



An Examination of the Economic and Social Benefits From US Textile Industry Strategic Partnerships

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ABSTRACT

A strategic partnership is an alliance between companies in which combined corporate strengths are intended to improve outcomes for all members. As a means of maintaining corporate competitiveness in the global economy, some members of the textile industry have established strategic partnerships with other members of the textile and apparel supply chain. The purpose of this study was to investigate business practices of strategic partnerships in the US textile industry with an emphasis on the economic and social value received by partners. Results of a quantitative questionnaire that was completed by 93 respondents in key decision-making positions at US textile manufacturers are discussed, indicating that benefits to partners are derived from strategic partnerships. Finally, a case study of Glen Raven Mills, a global leader in performance fabrics that has multiple strategic partnerships in place, is included. In the case study, key insights about the role partnerships have played in the company's success are excerpted from an interview with company CEO Allen Gant, Jr.

Keywords: strategic partnerships, corporate competitiveness, US textile industry, Glen Raven Mills

Introduction

The United States' textile industry has faced numerous global challenges including consolidations, corporate bankruptcies and employee downsizing. Layoffs have steadily continued: By May 2006, textile mill payrolls had fallen to

201,600; textile product mill employment was down to 171,600 and apparel factory jobs were down to 251,000 (Clark, 2006). Trade agreements such as the North American Free Trade Agreement (NAFTA), the Central American Free Trade Agreement (CAFTA) and the removal of import quotas under the Multi-Fiber Agreement (MFA)