

Levis: alliance to improve business effectiveness and efficiency

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Levis: Alliance to Improve Business Effectiveness and Efficiency

Levi's is an American brand that has created a niche market place in global market vis-à-vis its product differentiation through its diverse product line in apparels made from denim and non denim material. The company's core competency lies in its production of 'blue jeans' that has gained iconic position not only in the American market but also across the globe. But in the highly competitive business environment of contemporary times, maintaining a competitive edge against the rivals has become critical element of its business strategy. As CEO of Levi's Strauss Company, I believe that effective business partnership and networking solutions across the globe have become the need of the hour. Indeed, the managerial leadership initiatives of Levi's have encouraged the same through licensing agreements, alliances and network of retailers. The major objective is to increase the effectiveness and efficiency of delivery of the quality goods to all its stores across the world.

With 414 company operated stores in 26 countries and 55000 franchisee owned retail outlets across 141 countries, we market our products (levi, 2010). Thus to meet the demands of our customers across the world, our alliances and partnership with independent contract manufacturers have greatly increased our effectiveness in delivery of the huge range of our products. The sourcing agents and logistic firms are used for procurement for the material, design and manufacturing of finished goods. The company has stringent code of conduct for all its alliance partners and therefore we are able to maintain the credibility for quality products.

Interestingly, the concept of mass production of jeans had come from one of

our early partner, Custom Clothing Technology Corporation or CCTC which had promoted the idea and implemented the same through state of the art technology. In 1995, CCTC was acquired by Levi's so that it could exclusively work for it (Lee and Epstein, 2004). The process had greatly facilitated the changing preferences of the customers and thereby significantly impacting its performance outcome. Through acquisition, the our capabilities, especially in terms of efficient and timely mass production of apparels, had hugely increased and had helped become a key enabling factor in our continued success.

The huge network of retailers across the globe helps the company to exploit huge potential of the global market. It has especially become highly crucial element of competitive advantage in the recessive times. Through retail market, we have expanded our business across geographical boundaries in a relatively short time and with reduced capital cost. At the same time, we are relieved of the pressures of day today operation and therefore we are better able to focus on developing effective network activities and franchisee support programs and strategies.

Indeed, Levi's network relationships with its various partners provide the company with unmatched efficiency in the delivery of its goals and objectives. The company's code of conduct for all its partners is important criteria that help the company in meeting its social responsibilities and promote ethical practices. The company's standards vis-à-vis working conditions, environment protection, trust, security etc. are important imperatives for the partners. The compliance of these parameters, within the agreement, with its various partners ensures that quality control measures

are effectively followed in all stages of the operations. Thus, the business alliances and network relationships provide the company with significant leverage in the global market. (words: 550)

Reference

Lee, John Y. and Epstein, Marc J. (2004). *Advances in Management Accounting*. Vol. 12. Elsevier Ltd. CA.

Levi's Strauss Co. (2010) Annual Report. Retrieved from: