated stock and the requirement for more space (Pugh et al., 2020). Besides, the rapid reinstatement deliberates centralization of local dimensions, low-quality stocks and intensification of renewals charges (Spiliotopoulou et al., 2018). Notably, the Seven-Eleven Japan micro-match supply and rapid replacement approach results in several dangers as increased expenses of transportation, the requirement for more space and over-processing continue to augment.

Creative Reflection

Since the company has already developed brand awareness and faces a challenge of high cost of transportation as well as increased indirect demand vulnerability, the best approach to be utilized by Seven-Eleven Japan is the 7-dream concept model. The framework will focus on assisting customers when ordering and picking up the products (Germano, 2018). Additionally, the idea of bringing the framework is to assure their clients enjoy quality products as well as benefits. After a client has ordered the product and is prepared for conveyance, then the customer should be able to take their product in any of the stores during their convenient time. Furthermore, the strategy provides an innovative technique in different ways including credit card payment. Notably, the framework approach could be effective in Japan because they prefer to visit the stores and pick their products, however, in the United States people prefer to purchase online and be delivered at their home.

Moreover, with the high number of stores for Seven-Eleven Japan Company, they have attained the benefit of product awareness because their products are dispersed in several different areas. Similarly, organized store transport will lead to augmentation made from the conveyance of great control of delivering products to the stores given the stores get many trucks from their diverse providers. Unfortunately, much of the transmission will not be enough to fill the required amount to be carried by the trucks (Chopra, 2017). Nevertheless, transportation would receive items from the providers, separate comparable groups of products in the same vehicle and after that refer to the stores. Hence, the strategy will provide help to decrease conveyance expenses and this will lead to reduced problems at the compliant assumptions. Besides, the advantage obtained by Seven-Eleven Japan is that the shop will request for the stocks directly from the distributors when they have excess orders.

Conclusion

Since the establishment of Seven-Eleven Japan, in 1927 in America, the company has utilized several significant strategies in its supply chain to enable rapid development and expansion in different countries. Although they are faced with different challenges the company has managed to emerge with technological advancements to enable boost their customer experience as well as offering quality service in satisfying their customer's needs. The company has an opportunity of creating awareness in its company through many stores located in different areas. However, they are faced with challenges of increased indirect demand susceptibility and high conveyance expenses. However, to handle the problems the company should employ a just-in-time strategy to deal with the overproduction which might result in losses of excess production. Similarly, although the company has tried to cut the cost of transportation, they should focus on implementation of several warehouses that will be used during the production process enabling a reduction in conveyance expenses.

Recommendations

Based on the report the problems Seven-Eleven Japan is encountering are high conveyance expenses and increased indirect susceptibility. However, the two challenges are very critical in increasing the quality of service offered as well as reducing expenses and increasing revenues to the company. For the company to ensure they remove these hindrances to enhance effective workflow they will need to utilize just-in-time strategy. Just-in-time will enable the company to reduce the cost of conveyance by establishing stores in nearby areas and identifying 7 wastes in manufacturing. Also, stores in the United States will need improvement by implementing several strategies of the company in Japan to the United States.

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