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MKT 2373

Mattel Assignment

1. Why do companies such as Mattel outsource?

Companies such as Mattel outsource because it helps them increase concentration on more important products, especially during peak seasons.

2. Do you believe the primary cause of Mattel's recalls is the result of outsourcing? Explain your response.

I do not believe the primary cause of Mattel's recalls is the result of outsourcing due to the fact that Mattel checked all its toys and was given small batches to approve before larger production could start. Although subcontracting on the end of the outsourced production load could have been an issue, Mattel checked and approved subcontractors and limited their use.

3. Were Mattel's responses to the toy recalls appropriate? Why or why not?

The initial response during the press release was not appropriate as it makes the company look irresponsible as they let toys that did not even meet their regulated standards yet they still made it to the shelves of stores and into people's homes. The response of Mattel's chairman and CEO, Robert Eckert was more appropriate as he takes responsibility for the mistake made on behalf of the company and tells consumers that the company intends to correct the problem. It could have been enhanced if he offered a refund to those families that brought their receipts with them and the purchase dates lay between May 1 to August 1, 2007.

4. As supply chain trading partners, what responsibilities do Mattel and Early Light have towards one another? Should Mattel continue to use Early Light as a supplier-partner? Why or why not?

As supply chain trading partners, Mattel has the responsibility to clearly dictate what their company's requirements are and Early Light's responsibility to ensure that they abide by them exactly as instructed.

5. What are some of the risks (or areas of concern) for Mattel's supply chain as a result of their using suppliers located in another country (i.e. China)?

Some of the risks for Mattel's supply chain as a result of their using suppliers located in another country like China is that they might not adhere to rules and regulations mandated in Mattel's home country. Which can lead to injuries, deaths, and lawsuits risking the closure of the company as a whole. Especially if Mattel outsourcing its responsibilities to China and then that

company decides to overdo the subcontracting, not conveying the requirements properly each time and not checking the production at each stage. Leading to consumer dissatisfaction and in turn, monetary losses.

6. Put yourself in the shoes of the CEO of Mattel in 2008. How would you handle the issues Mattel faced in 2008 as it pertains to the product recalls?

If I were the CEO of Mattel I would accept responsibility and offer refunds to those that bought the defective toys with a valid receipt. In addition to which I would put stricter guidelines and regulations throughout the supply chain while also removing the accused party from the supply chain.