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Field of work: Interface of operations research and marketing, accounting and general economics.

I. Principal-Agent Model

II. Supply-chain Management

1. Why not just two layers?

Multiple layers are beneficial due to multiple sources. The middleman knows more about downstream.

2. Choose which?

Multiple layers are beneficial due to multiple sources. The middleman knows more about downstream.
Example: India agriculture
The supply chain is extremely inefficient. Farmers do not have access to information. They go to a local market and sell their products. Problems: Cheat in weighing, delayed payment...

Solutions:
Information centers
Companies reach a verbal agreement with the farmers to buy their products at the price of the local market.

a. Why is verbal agreement as good as written ones?
If the farmers sell their products to local market, the price will get lower.
b. Info leakage to farmers outside network
The productivity of the farmers outside of the network is improved. More products will lower the price.