

# [Benefits of global sourcing in apparel industry](https://assignbuster.com/benefits-of-global-sourcing-in-apparel-industry/)

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The major benefits of global sourcing in particular to Apparel industry are as competitive advantage, quality assurance and service enhancement However, the same include, four challenges to conquer- which are logistics, regulations, cultural difference and country uncertainty. - Benefit of technical skills of the suppliers - Benefit of greater technical specialization of purchasing staff. - Benefit of greater technical specialization of designing staff

- Benefit of quality practices of the supplier procedures to reduce errors - Improvement in logistic operations under defined procedures - Additional functional advantage with centralized purchasing policy from different suppliers - Cost benefit due to consolidated small material requirement batches. - Allowance of easy purchase with great coordination and control - Technical standardization of suppliers - Effective long term and short term planning with a flexibility to change the non effective sourcing line.

2. 2 Historical perspective: During the 1990s, Gereffi developed his Global Commodity Chain theory, which explains the restructuring of the global retail industry. He defines the commodity chain as “ the range of activities involved in the design, production, and marketing of a product” Gereffi (1999) as cited in Eun-Ju Lee & et al. , Gereffi identifies two types of global commodity chains: producer-driven and buyer-driven. (Eun-Ju Lee & et al. ,)

The textiles and apparel industry is characterized as a buyer driven commodity chain, in which retailers and branded marketers are able to coordinate a global supply network and captue substantial portions of the value chain, Craig & et al as cited in Eun-Ju Lee & et al. ,. Lead firms in the buyer-driven commodity chain tend to have core competences in understanding end –user preferences, designing products wit the right distribution plan. In addition, they are able to administer global sourcing networks by usingtechnologyand financial resources, Christerson & Gereffi as cited in Eun-Ju Lee & et al. ,