

**Mixing Push & Pull to survive in China:
Value Stream Design in an automotive case**

Track 1b: Automotive Management

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Abstract

German automotive suppliers started operating their manufacturing plants in China without strategic planning or thoughtful implementation of the value stream, following hastily the enormous promises of the fastest growing automobile market in the world. Now, as competition and cost pressure erode the comfortable technological advantages combined with low labor costs, standard instruments like Enterprise Resource Planning (ERP) and lean principles are introduced to increase efficiency, transparency and control. However, as years of engraved routines result in considerable barriers especially in the Chinese context, culturally literate implementation approaches are required.

An in-depth analysis of shortcomings with respect to value stream design using the case of a German automotive supplier in China delivers the basis for a culturally adapted value stream design concept. Key thereto is a mix of push and pull measures with extensive use of E-Kanban. Only a consequent implementation taking into account identified key success factors will allow German suppliers to develop competitive advantages for the Chinese market in the long run.

Keywords

China; Culture; Value Stream Design; Enterprise Resource System; lean principles