

関西学院大学専門職大学院 経営戦略研究科

2018年度秋学期入学試験

ビジネススクール(経営戦略専攻)
「国際経営コース」入学試験

Fall Semester Entry 2018
Business School (International Management Course)
Entrance Examination

筆記試験（英語小論文）問題
Written Examination
(Essay in English)

(注意事項)

- 監督者から試験開始の指示があるまで、問題用紙の内容は見ないでください。
- 解答は、すべて英語で記入してください。
- 試験場においては、すべて監督者の指示に従ってください。
- 机の上には筆記用具、受験票、時計のほかは置かないでください。
それら以外の物はカバンに入れ、床の上に置いてください。
- 筆記用具および時計は、計算機能や翻訳機能などを組み込んだ物の使用は認めません。時計のアラームは解除し、携帯電話等は電源を切ってください。
- 不正行為者は試験を無効とします。

Notes:

- Please do not look at the contents of the examination paper until the examination is started by the supervisor.
- Please complete all answers in English.
- Please follow the directions of the supervisor in all respects within the examination room.
- Nothing but writing implements, examination slip, and a watch may be placed on the desk. You are not permitted to use either writing implements or a watch that incorporate calculation or translation functions. Cancel the alarm function of your watch, and turn off your cell phone completely.
- Cheating in the examination will result in disqualification.

Please read the article from Dow Jones Newswires below and answer the following questions.

Question 1: According to the article, what and how has Amazon.com Inc., or online sellers, in general, brought impacts to industrial parts suppliers?

Question 2: According to the article, how do industrial parts suppliers respond to those impacts by Amazon?

Parts Suppliers Take a Hit From the Amazon Effect

By Brian Baskin and Laura Stevens.

Melanie Lichtfeld, owner of a Madison, Wis.-based plumbing company, used to tell customers they could wait weeks to buy their new kitchen sink from a local supplier. Now she orders the parts she needs on Amazon.com and they arrive two days later.

Ms. Lichtfeld is one of a growing number of plumbers, electricians and other contractors starting to buy industrial parts online. As part of its business-to-business marketplace offering, Amazon.com Inc. now sells everything from light switches to hydraulic valves, and last month boasted it had one million customers across fields that also included health-care and office supplies.

Amazon is joining a host of online sellers shaking up the roughly \$130 billion U.S. market for items that keep factories humming and the plumbing working. They threaten a business largely still conducted via salespeople working out of local shops and national distributors that cater to large businesses, as customers are lured away with instant comparison shopping and free delivery.

The largest industrial supplier in North America, W.W. Grainger Inc., with sales topping \$10 billion annually, said it cut prices by up to 25% this summer after years of losing customers to cheaper online competitors.

MSC Industrial Direct Co., a leading supplier to metalworkers, is printing fewer copies of a 4,500-page catalog it calls "The Big Book." The company now generates about 60% of its sales electronically, from 41% five years ago, including vending machines installed on factory floors that automatically order refills.

Online sellers' push into the market has nabbed much of the industry's sales growth,

analysts say, and sparked concern about the future of traditional suppliers. Ms. Lichtfeld said Madison's local suppliers have stopped carrying many items easily found online. She also started selling spare parts on Amazon.

While parts accounted for a sliver of Amazon's \$136 billion in sales last year, the company is a proven disrupter of industries ranging from apparel to video to cloud-data services. Like retailers before them, industrial suppliers risk getting caught in a race to the bottom on prices, where online-only sellers have an advantage because they don't maintain costly networks of branch offices and salespeople.

"You do not need a specialty salesperson to buy cleaners or a mop," said Deane Dray, an RBC analyst.

Amazon is shaking up the traditional format for selling industrial parts by allowing distributors and manufacturers to sell products directly to businesses on its marketplace, eliminating middlemen and often undercutting traditional local suppliers. It also offers one-click ordering and transparent pricing, features that are the norm in online retail but less common in the industrial world.

Customers "just want the Amazon buying experience at work," says Prentis Wilson, vice president of Amazon Business, which was launched in 2015.

He said many customers make one-time "spot" orders for parts, but Amazon is converting some larger businesses to manage their shopping on the marketplace.

Shon Altbaier-Meere, the owner of a Mason, Ohio, home construction and remodeling business, said she has used her personal Amazon account to buy supplies. She also buys parts on other sites she finds via Google's comparison-shopping service.

"I don't have time during the day, I need to be on the job," she said. "I'll put the kids to bed at 9 p.m. and start looking for plumbing fixtures in my pajamas."

Big customers, including manufacturers and government agencies, are where distributors like Grainger make most of their money. Sales to these buyers are still

growing, with volumes rising 1% last year and 7% this year, the company said in July. But spot purchase volumes are down 25% since the start of 2016, totaling about \$3 billion annually.

After cutting prices, Grainger is starting to win back more spot purchases and smaller customers, which it has failed to attract in recent years, said Elizabeth Ubell, the company's head of e-commerce. She said the goal isn't to beat online sellers on price, but to stay close enough that Grainger's expertise and reliable delivery can complete the sale.

"Grainger is competing as a premium service provider," Ms. Ubell said. "Portions of our prices just got out of whack versus where the market was."

Some distributors have a head start compared with Amazon. Many have offered next-day delivery for essential parts for decades and are experts in fulfilling orders fast, from warehouses around the country. Even smaller firms like United Electric Supply, a regional distributor based in New Castle, Del., are adding services like order tracking and same-day delivery.

The industry is "just not going to let somebody come in and take our business without a good fight," said Chief Executive George Vorwick.

Distributors also offer extra services, which would require significant investment from Amazon to match. For example, United Electric Supply will work off a customer's blueprints to determine the parts needed to build a \$10 million electrical system, Mr. Vorwick said. Grainger embeds employees in manufacturing plants to manage inventory. MSC cuts or dyes metal to meet customer specifications, said Steve Baruch, head of strategy and marketing.

Employees "are at the machine with our customers making recommendations," he said. "It's not something that is easily duplicated."

Others remain concerned that buying supplies online would increase the risk of ending up with knockoffs or faulty parts. Counterfeit products have become a bigger problem for Amazon in recent years, causing the retailer to sue sellers allegedly offering fake goods on its site and most recently to issue mass refunds for

solar-eclipse glasses.

Complicating that, the company is known to pool its own inventory with third-party sellers', meaning items from different merchants can get mixed up in its warehouses and customers may have no way of knowing where the item they purchased actually originated.

Amazon said that "sellers must abide by performance standards that ensure business customers get the trusted Amazon experience."

Doug Workman, owner of Liberty Pure Solutions in Phoenix, Md., says he still buys most of his plumbing supplies from local distributors, despite near daily pitches for cheaper supplies online. He said he worries about his liability if he buys a poorly made part.

"You can't touch and see [the products] and hold anybody accountable online," he said.

Source: *Dow Jones Newswires*. August 20, 2017. Copyrighted by Factiva, 2017.

II. Please read the article from *Nikkei Asian Review* below, and answer the following questions:

Question 1: What is your opinion about Volvo's strategic decision to use its factory in the U.S. as an export hub?

Question 2: Discuss possible impacts of the growing trade tensions between the U.S. and China and Europe on Volvo's global operation.

Volvo Cars opens first plant in US as auto tariffs loom

By Shuji Nakayama and Kosei Fukao, Nikkei staff writers

CHARLESTON, U.S./FRANKFURT, Germany -- Sweden's Volvo Cars opened its first factory in the U.S. on Wednesday, aiming for a greater share of that market and planning to turn the facility into an export hub.

Investing in the U.S. is in line with requests by President Donald Trump and could reduce the risk of additional tariffs that the administration has said it will impose on imported cars.

But the company's strategy could be negatively affected if a full-blown trade war breaks out, jeopardizing exports to Europe and China.

Taking the podium alongside employees at the opening ceremony for the new plant in Charleston, South Carolina, President and CEO Hakan Samuelsson said Volvo aims to grow not only as a global company, but as a local one as well. He said the company will spend \$1.1 billion on the facility and create 4,000 jobs there.

The plant will produce the new S60 sedan. About half of its annual production capacity of 150,000 units will be shipped to Europe, South America and China.

"I'm proud of working at Volvo's new factory and my family is pleased too," one of the plant's new employees told reporters.

Volvo Cars President and CEO Hakan Samuelsson speaks at the opening ceremony of a new plant in Charleston, South Carolina, on June 20.

Volvo made the decision to open the plant in 2015 before Trump took office, hoping to take advantage of Volvo's name recognition. Volvo has been majority owned by Chinese multinational automotive company Geely Holding Group since 2010.

Initially, the plant was only supposed to produce sedans, with a planned investment of around \$500 million creating about 2,000 jobs. In January 2017, however, Trump took office having pledged to revive the U.S. auto industry, insisting foreign automakers increase investment and employment.

In September 2017, Geely and Volvo announced an additional investment in the U.S. plant, unveiling plans to produce a large sport utility vehicle there, rather than in Sweden as initially planned. It also announced a plan to double the number of employees at the factory.

While the moves appear to have been aimed at raising sales in the U.S. while responding to the Trump administration's wishes, Volvo now faces a different problem: a possible trade war between the U.S. and China and Europe.

Trump hinted in late May he may raise tariffs on auto imports on national security grounds.

On June 20, U.S. Commerce Secretary Wilbur Ross said at a congressional hearing that no decision had been made on the tariffs. But the possibility remains that Trump could unleash attacks on foreign carmakers ahead of midterm elections in November.

On June 20, Volvo's Samuelsson warned that the company would be unable to export cars if China and Europe erect high trade barriers, and that it would become difficult to create jobs in the U.S.

China has announced plans to impose an additional tariff on U.S. auto imports on July 6 in retaliation for the Trump administration's "punitive" tariffs.

A trade war pitting the U.S. against China and Europe would likely have a negative impact on the earnings of major automakers. On June 20, Germany's Daimler, which exports U.S.-made SUVs to China, revised down its full-year profit forecast.

Source: *Nikkei Asian Review*, 2018-06-21