

The strategic fit of supply chain integration in the TFT-LCD industry

沙永傑, 陳屏國, 陳永信

Technology Management

Management

yjsha@chu.edu.tw

Abstract

Purpose - The purpose of this paper is to identify what kind of supply chain integration strategies can support TFT-LCD manufacturers seeking to break through the cost constraints and complex co-operation relationships between manufacturers, suppliers and set plants/distributors, and further satisfy the market requirements in terms of cost, quality, delivery, and flexibility.

Design/methodology/approach - This paper encompasses in-depth interviews with 20 TFT-LCD industry executives in three of the largest Taiwan TFT-LCD manufacturing firms.

Finding - Several different supply chain integration strategies have been identified for operational-level improvement of TFT-LCD manufacturer, including direct or indirect investment in suppliers; “made in-house” and “made by resident suppliers” arrangements, “quasi-cluster” formation, and new module assembly line set-up at set plant.

Research limitations/implications - This study involves only three multi-national corporation of Taiwanese origin..

Practical implications - Based on the analysis of the TFT-LCD supply chain structure,

the strategic fit of supply chain integration leads to the improvement of TFT-LCD manufacturers' capability to satisfy customer requirements and then attain competitive advantage. Their experience provides guidance for other hi-tech industries..

Originality/value - This paper provides insights into the strategic formulation of supply chain integration in the real world of the TFT-LCD industry and identifies directions for further empirical research.

Keyword : Supply chain, Coordination, Integration strategies, TFT-LCD