Li and fung case study

He further stated that the value chain model identifies the specific and critical points where a firm can use the information technology to enhance Its operations. Porter's value chain model for Al & Fun Is considered to identify those actively which are critical, Important, clearly lagging behind and if improved with the use of internet can add much more value to their existing value -chain and thus improving the efficiency and the performance of the company.

Figure 1: Michael Porter's Value Chain Model for Lie & Fun Source: Loaded, 2008 From the above figure of the value chain of the Lie & Fun, it is understood that he primary activities of the company include development of the product from sourcing the raw materials and factory, planning of the production, quality assurance through monitoring the manufacturing process, export and shipping expertise. While the secondary activities of the firm include human resources, finance, information technology and the procurement.

As mentioned in the case study Al & Fun did not own any strategic links In the supply chain rather they Just managed and orchestrated the whole production process that starts with raw materials sourcing all the way through to the finished product Day provoking Its customers ten value-AAA services Trot product eagles and development, through raw material sourcing, production planning & management, quality assurance & export documentation in a " borderless manufacturing environment through the concept of supply chain customization.

By the above information we can conclude that Lie & Fun is able to carry on all its primary activities Just because of its implementation of the concept of supply chain customization which relates to the support activity procurement. Thus we can conclude that procurement is the activity which relates to sourcing the raw materials depending upon the customer needs and demands.

Furthermore, Lie & Fun contained small management team of 90 around the globe operating as separate and individual companies which are focused on the specific needs of the customers and also supported the secondary activities of the value – chain such as IT, Financial, Human Resource Management and the Administrative & Management.

This decentralized corporate structure has allowed the company to be adaptable, flexible and sensitive to the external environmental changes e. . Fashion trends. Thus by the above analysis we can further conclude that the small management teams are also very crucial to the success of the organization as they support the procurement activity of the company. 2.

Internet Issues: After careful observation of the porter's value chain model for Lie & Fun we can summarize that the support activities namely procurement, information technology play an important role in the supply chain customization.

In the following sections the issues underlying the above mentioned activities are listed and analyses in relation to Lie & Fun. Communication issue: As Farmhand, Sugars and Adversary (2009) mentioned that in an organizational who exercises a diverse cross border business and customs,

communication is often a challenging task. Boogie (2010) and Lee & Stroke (2009) supported them and rather stated that communications is the main problem for the mangers while procuring the raw materials across the globe.

Farmhand, Sugars and Adversary (2009) further stated that the manual methods of communications such as phone, fax, and e-mail together with the issues of cultural, time-zone differences result in higher order-taking and order-fulfillment error rates, which outweigh the benefits of global sourcing which was supported by Well (2009).

As, Lie & Fun operates in a diverse environment with cultural, time-zone differences and procures raw materials across the globe it can be concluded that communication

Is one AT ten mall Internet Issue Tort Al Networking Issue & rung. As mentioned by Horn (2009), networking is very important in the global and changing environments to constantly keep up with the information within and also from outside of the organization. He further stated that in a supply chain network it is very important that the organization is in constant touch with the upstream which includes the suppliers and the manufacturers and with the downstream which includes the wholesalers, retailers and the customers.

Networking is also an issue for Lie & Fun, because as stated before it is a litigation organizational dealing with many suppliers and customizing the supply chain according to the needs of the customer. Therefore there is a great necessity of it to be in constant touch with the upstream and the

downstream entities. Therefore, it can be concluded that the main issues underlying the support activities are the communication and networking.

3.

SUPPLY CHAIN AND TECHNOLOGY Shall (2009) and Lawrence, Climbers & Maori (2009) stated that technology plays an equally important role in an organization when compared to all other aspects of the business in managing the supply chains. Choc & Change (2011) stated that technology provides automation and process efficiency thus enabling the supply chain to reduce the cost through better planning, execution and tracking which was supported by Shall (2009).

Additionally , he also stated that internet and web can enhance effective communication by which the members of the supply chain can review past performance , monitor current performance and predict when and how much of certain products need to be produced and to mange the work flow. By the above analysis it can be understood that technology has a considerable effect on the performance of the supply chain.

Furthermore, it can be deducted that technology can help the supply chain to reduce the costs , to plan , review the past performance , monitor the current performance , track the product and also to reduce the errors in the shipment of the orders and trouble shooting. Lie & Fun has made extensive use of technology to attain the above mentioned attributes in their supply chain. They had launched an intranet to foster better communication among its group's offices and the manufacturing sites.

With this implementation, they were able to provide tracking facility to their orders in real time ND also able to reduce errors in the orders through online inspection. For example, they made use of the technology to ensure quality while using the intranet to sent a high-resolution digital photo of the product specimen for real-time response and remedy Indeed the fact that information technology and the internet technology are those technologies which benefit the supply chain by providing effective tools and convenient channels for moving, sharing and allocating resources on a global scale was supported by Jinn (2011).

Technology has a profound impact on the communication within the supply chain. With increased technological development happening all around the globe day by day, the communication among different entities in a supply chain is now no more a challenge and is easily achieved with the use of correct software and hardware. This has now become so reliable and efficient which has given rise to network orchestration. Lie & Fun plays the role of a network orchestrated to deliver better customer service.

It has been successful in understanding the customer needs & demands and then customizing its supply chain to deliver the products, reducing the turnaround time and client's inventory costs.

As an example, stated by victor regarding the supply chain customization of Lie & Fun: In order to produce 10000 garments to a European retailer, it would act as a network orchestrated to understand the best suited network based upon knowledge sharing and communication provided with the help of information and communication technology.

Then it would make a decision based upon the information which was enabled by technology, and finally decides that the best place to make garments is Thailand in due consideration to quotas and labor conditions. Thus it produces the garments in Thailand across five different factories and finally levering to the retailer maintaining the quality and making sure that they all look alike. The other technology which improves the communication among the business partners was Extranet as mentioned by Rainier & Collegial (2009). T was also mentioned that the extranet allows various stakeholders in the supply chain to communicate with the company's employees.

In another example technology was used by Lie & Fun to understand the customer needs and demands with the help of Extranet. It has built secure extranet sites customized to a key customer through which it understood the customer needs and emends exclusively which further enabled them to improve the supply chain operations. They also carried on processes such as signing of official documents, cost estimation, online product development and order tracking.

Quick response manufacturing was promoted through monitoring the production process. The customer was in a situation that he could change the specifications of the product at the last minute before the production process was actually started. Thus in the above paragraphs we have discussed how Lie & Fun has made use of the technology to Improve ten certain aspects AT ten supply canal.

. " BUBBLE-IN" OR TURNKEY SOLUTIONS? According to the case study, the concept of " Bubble-in" refers to the internal development of the e-commerce portal lifting. Mom using the resources of the organization as unlike intranets and extranets which were outsourced in the past as mentioned by Victor that their e-commerce strategy should come within the organization and he phrased it " Bubble-in". Outsourcing means execution of the project from outside the organization. When victor mentioned that they had outsourced the intranets and extranets and do not want to do the same for the e- amerce strategy, they were actually mentioning that they do not want to get the turnkey solution for that.

This is evident form the definition of turnkey solutions as mentioned by Checkerberry (2011) , is such a solution which provides the customer with a complete solution or system which is (more or less) customized to meet the customer's specific requirements William and Victor, both, strongly felt that the e-commerce should add value to their organization. They strongly supported that the technology which they are introducing into their organization should add value and also should present throughout the organization. Thus it can be understood that e-commerce development is strategic decision to them.

Planet (2009) said that internal development of the activities is to be carried out when the organization feels that the technology is strategic to the organization. Farmhand, Recapture & Kara (2011) stated that internal development is carried on when the firm wants to integrate its operations and needs to have direct control over the production and the quality. From the case study it is understood that they want to integrate the e-commerce

strategy into their old – economy of the supply chain ND want to have direct control over its operations.

The main strength of Lie & Fungus business model is the holistic supply chain customization. They were actually able to sustain their business with the help of information and the knowledge about the local markets. Therefore it is evident that anything to do with the technology is very crucial to the organization. Furthermore, they also believed that they were in the information and knowledge based services. The above information indicates that information technology is very important to them and also it can be identified as the core activity of the organization.

Thus they eave decided that e-commerce strategy should be internally developed rather than as a turnkey solution.

Plunked (2009) supported the above statement by stating that the main intent why companies they opt for Internal development is to enable them to focus on its core strengths. On the other hand, he also stated that they usually outsource other non-core needs such as warehouse, call centre etc. This statement was supported by Marmosets, Charms-Klein & Senses (2009) and Boone & Kurt) Day stating Tanat ten Tell out-sources ten non-core actively or supporting activities but should it concentrate on the core activities.

A different perspective on this was mentioned by Boone & Kurt (2009) and Farmhand, Recapture & Kara (2011) who stated that organizations should outsource the activities if they do not have the specialized talent or expertise within the organization to perform that particular activity. Hewish said that if

they outsourced the e-commerce implementation, they should be dependent on the outsiders which was risky.

In due development of the e-commerce the organization should provide the proprietary information to the outsiders and they would get to know the strategy and the business model in the due course of the development.

Planet (2009) supported the above view and stated that the firm opts for internal development when it has some concerns with the security of the information. Shells & Reasonable (2011) stated that outsourcing has many issues including potential concerns about the control, culture, communication and security. Collier & Aggie-Omaha (2009) stated that outsourcing a project is usually a short-term cost focus at the expanse of long-term strategy consideration which was supported by Farmhand, Recapture & Kara (2011).

Lie & Fun were more concerned about the strategy but less concerned about the financial involved into them.

They have arranged a huge amount of amount to pump into the venture. The findings observed from the case study regarding the concepts of " Bubble-in" and Turnkey is further explained with the help of Appendix-I . 5. SECURITY ISSUES FOR E-COMMERCE STRATEGY In the following sections the security issues in the implementation of bob portal for the Lie & Fun are discussed. Likewise the recommendations relating to business risk, users, hackers and intruders are also listed 5.

Security Issues in the bob portal for Lie & Fun: The security issues for Lie & Fun in the implementation of their e-commerce portal are as follows: Secrecy of the Information Exchange: In the case of Lie & Fun too, they would be dealing with the customization options from the retailers to provide limited mass customization, they are offering replenishment buying were information is very critical regarding the stock levels etc. Gin (2009) and Newman (2009) mentioned that secrecy of the information exchange is one of the security issues that need to be considered in any e-commerce implementation.

Gin (2009) stated that in the process of a business transaction tongue a Wesley, a tremendous amount AT International exchange takes place sun as prices, quality, quantity etc.. Thus we can conclude that maintaining the confidentiality of the information is one of the key security issues for Lie & Fun. Denial-of -Service (DOS): Lie & Fun is connected in a very large network and is dealing with a business that is subject to change and is very time critical.

Raglan & Dawson (2011) stated that the denial of services is now a day so pervasive that virtually every computer connected to a network has the potential to be affected in some way. Newman (2009) as well as Ballplayer, Charitable & Ponytail (2009) also mentioned a certain type of attacks that stop access to the authorized users of a website. In effect the site is forced to offer a reduced level of service to the extent of being stopped completely. Denying resources even for a very limited period of time can cause several delays to the delivery of the products and can build distrust in the SEEM retailers.

Thus we can conclude that DOS is the other key security issue for Lie & Fun. Financial Fraud: Furthermore, the other key security issue for Lie & Fun is financial fraud, related to the electronic payment made by the clients through the bob portal.

The retailers after placing the order pay the company using their credit - card. Therefore it should sake care with respect to the threats originating especially concerning the duplication of money risks as mentioned by weeper (2003).

Booth, Bottom and Goldenness (2008) stated that many businesses fear that accepting the false information from the customers regarding their orders may subject them to victims. They further stated that it is the organizations responsibility to protect the privacy of customer information during the payments such as credit cards. 5. 2 Recommendation on Risk, Users, Hackers and Intruders The above mentioned attacks or the security violation requires an intrusion in order o succeed (Chapter and Middlebrow, 2011); which leads us to the concept of intrusion.

An intrusion is an unauthorized penetration of a computer in the network to gain unprivileged information (Abaca, 2010). The above mentioned security violations are carried out by persons named as hackers and intruders. Hackers and Intruders: According to Ashore and Gore (201 1), a person who steals the organizational information is knows as Hacker whereas and a person who gains access through unauthorized access to the networking devices through physical, system and remote attempts is called as an Intruder.

They gain access to the network or computer yester through intrusion. The tools such as Trojan horse, Virus, Worm , Vulnerability scanner etc following are used by hackers and intruders to attack the system or network as stated Day Snort Ana Go Lie & Fun has a great risk in terms of intruders and Hackers and should consider Intrusion Prevention Systems (UPS) or Intrusion Detection Technology (DID).

As stated by Gin (2009) intrusion detection or prevention is a technology developed to report unauthorized operations in the network with an alarm and also has the ability to gather information concerning the attack and storing into the knowledge database to enhance the ability of the system against attacks where prevention systems also exercises access controls to protect computers from exploitation (Doter & Baghdad, 2009).

Additionally, Lie and Fun should also consider installing anti-virus software, firewalls on all their network computers to prevent them from viruses, Trojan horses, worms etc.

Users: As Walters & Tang (2006) and Newman (2009) stated that in BOB integration, Authentication and the Non repudiation issues will be existed; Lie & Fun should take care with respect to the above mentioned issues when dealing with SEEM Retailers. As Gin (2009) stated that there may be an issue that the client sometimes want to cancel the contract, Lie & Fun can make use of no- repudiation concept to declare that the message was indeed received and read by the client.

One process used to accomplish these transactions is called electronic data interchange (DEED'). It is process whereby standardized forms of e-

commerce documents are transferred between diverse and remotely located computer systems (Newman, 2009). Risk to Lie & Fun: Lie & Fun may be subjected to loss of proprietary information due to intrusion attacks by intruders and hackers.

Also, as Lie & Fun is charging competitive prices to their clients, access to this kind of information to its competitors can ultimately lead to the failure of the whole e-commerce system.

In addition, the online portal is dealing with replenishment buying. Thus loss of information between the retailers leads to improper delivery of the goods which in turn leads to distrust in the e-commerce strategy and failure of the whole system. 6. RECOMMENDATIONS To an organization which operates in different domains without limitations of place and time, the information and the communication is facilitated with the use of e- equines technologies as per Ghana (2007).