

# Strategic Cooperation Mutually Benefit

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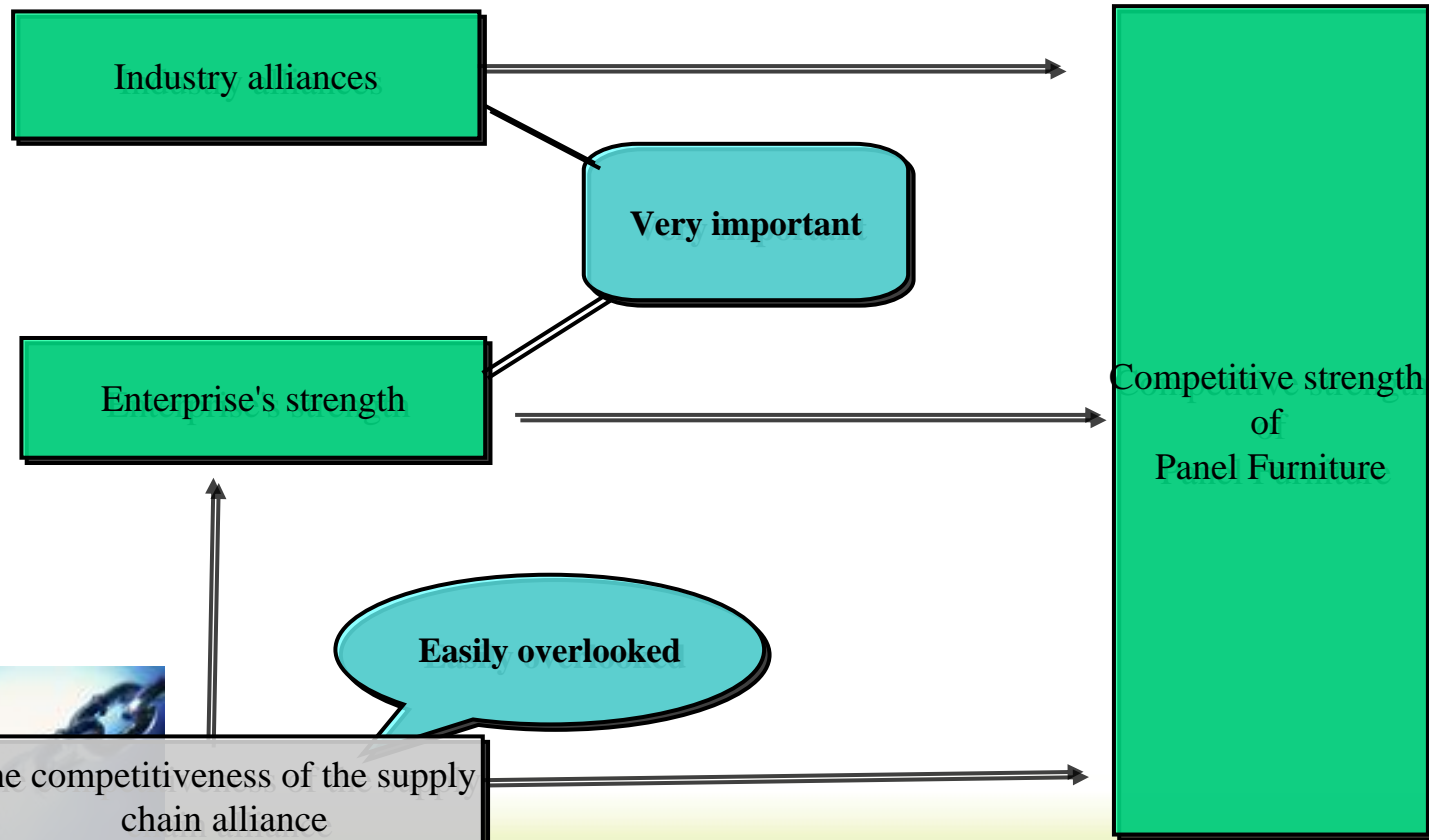
## 一、Competitive strength of Panel Furniture

Competitive strength of Panel Furniture = Enterprise's strength + Industry alliances +

The competitiveness of the supply chain alliance



二、 Sustainable Development of Panel Furniture is that whether the competitiveness of business, industry alliances, and industry chain alliance can be improved or not.



**三、The key to improve the competitiveness of Panel furniture industry chain is to establish strategic cooperation relationship.**



## 1、The disadvantages of traditional competition between Wood-based panel business and furniture enterprise

(1) The disadvantage of the furniture industry : Although the competitiveness of enterprises with wood-based panel business will directly reduce the purchase price, it may have result in the furniture industry to pay more for this procurement transaction costs, inventory costs, quality inspection costs, manufacturing and after-sales service costs, and ultimately affect the realization of its profits.

(2) The disadvantage of wood-based panel business : Wood-based panel manufacturers to obtain orders with the depressed prices, but also reduce the profitability of its own, so gradually lacking of funds for technological renovation used for the development of new products and reduce production costs. Meanwhile it will lead to lack of room for improvement of wood-based panel product quality and performance, the lack of decline in the price of space, lack of adjustment of the space variety.



## 2、The strategic cooperation between wood-based panel business and panel furniture business

With the highly competitive furniture market in the world today, panel furniture to be out of the cycle of low-profit, break barriers and restrictions on the green environmental protection, is inseparable from the development of wood based panel industry, which needs to turn competitive relationship between the two sides to partnerships to share of information technology, joint research and development, share of profits, a common lower production costs through a series of strategic cooperation.



### 3、The significance of strategic cooperation between wood-based panel business and panel furniture business

- Strategic cooperation of both sides have lower costs, and R & D and production capacity are enhanced; profits and mutual benefit can be in cooperation.



**Sichuan Shengda and panel furniture companies are willing to work together to create the brilliant future!**