

Esquel – college essay



**ASSIGN
BUSTER**

1. How did bringing the different manufacturing activities in-house help Esquel to control the high quality of their product content and service?

Esquel started as a trader buying garment and fabric from various companies in China and Malaysia. It further expanded its operations into garment manufacturing, production of woven and knit fabric and cotton ginning, spinning and farming.

The companies' policies towards strong corporate culture, emphasizing on ethical business practices and financial success were the motivating force behind bringing the different manufacturing activities controlled by the company. By making the product from scratch ensures quality of the product is up to the companies' standard from the farming to finished product. It also allows them to better R&D the product to improvise the product for current competitive market.

2. Do you think Esquel was right in becoming a vertically integrated company? What do you think are the pros and cons of this strategy? In your opinion, what are the unique characteristics of Esquel business that made vertical integration their chosen strategy? The degree to which a firm owns its upstream suppliers and its downstream buyers is referred to as vertical integration. In the case of Esquel I believe it to be a right strategy of vertical integration. This is advantageous in some regards since this would allow the company to control many of the variables that may affect the efficiency and the consistency of your products and service.

And better control of the supply chain. The cons would be it would take a lot of time and strategy to do vertical integration. The integration would make

the firm dealing with a numerous aspects irrelevant to the product such as proper usage of raw materials. In case of delay of any process it would disrupt the sales. Esquel uniqueness is their control over the quality of the product and service which made vertical integration a remarkable strategy.

3. What are some of the initiatives the company took to become more modern service oriented? What are the benefits the company realized as a result? Esquel used modern service oriented measurements in improving operational efficiency, IT applications and E-culture. The company benefited to be successful in a highly competitive landscape and improving efficiencies minimizing the time of production and wastage of resources.

4. What are some of the initiatives Esquel took to improve their employees quality of life? to have a positive impact on society? and to conserve the environment? Do you think such initiatives would have been easy to justify had Esquel been a public company at the time it happened? The company did few outstanding initiatives for the employees in the company such as helping them finding a different job when Esquel closed its Mauritius pants factory.

They way it took care of its employees in high standard definitely did a positive impact on the society such as safe working environment, lunch breaks and no excesses hours of work. It justifies the core values of the company and the ethics its follows even though few employees are unsatisfied about their working hours. It is always good when a company does not want to exploit the workers so in return they would get maximum performance the employees.