# Case 02: Evaluating Potential Suppliers in Russia

Jerry Wilson, responsible for global procurement at Midwest Door Inc. (MDI), was attending a regional meeting of the National Association of Purchasing Management in Milwaukee, Wisconsin. At a roundtable discussion Jerry shared his recent experiences with fellow NAPM members and the conference workshop leader.

“Looking for a good, low-cost supplier of wood frame parts, we got leads from some chambers of commerce and from a German company in Dessau we’d done some business with. We sent faxes and letters to producers in Jyväskylä, Finland, Umeå in Sweden, and three manufacturers in Samara, Pskov and Tver asking each one for preliminary data so we could see which factories were worth a look-see.

“The Jyväskylä and Umeå producers answered quickly with enough details for me to plan visits to their facilities. Tver and Samara didn’t bother to respond at all, Pskov replied about 10 days later without any useful information but with an invitation for a factory visit. I decided to add Pskov to the itinerary anyway because the Finns and Swedes were pricier than we’d expected.

“So at the end of my European survey trip there I was in the Pskov factory’s reception room at 8:00 in the morning, as agreed. But it was close to 9:00 before they finally showed me into the director’s office. The interpreter was OK but the boss, Ivan Petrovich, was really a cold fish – stiff and formal, obviously not interested in doing business. While I was trying hard to get through my checklist of questions about equipment, staffing, exports etc. he kept answering that damned phone and talking to people who came in and out of the room asking questions and pushing papers at him to sign.

“I realized this was a big waste of time so I stuffed the papers in my briefcase and got up to leave. That’s when Petrovich finally showed interest. He asked me to stick around to see production and invited me to dinner that evening. But by that time I’d had enough. I got the interpreter to organize transportation to St. Petersburg for my return flight. It was really too bad, since that Pskov factory been recommended by our German contact. So now we still have no supplier in Russia, though our main competitors here bring in lots of product from there.”

**Questions:**

*1. What cultural trait(s) might explain why some potential suppliers responded to MDI more quickly than others?*

*2. Why did the American purchasing executive conclude that Ivan Petrovich wasn’t interested in doing business?*

*3. What advice would you for Jerry as a manager in charge of global sourcing for his firm?*