

The Hong Kong University of Science and Technology

Department of Information Systems,  
Business Statistics and Operations Management

Seminar Announcement

***A rethink of supply chain coordination***

by

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**Date: Friday, 4 November 2011**

**Time: 1:45 pm – 2:45 pm**

**Venue: Room 3315 (Lift 17/18)**

~~~~~ All interested are welcome ~~~~~

**Abstract:**

In this talk, we question the conventional notion of supply chain coordination. A contract is said to coordinate the supply chain if the set of supply chain optimal actions is Nash equilibrium. We ask the question that who cares supply chain optimal and why it should care. We show that in realistic situations, a firm may actually benefit from deviating from a coordinating contract. The reality seems to imply that firms are simply maximizing their own interest by adopting the form of the so-called "coordinating contracts". From this perspective, we interpret why in practice the full-credit return policy, rather than the partial-credit policy as suggested by the literature, is so prevalent in practice. The new perspective also provides a possibility to explain why one contractual form is adopted rather than another though they are considered equivalent in coordinating supply chains.

**Bio:**

Dr. Yanzhi Li is an Assistant Professor at the Department of Management Sciences, City University of Hong Kong. He received his PhD from the Department of Industrial Engineering and Logistics Management, Hong Kong University of Science and Technology in 2006 and his Bachelor degree from Computer Science Department, Tsinghua University in 2002. His research is primarily on logistics, operations and supply chain management, with a recent focus on perishable inventory control and sustainable operations management. He received the College Research Award from CityU in 2009 and the INFORMS Junior Faculty Paper Competition Finalist award in 2011.