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Case XINEX CUBEX

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There is a teacher's manual intended as a pedagogical complement.
It is available to teachers who use this document as teaching material.
editorial@esic.edu

November, 2024

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Beatriz Irún Molina, Fernando Castelló-Sirvent and Juan Manuel García García

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28223 Pozuelo de Alarcón (Madrid)

Tel.: 91 452 41 00

www.esic.edu/editorial

@EsicEditorial

ISBN: 978-84-1192-122-0

Cover design: ESIC

Layout: Santiago Díez Escribano

Printed by Gráficas Dehon

A publication of



Printed in Spain

This notebook has been printed with organic ink and sustainable paper.

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1. INTRODUCTION.....	9
2. ENVIRONMENT.....	10
3. DESCRIPTION OF THE PROBLEM	12
4. COMPLICATIONS OF THE PROBLEM	12
5. ADAPTATION OF THE CASE TO PRESENT OR FUTURE CONTEXTS THAT MAY RESULT IN THE ORIGIN OF A PROBLEM LIKE THE ONE THAT OCCURRED IN THE CUBEX CASE	12
6. QUESTIONS OF THE CASE	13
7. BIBLIOGRAPHICAL REFERENCES	14



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*Original case of professors **Beatriz Irún Molina, Fernando Castelló-Sirvent and Juan Manuel García García**. Developed as a basis for class discussion and not as an illustrative example of effective or ineffective handling of an administrative situation.*

The data used in this case is based on information obtained through own experience in consulting and other sources of information and complemented with information obtained in personal interviews. The characters and situations expressed are fictitious, and the data of the companies involved are not revealed.

Original dated November 2, 2022.

Key words: International Business, sourcing, export, import, trade.

Categories: Purchasing, strategy, international trade, logistics and finance.

1. Introduction

The company CUBEX was established in Spain in the 1980s. The company's main activity is the distribution of stainless-steel cutlery.

Currently, the company, which is in the middle of a generational change, markets cutlery collections under two different brands. One of these is aimed at the hotel and catering sector, with multiple ranges available in 18/10 stainless steel, with black, gold and copper finishes. Other collections are aimed at specialized shops and premium quality department stores. The company finances its customers' purchases in both distribution channels for 30, 60 or 90 days. The company secures its customer portfolio before allocating a maximum credit to each customer.

Moreover, since the company's foundation, the leading partner has chosen a single supplier in China after visiting the Guangzhou fair (China) and selecting several of its collections each year. These selected series were personalized with his brand. As a result, the relationship with this Chinese supplier developed over the years and became so close that the respective owners of CUBEX and XINEX treated each other as they were family.

Thus, with two brands available, the company's management sought to tailor its products to each consumer profile. Both collections have a core innovation concept with continuous product improvement, communication, and customer service. It is important to note that innovation is the strategic basis for all departments of the CUBEX brand. To this end, the company uses the knowledge of engineering students from a Spanish university to create original and unique ranges, requirements which they regularly send to their sole supplier in China, XINEX.

In the cutlery market, there are two key factors when customers choose a cutlery range: quality and design. Quality will impact the durability, and design will determine personality and positioning. The new collections offered by CUBEX fulfill both factors.

After 30 years of growth and consolidation in the national market, the company has achieved a significant market share in Spain and a certain international presence thanks to a successful international strategic development plan launched 15 years ago with customers worldwide. The main markets in which CUBEX sells are Spain, France, Belgium, Portugal, Italy, and Germany.

In its development and expansion process, CUBEX decided to continue with its sole supplier in China. This supplier has provided good R&D development and new products for decades, and thus also concentrated purchasing capacity to obtain the best purchase prices.

2. Environment

Cutlery can be classified as useful tools used for preparing, serving, and eating food. Cutlery has been used for centuries in the western world but is now considered a luxury design product. They add to the aesthetics of food and cooking. Traditionally, sterling silver has been used to make cutlery; however, today, cutlery is made from various materials. The cutlery market is characterized by the presence of many companies, both small and large. The significant players in the market also produce other items in addition to cutlery. The sector is also characterized by increasing R&D in materials and processes.

Many factors are driving the global cutlery market from an industry perspective. However, most of them stem from new consumer trends. In this regard, the growing popularity of professional home cooking driven by TV shows such as MasterChef, which uses specialized cutlery, is expected to be one of the main growth drivers in the future. In addition, the increase in casual dining due to a new, even more, urban lifestyle and work and the growing preference for fine dining is expected to continue to grow in the future and, in turn, drive market growth. On the other hand, increasing per capita disposable income and the number of households is also expected to drive this growth. Furthermore, introducing new and advanced materials such as carbon fibre, titanium alloys, synthetic fibre, new polyethylene, composites and ceramics in cutlery also creates an exciting expectation to drive market growth.

However, some factors are restraining the growth of the market. The threat to the environment due to improper disposal of plastics is expected to be the main restraint in the market. However, there are many opportunities in the cutlery mar-