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Abstract

The purpose of this study is to analyse the role of global supply chain in the implementation process of environmental regulations. The objective is to find answer to the main problem by focusing on two sub questions: what kind of interactions is needed between the chain actors in the implementation process, and, how power and responsibility is divided across the chain.

In order to successfully manage the implementation process of new regulations throughout a global supply chain, functions need to be co-ordinated. Managing co-ordination measures prerequisite understanding of how organisations initially respond to the pressure and change as the response approach ultimately determines the most appropriate co-ordination and implementation measures. In addition, the power relationships in the supply chain are also important as they help to understand the reasons and ways parties interact with each other.

The study was conducted as a qualitative case study examining the implementation process of EU's RoHS directive at Tellabs Oy, an international company operating in the electrical and electronics industry. Three parties in Tellabs' supply chain were interviewed and related company documentation was analysed.

Tellabs' response to the directive was acquiescent, however partly due to the legal nature of the directive. The implementation measures can be described as semi-adversarial collaboration with arm's-length characteristics as Tellabs' strategy was control with co-operative arrangements. The most important interactions during the implementation process were mutual scheduling, communication and information change. Power relations between supply chain partners ultimately determine how responsibilities are divided in the chain but eventually each organisation is ready to take responsibility only of own processes.

In conclusion, co-operation and information change with long-term view to environmental issues is the best approach to implementing regulations. Determining responsibilities in the supply chain is the most challenging issue and thus companies should clearly agree on the terms of responsibility.

Key words	Environmental regulation, global supply chain, electronics industry
Further information	