



EVOLVING STRATEGIES, STRUCTURES AND RELATIONSHIPS IN
COMPLEX AND TURBULENT BUSINESS ENVIRONMENTS:
THE TEXTILE AND APPAREL INDUSTRIES OF THE NEW MILLENIUM

Peter Kilduff
North Carolina State University

ABSTRACT

Over the past four decades the textile and apparel industries have witnessed rapid technological change, global integration and shifting demand requirements. Consequently, many of today's firms look radically different, compared to forty years ago, in terms of their capital and technical intensity, their manufacturing and business process capabilities, and their business scope, structure and relationships. As the business environment in which textile and apparel manufacturers operate continues to become more dynamic, diverse, complex and hostile, the process of transformation will continue. New strategies and organisational forms are emerging with a trend towards de-integration, involving a focus on core competencies and the separation of the physical processing functions from the creative 'brain functions' within the supply chain. In some ways, this represents a return to the pre-industrial system of manufacture where physical production was in the hands of commission manufacturers, while the creative design and marketing functions were performed by merchants.

INTRODUCTION

Over the last 50 years, the internationalisation of markets and competition, advances in product, process and business technologies and changing consumer requirements have brought about radical and continuous change in the textile and apparel industries. A few of the transformations over this period have included the emergence of large, powerful retail groups; widespread integration and then de-integration in textile manufacturing, the emergence of diversified apparel companies without factories, and the development of new channels to market, such as the Internet.

The paper is split into two parts. Part I provides an overview of how environmental change has shaped and re-shaped the textile and apparel industries since the industrial revolution. Part II (in the next edition of this journal) will contemplate the likely competitive and

organisational characteristics of the industry and company of the future.

Although the patterns of change have varied significantly between firms, industry sectors and nations, the underlying forces shaping the industries are pervasive. Diversity between companies and nations typically reflects different environmental conditions affecting the technologies they employ, the strategies they pursue and the specific nature of the product markets in which they operate. This paper presents a generalised view based on a synthesis of the experiences within the industrialised nations.[1]

**ENVIRONMENT, STRATEGY, STRUCTURE
DYNAMICS**

Strategies and structures of firms and industries reflect the nature of the environment in which they operate.[2] When environments change, companies have to adjust their strategies and