SBMT4000 SBM Undergraduate Honors Research Project

Code	Supervisor Name	Email
ACCT01	Shiheng Wang	acwang@ust.hk
Project Summary		

Topic: Information sharing along supply chains – Evidence from customers' earnings calls

Description:
Supplier firms face challenges in forecasting their future sales and earnings, because they have limited information on market demand, compared to their customer firms who directly interact with the ultimate end users. Therefore, disclosures from customers are crucial for suppliers to gauge market demand. Customers can share this information with suppliers through private contracts, communications or public reporting. However, the information disclosed in both channels can either create a "win-win" situation for both parties or be strategically biased to encourage suppliers to keep high capacity levels. While operational research has developed extensive theories on the factors and incentives for customers to disclose information truthfully versus strategically, there is a lack of large sample empirical evidence to validate these theories.

Since private communications between customers and suppliers are mostly unobservable, researchers often infer information sharing from contracting clauses. Existing empirical research on information sharing in supply chains mainly focuses on how suppliers rely on customer firms' public disclosures, such as management forecasts and financial reporting quality. However, these measures do not directly speak to supply chain relationships, such as supply chain risks, strategies for managing these risks and their impact on firm performance and valuation. To fill this gap, the project proposes conducting a large-scale textual analysis of customer firms' earnings conference call scripts to gather more nuanced information specifically related to supply chains.

Remarks

1. The student should be familiar with using API to access generative AI tools such as ChatGPT and Grok for information extraction. The student should also be familiar with basic textual analysis techniques so that he/she can quickly learn more advanced methods with guidance.
2. The student should be familiar with at least one programming language, such as STATA, SAS, R, Python and etc, to conduct empirical analysis.