**Managing Innovation and Sustainable International Supply Chain Management**

**Student Name:**

**Student Id:**

**Professor name:**

**Introduction:**

Palm oil is natural oil. It is edible vegetable oil. The source of this oil is the fruit of the oil palms. The pulp of the fruit is used to make the palm oil. Many organisations are there that utilise the raw materials of the palm oil in their products. Neal’s Yard Remedies is one of them.

**The Organisation:**

Neal’s Yard Remedies is one leading provider of natural health and beauty products in England. The organisation provides essential body oils, products from natural herbs et cetera to their customers. Neal’s Yard Remedies is a successful organic farm has almost 35 retail shops and 60 therapy rooms Britain. Now the organisation is trying to make business with the products that has palm oil as one of the major raw materials. As the organisation also has business with many overseas clients, for example Japan, UAE, and Australia. It will help their business to grow and to reach a larger consumer. However, the matter of concern is that they are planning to import the raw materials of palm oil from Nigeria and Indonesia and there are some basic concerns about this fact that the organisation needs to make sure that this business strategy helps them to make a sustainable business. Along with that, the business plan needs to align with their organisation’s vision and ethos.

The organisation’s core value is that they need to maintain a basic framework for their business. The organisation makes sure that they are delivering quality products to the customers (Balmer ,2012, p.1090) Along with that, they provide a good after sale service to their customers and at least use a bio degradable to make their packaging to make their products more environment friendly. This core strategy and value make them to maintain sustainability in their business. In addition, it increases the valuation of the business. Values and ethos give the organisation a list of “do’s” and “don’ts” (Unger *et al.* 2012, p.619). It helps the institution to maintain the basic structure of the business.

This study will evaluate some crucial points that Neal’s Yard Remedies could undertake to make their business successful and some changes in the business plan that help the organisation to suggest whether the new strategies that they are taking would benefit them or not. In this scenario, the organisation here wanted to make products with the raw materials of the palm oil. They want to import the raw materials from Nigeria and Indonesia. Thus, this research will focus on the process that if there is any possibility that this new business strategy would work in their favour or not

**The Product:**

This study is all about the raw materials of palm oil that is imported from Nigeria and Indonesia. The major beauty product company Neal’s Yard Remedies is trying to use this material in their beauty products. The major focus of the supply chain manager has been remained on reducing the first tier suppliers of the organisation seemed to be a good idea instead the organisation might think about importing palm oils from Nigeria and Indonesia. However, the question arises whether Nigeria and Indonesia are the good source of palm oil and whether there are any issues in the production of the palm oil.

Nigeria and Indonesia have the perfect weather condition to grow palm oil. Especially Indonesia is one of the world’s leading palm oil producers in the world. In Nigeria, it is one of the major staple crops. The governments in these countries identified the benefits of exporting palm oils to other countries and it is in-fact benefitting their country’s economy. Thus, the government in these two countries are investing a good amount of money in planting the palm trees. In this sense importing palm oil as the raw materials from Nigeria and Indonesia seems to be very good strategy.

However, some basic limitations are also there to import the palm oil. The ratio of deforestation is increasing in Nigeria and Indonesia in a huge amount (Schouten *et al.* 2012, p.15). For this reason, the production of palm oil is reducing day by day. Not only that Nigeria and Indonesia now are unable to deliver quality products to their suppliers. The distance of London to Nigeria and Indonesia is also an issue; the organisation needs to concentrate on their transporting costs very much (Schouten *et al.* 2012, p.45) The issue of the climate change is also affecting the palm oil industry in many ways. Thus, Neal’s Yard Remedies needs to look into this matter before taking any major step and work accordingly.