

C/ DETAILED GUIDELINE

I. Executive summary

Provide a concise overview of the main points and findings of a document or report. It should be clear, focused, and tailored to the intended audience, highlighting key insights and recommendations.

Example:

This paper analyzes Lululemon's sourcing practices as a fashion and textile company, focusing on materials, country, suppliers, quantity, quality, information technology utilization, and sustainable strategies, sourced from Lululemon's website and annual reports.

II. Introduction

You should include 3 points:

- Introduction to global sourcing

Example:

Global sourcing is crucial for textile and apparel industries, providing access to diverse products, enabling labor-intensive manufacturing in developing countries and high-tech, capital-intensive activities in developed countries (Ha-Brookshire 2017).

- Introduction to the brand (brand's history, brand's personality, current situation,...)

Example:

Lululemon, founded in 1998 by Canadian Chip Wilson, is an industry leader in yoga and sports apparel. With 574 official stores in 17 countries, the brand has grown significantly in popularity among athletic wear and yoga enthusiasts worldwide, showcasing its innovative sportswear and customer base ([Lululemon 2022](#)).

- The brand's sourcing method (locally or globally) and why it fits the brand

Example:

Lululemon uses a global sourcing method, collaborating with suppliers from various countries, to ensure high-quality materials and craftsmanship. This approach enables access to specialized expertise, sustainable materials, and innovative products, aligning with Lululemon's commitment to performance, quality, and sustainability ([Lululemon n.d.](#)).

III. Sourcing process

1. Material sources

Analyze the brand's material sources (global or local, reasons why the brand chose that method to source - in details, the brand's tier 1, tier 2 suppliers - provide % if any)

Example:

Lululemon supplies over 65 fabrics, with 56% produced by top five suppliers in 2021. The largest producer produces 27%. 48% of fabrics originate from Taiwan, 19% from Mainland China, and 11% from Sri Lanka. The company's trademarked Luon fabric accounts for 30% of fabric usage. Eclat Fabrics Co., Ltd. is its Tier 2 supplier, producing elastic knitted fabrics and clothes. Lululemon also sources additional raw materials, particularly in the Asia-Pacific region, for its products.

2. Manufacturing sources

If your brand does not do in-house manufacturing, this part is necessary. Analyze the brand's manufacturing sources (who are the suppliers, in which countries do they source...)

Example:

- In 2021, five of Lululemon's 41 suppliers produced 57% of the company's products, with the largest supplier accounting for 15%.
- In 2021, 40% of their products were manufactured in Vietnam, 17% in Cambodia, 11% in Sri Lanka, 7% in the People's Republic of China, including 2% in Taiwan, and the remainder were manufactured elsewhere ([Lululemon 2021](#)).

3. The operation of sourcing

Each brand has a different sourcing process, but the most general process usually contain these steps:

- Planning and product development: The design and development team detects trends, gathers feedback, and seeks inspiration to align with goals of function, style, and technological excellence.
- Supplier selection: Providers are carefully chosen based on shared values and undergo a screening process. Ongoing collaboration is maintained through routine follow-ups.
- Setting payment methods and purchase order: Providers are selected based on shared values and undergo a screening process, followed by ongoing collaboration.
- Production and quality assurance: The company maintains an internal team of experts, engages external experts, and conducts planned and unplanned inspections of production.
- Logistics: They employ third-party logistics providers to store and distribute finished goods from the warehouse.
- Evaluation of supplier: They meet with facility management, visit the site, look at documents, and talk to workers at all levels of the organization, including unionized workers.

You can also create a diagram to show this process.

IV. Ordering quantity and quality assurance

1. Ordering quantity (MOQ)

Analyze the minimum quantity that the brand needs to order to manufacture their products (how many items, did they use just-in-time (JIT) method to calculate,...)

If there is no information that shows the minimum ordering quantity, analyze if the MOQ is high or low, did that amount of MOQ affect them, do they only order from 1 supplier or more.

Example:

Lululemon maintains high stock levels due to a high minimum order quantity (MOQ). This enables them to negotiate lower production prices and ensures manufacturers can meet demand while maintaining low costs. Additionally, Lululemon mitigates supply chain risks by working with a large number of diverse suppliers.

2. Quality assurance

Analyze the brand's quality assurance process (how does this process happen, what are the brand requirements, are there any testing, do they hire professionals, do they check their suppliers,...)

Example:

Lululemon maintains control over quality through:

- Periodic facility inspections of partners, announced and unannounced ([Lululemon 2023](#)).
- Checking first-tier suppliers, fabric mill suppliers, and high-risk subcontractors, with reevaluations every 18 months ([KnowTheChain 2018](#)).
- Conducting interviews with workers, supervisors, and foreign migrant workers in audits (KnowTheChain 2018).
- Hiring independent testing companies to assess fabric performance ([Lululemon 2021](#)).

V. Sustainability

1. People

Analyze the brand's sustainability policies toward humans (gender equality, wellbeing, anti-racism, leadership, education,...). Which UN Sustainable Development Goals did the company align with?

Example:

Lululemon's sustainability pillar focuses on fostering an IDEA culture, promoting employee health, and promoting gender pay equity. It also emphasizes anti-racism and discrimination education, fair compensation, and worker empowerment. The second pillar aims to expand inclusive access to wellbeing tools and personal development events ([Lululemon 2022](#)).

These areas align with UN Sustainable Development Goals (SDG): 3-Good Health and Well-being; 5-Gender Equality; 8-Decent Work and Economic Growth; 10-Reduce Inequalities.

2. Planet

Analyze the brand's sustainability policies for the environment (water system, chemical and waste treatment, recycle, end-use treatment,...). Which UN Sustainable Development Goals did the company align with?

Example:

Lululemon is promoting sustainability, reducing water usage, and enhancing chemistry through sustainable materials. They are also focusing on climate change and renewable energy, and are conducting take-back and resell trials in North America ([Lululemon 2022](#)).

These areas align with UN SDGs: 7-Affordable and Clean Energy; 12-Responsible Consumption and Production; 13-Climate Action.

3. Profit

Analyze the brand's sustainability policies for their profit (consistent levels of profitability, minimizing expenses, increasing operational efficiency, maximizing sales,...). Which UN Sustainable Development Goals did the company align with?

Example:

Lululemon promotes long-term business growth, adhering to philanthropic, environmental, and ethical principles, offering society-necessary goods and services for profit, enhancing product quality, and maintaining a strong competitive position.

VI. Information technology

Identify IT applications: RFID, barcode, NTFs, etc.

Example:

Lululemon is implementing RFID technology at 300 North American locations to improve supply chain and inventory management. This technology allows real-time inventory reporting, enabling store employees to order more items and track stock locations. Additionally, customers can place online orders and pick them up in-store, reducing production of low-demand goods and ensuring product availability.

VII. Conclusion

Summarize the key points for the brand's global sourcing findings.

Example:

Lululemon has extensive experience in sourcing, controlling suppliers, and utilizing technology for efficiency and quality. They prioritize sustainability and sustainability, and their future growth depends on leveraging their existing potential to reach beyond their current capabilities.

D/ TIPS

- If you are doing an international brand, choose a big brand that provides a lot of information.
- Stick with the brand's annual report, impact or sustainability report as most of this assignment are all mentioned in it.
- If you are doing a local brand, an interview is recommended. Here is the question sample:
 - What aspect of your work do you take the most pride in?
 - Why do you opt to create raw materials from scratch instead of sourcing them from other suppliers?
 - Do you incorporate any IT applications in your sourcing or design processes?
 - How do you maintain effective communication with your suppliers?
 - Is there a specific order quantity you adhere to when designing your products?
 - What is the reason behind using buses as the primary mode of transportation for your materials?
 - How do you ensure the quality of your production?
 - How often do you visit the local ethnic community?
 - Have you observed any changes in the ethnic community before and after collaborating with your brand?
 - How do you envision the future of your brand?

- If the information you need is not provided in the annual report, find a theory for that part as most brands tend to follow those theories.

F/ FOOD FOR HUNGRY THOUGHTS

Ha-Brookshire (2017) 'Introduction to Global Sourcing' , Global sourcing in the textile and apparel industry, 2nd edn, Brookshire Publications, doi: 10.5040/9781501328398.

KnowTheChain (2018) Apparel and Footwear Benchmark Company Scorecard 2018, Know The Chain website, accessed 5 April 2023.

https://knowthechain.org/wp-content/uploads/2018_KTC_AF_Scorecard_Lululemon.pdf