

# **The Learning Impact of Offshore Outsourcing on Developing Economies Suppliers (DESS)**



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**The Learning Impact of Offshore Outsourcing on  
Developing Economies Suppliers (DESS)**

Doctoral Dissertation

University of Agder  
The School of Business and Law (HHK)

2017

Doctoral Dissertations at the University of Agder 170

ISSN: 1504-9272

ISBN: 978-82-7117-866-6

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Printer: Wittusen & Jensen  
Oslo

*In memory of 141 people, including 132 school children who lost their lives in a terriost attack on Army Public School Peshawar, Pakistan on December 16, 2014.*

*To my parents Abdullah Jan and Zeenat Begum*

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## **Acknowledgement**

First and foremost, I am thankful to God for giving me strength and patience in doing this project. PhD has been a lonely journey in a “wide and hot desert”, often tedious and frustrating with long office hours, after normal work hours and over the weekends, Eid, Easter, Christmas and other public holidays. The wilderness of the desert many times detracted me, and I lost direction. But every time I lost, I found angles around me that sometimes pulled me, sometimes pushed me in the right direction. So, I would like to acknowledge the huge backup, guidance and help of these angels who remained around me along my journey. Otherwise, I would not have gotten here alone.

Back in July 2011, I met professor Masaaki Kotabe at the University of Agder, Norway. He came here to teach a course in Research Issues in International Marketing. At that time, I was struggling in finalizing my proposed topic for the PhD, as we had a deadline to submit and defend the topic in September 2011. During his course, we exchanged several ideas and further developed my interest in Outsourcing. I wrote a course paper, as requirements for that course. Professor Kotabe give my very concrete comments and advises to further develop the topic. So, I found a twist in the Outsourcing literature, as most of the work has been done from the customers (outsourcers) perspective. I started to look at the reverse side of the outsourcing and focused on the supplier (outsourcer) perspective in general, and especially in the developing economies. I thank professor Kotabe for his initial help and guidance.

September 2011, I presented my proposal and got comments from the proposal defense committee to revise and resubmit my proposal, till that time I was working all alone without any supervisors. At the end of the proposal defense seminar, Professor Harald Knudsen and Associate Professor Rotem Shneor give comments and showed interest in my topic, Harald Knudsen was attracted by rhythm in the organization and Rotem Shneor was attracted by internationalization and movement along the value chain. These angels descended for my help and guidance, became my committee, and that was what I badly needed.

I owe a huge debt of gratitude to Professor Harald Knudsen and Associate Professor Rotem Shneor. Both have been my supervisors throughout this 7 years’ process and made unique contribution to my thesis, learning and the way of

thinking. Several times I lost sight of the target, but their guidance and support always allowed me to avoid diversions and go in the straight line of completing the thesis. They challenged me and encouraged me to dig deeper, carry out further research and combine different streams of literature.

The “small white house on the prairie” has been our Agora and a seat of learning for me, where we met, discussed, and I got supervision and was challenged by my supervisors irrespective of Norwegian weather.

It has been privileged to have Professor Harald Knudsen as my thesis chair and his input and in-depth knowledge of grounded theory and my research area (internationalization and rhythm in organizations) from a historical perspective has always remained solid. Professor Harald Knudsen showed a lot of understanding and moral support in many different ways. His prompt responses to emails, fast feedback, sending reference and confirmations letters and phone calls on my behalf to different organizations including the case companies in Pakistan and Norwegian Immigration Authorities (UDI), clearly made the entire PhD process smoother. His doors are always open to me. In addition to all his insights and support, I am thankful that he and his wife Ragnhild welcomed me and my wife into their house, and shared nice food and their rich experiences with us. Me and my wife were also invited by them for an international dinner at their house and a trip in their boat.

Associate Professor Rotem Shneor, I met him in my master course in International Marketing as a lecturer back in 2009. After I was admitted to the PhD program at the University of Agder, I have had the pleasure of working in the office next to Rotem Shneor. He was the first who guided and helped me, in writing my first course paper. He remained kind and extremely helpful, but due to my cultural programming of respecting teachers and professor I kept some distance to him. With passage of time, his charismatic personality attracted me and we started discussing research, politics, religion and much more. Luckily, I got him onboard in my committee. Rotem Shneor has been a great motivation throughout the entire process. His up to date and critical insights into emerging trends and developments in internationalization, innovation and movement along the value chain has allowed me to polish my existing as well as discover new perspectives. In addition, his mastery in the Qualitative Research help me understand basic assumptions, formulate research questions and analysis in a smooth fashion. His art of making things simpler and understandable in a systematic way help me to analyze complex issues in a concrete manner. I am also very thankful to Rotem

Shneor for his love, open doors and generous supports both academic and moral. I owe him warm thanks for sharing chocolates, sweets, teas, cakes and stomach pills with me. Further, I am thankful that he and his family Øyvind Husabø welcomed me and my wife into their house for a wonderful Middle Eastern style dinner, special flower tea, and showed their photos collection.

Beside my formal committee, I would also like to thank Professor Kristin Dale for her open heart and open doors. Your support and help has been invaluable to me both academically and nonacademically. Thank you very much for being so kind and practically oriented with amazing advices and tips, for motivating me and proof-reading chapters of this dissertation, it really helped improve the quality of this dissertation. You really understand my way of arguing. Thank you very much for your care, the Christmas tower cake, sweets and “Vitamin Bears”.

I would like to give special thanks to Professor Andreas W. Falkenberg and Professor Joyce Falkenberg my spiritual parents. They were the first people I met when I started MSc in International Management at University of Agder in 2007. Professor Andras remained my master thesis supervisor, mentor and friend since 2007. Andreas always welcomed me in his office in the H building where we discussed ethics, religion, politics and culture. We had different in our culture and scholarly level, but we spoke a common language and having a common understanding. He encouraged me to pursue a Ph.D. His insights in international marketing, emerging economies and international management piqued my interest, and I am grateful to him for guiding me in the direction of Ph.D. I am very grateful to have a friend like you and thankful for your multi-dimensional support and help. It was due to your financial help that enable my wife to complete her MSc. in Biotechnology at NTNU, Trondheim. Your’s and Joyce’s high ethical standards, caring and benign attitude for others, made you alive in the heart of 1000s’ and thereby spread the light in every corner of the world. You both are badly missed at the School of Business and Law.

The Ph.D. Program director Professor Roy Mersland, I thank you very much for your all-time support, help and encouragement. Your open-door policy and smiley face showed respect and care for others. I am very thankful for your kind and prompt action, finding resources for proof reading of my thesis and financial help in the form of three months stipend. You are the one who make this Ph.D. program in International Management more dynamic and visible.

Additionally, I would like to express my gratitude to Associate Professor Bjørn-Tore Flåten, the Head of the Institute for Strategy & Management, for his support

and encouragement throughout the entire process. Your lively personality, sense of humor and care allowed me to discuss issues and seek help. I am also thankful to your nice family and specially Theodor and Ruben for their boxing, punching and wrestling back in 2011 at Lisa house. Moreover, I am also thankful to you and Professor Jökull Hafthor Johannesson for providing me the opportunity to lecture and assist students' groups work at your department. Many thanks to Associate Professor Naima Saeed, Dr. Tufail Habib and Dr. Kamran Azam Khan for their support and guidance.

I would like to thank our Dean Kristin Wallevik and Faculty Director Andre Toftland for backing me and writing letters to the Norwegian Immigration Authorities (UDI) to extend my stay and complete my Ph.D. In addition, I thank Elise Frølich Furrebøe for her support in dealing with the Norwegian Immigration Authorities on my behalf in a professional manner and good luck with your Ph.D. defense. Moreover, I am grateful to each individual person at the Business School and Law who supported me in extending my stay. Without your help and support I would not be able to complete my thesis now.

I am so grateful to my colleague Lisa Whitehead and her family Knut Bye and Thea Isabel Maria for providing me and my wife a family environment. I and my wife are very thankful for your frequent visits, get together and dinners. Thank you for letting me play with Thea (a grownup girl now) for the last seven years, I really enjoyed it. In addition, I am very thankful to Stine Øyna my colleague and office mate for her care, professional attitude and maturity. Despite your busy schedule, you are always ready and available for help, thank you. I loved and enjoyed our scholarly discussions on Born Global, Born Again Global and Internationalization. I learned a lot from you.

I would further extend my gratitude to my PhD colleagues and fellows; Ziaul Haque Munim, Burak Tunca, Andrew Musau, Kristine Reinfjord, Pamela Izmunwanne Jacobs, Emmanuel Chao, Daudi Pascal, Anthony Lester Andall, Risa Virgosita, Bandula Lanka Galhena, Torbjørn Bjorvatn, Pontus Engström, Amila Buddihika Sirisena, Kristina Maria Walker-Nordlöf, Ragnhild Madland, Puguh Prasetya Utomo, Ajmal Hafeez, Zeeshan Anjum, Indri Dwi Apriliyanti, Celeste Ximena De La Huerta Nunez, Petter Furrebøe, Stephen Zamore and Kwame Ohene Djan for their support, feedback and discussions that facilitated my overall learning in various aspects.

Thank you to University of Agder for giving me the opportunity to attend your PhD program. I am extending my gratitude to supportive professor, researchers

and administrators at UiA, at the School of Business and Law (HHK). I will always cherish the kindness and support of Målfrid Tangdal, Anna Cecilie Eye Færavaag, Haralad Stokkeland, Diana Trydal, Gro Anita Homme, Anne Line Omsland, Nertila Stringa, Unni Henriksen and, particularly research librarian Henry Langseth. Furthermore, I really appreciate Anna Cecilie Eye Færavaag's help, kindness and professional attitude in managing the whole process (from first handin to defense) smoothly, thank you very much. In addition, I am very thankful to Saara Maria Ojanen for her help and support in formatting this dissertation.

I also acknowledge the support of Lieutenant Col. Atiq Adnan and Mr. Mumtaz Hasan Malik, Dean at the School of Textile and Design, National Textile University, Faisalabad, Pakistan. Further, I thank all participating companies in my study and acknowledge all the mangers that I interviewed for this project. I must admit that without your openness, professional insights, feedback and positive attitude towards me as researcher, I would have not been able to complete this thesis. I also thank experts who responded and share their experts' views-.

Finally, it is difficult to express what I owe to the closest for your love, care, help and support during the PhD process. First, thanks to my parents Abdullah Jan and Zeenat Begium for their life time support, love, blessings, best wishes and patience. Whatever happened, you continued believing that I could do more that I ever believed possible. I am very thankful to my wonderful wife Azra Fida. Azra has been, and will be a true inspiration to me and the sunshine in my life. You are amazing and have been a constant support throughout this PhD process and in my life. I am always thankful for your endless support, love, great sense of humor, positive thinking and patience. I am also fortunate to have my siblings Fatma Akbar, Haleema Tufail, Muhammad Hamza in addition to my in-laws as supportive family around me. I would also like to thank all of my friends and family here in Norway and in Pakistan for believing in me. Thank you for your support!

Kristiansand August 8, 2017

## **Chapter 1: Introduction**

Over the past decades, the economies of the world have become increasingly interdependent. Consequently, firms in all types of industries operate in highly competitive environments and have come under pressure to cut costs and maximize profits. To survive in these highly competitive marketplaces, firms – particularly in developed countries – are continuously seeking offshore opportunities, disaggregating themselves and relocating their value chain activities across borders, in particular to developing countries and low-cost locations (Contractor, Kumar, Kundu, & Pedersen, 2010; Javalgi, Dixit, & Scherer, 2009; Jensen, 2009; Jensen & Pedersen, 2012).

Traditionally, offshoring has focused on semi-finished goods and low-value chain manufacturing activities in developing countries, while retaining creative and innovative value chain activities like R&D, design and others advanced tasks in developed countries (Mudambi, 2008). The offshoring of low-value-added activities was mainly driven by cost.

More recently, a shift has been observed in the offshoring of activities, which has been labeled “innovation offshoring” (Ernst, 2006); implying that “offshoring is now entering its next phase” (Lewin & Couto, 2007; Manning, Massini, & Lewin, 2008). It has been observed that more advanced, innovative, new product development, high-quality manufacturing and R&D-related activities have started to relocate to developing countries (Demirbag & Glaister, 2010; Huang, Chung, & Lin, 2009; Kotabe, Mol, & Ketkar, 2008a; Kotabe, Mol, & Murray, 2008b). This shift has been fueled by liberalization and economic reforms in developing countries, and enterprise level strategies for getting access to know-how, markets, skilled workers, resources and reliable partners in firms in developed countries (Javalgi et al., 2009; Mudambi, 2008; Sachs & Warner, 1995).

Offshoring may be seen as a continuous learning process (Manning et al., 2008) for involved partners, in which learning is a dynamic process over time (Dodgson, 1993). The increased sophistication of the next-generation outsourcing activities has offered learning opportunities for developing-economy suppliers (DESSs) to acquire advanced technology, the latest product developments and production skills, R&D and knowledge of international markets, which can facilitate their competitive advantage on an international level (Doh, 2005; Li, Wei, & Liu, 2010). Moreover, the sophistication of

offshoring is opening new frontiers and learning opportunities for DESs to engage in high-value-added operations and services. Consequently, offshore outsourcing might be an effective mode by which DESs can reduce the inherited limitations and bottlenecks that restrict their development and movement in the value chain (Li et al., 2008; Luo & Tung, 2007). Furthermore, the involvement of DESs in offshore outsourcing motivates them to adopt specific strategies and deliberate actions in order to enhance their learning for future development. Therefore, it should be interesting to investigate how DESs actually learn in the context of offshoring ties and why they learn in specific ways.

## **1.1 Rationale of this Research**

Offshoring and outsourcing have been at the top of managerial agendas in international business (IB) in recent decades. The offshoring of research and development (R&D) and advanced activities is a strategic necessity for some modern firms, as it can help expand a firm's competitive options (Carmel & Tjia, 2005). The speeding up and spreading of offshore outsourcing over the past decades have inspired a huge body of research to investigate the various motives and drivers of firms adopting offshore outsourcing. Existing research has suggested that the most dominant drivers for offshore outsourcing have been related to cost, resource seeking, rationalization, efficiency, search for strategic assets and corporate transformation (Dunning, 2000; Eden & Monteils, 2000; Hättönen & Eriksson, 2009; Kakabadse & Kakabadse, 2005; Kotabe & Murray, 2004).

Offshore outsourcing forms a fundamental stage of a firm's internationalization process, and has become an indispensable source for firms to access and gain competitive advantage in the global economy (Andersen & Christensen, 2005; Jensen, 2009; Karlsen, Silseth, Benito, & Welch, 2003; Korhonen, Luostarinen, & Welch, 1996). While the emphasis in the international management literature traditionally has been on the benefits for multinational corporations (MNCs) and firms from developed countries, a few authors have considered what offshore outsourcing means for DESs. Welch and Luostarinen (1993) argued that the relationship between parties has the potential to benefit both, resulting in gaining experience and learning from one another. Offshore outsourcing collaboration can be seen as a dyadic relationship and a potential source of inter-firm learning (Mikkola, 2003); such partnerships may create learning benefits and thus help to build resources and value for both partners (Kedia & Lahiri, 2007).



Therefore, offshoring can be seen as a learning process (Manning et al., 2008), and has effects on both outsourcer's and outsourcee's learning, resource acquisition, and value creation. Thus, it is argued that offshore outsourcing can be seen as a means by which DESs can mitigate the inherited constraints, develop capabilities for further developments and engage in value-added operations.

## **1.2 Research Purpose and Questions**

The past decade has seen an on-going process of disintegration of the value chain and distribution of operations and manufacturing activities. The offshoring of manufacturing from developed countries to developing countries has been widely addressed in the existing international business (IB) literature (Buckley & Pearce, 1979). Therefore, the literature repeatedly mentions the strategic implication for firms from developed countries (that is, outsourcers) and the subsequent impact of offshoring on them (Doh, 2005; Kotabe, 1990; Kotabe & Mudambi, 2009; Martínez-Noya & García-Canal, 2011; Quinn & Hillmer, 1994). For instance, a large number of studies have examined the impact of offshore outsourcing on the value creation of developed country firms in cost reduction, knowledge and resources acquisition, improving agility and flexibility in their operations, enhancing focus on strategic and value-added operations, mode changes, improving overall performance (Benito, Dovgan, Petersen, & Welch, 2013; Bertrand, 2011; Contractor et al., 2010; Hijzen, Inui, & Todo, 2010; Jensen, 2009, 2012; Kotabe & Mudambi, 2009; Mukherjee, Gaur, & Datta, 2013; Raassens, Wuyts, & Geyskens, 2014).

Beside such beneficial impacts, there are also certain challenges and negative impacts associated with large-scale outsourcing of knowledge-intensive activities. For instance, the outsourcing could hallow out or lead to a lack of solid basis for innovation and learning (Bettis, Bradley, & Hamel, 1992; Chesbrough & Teece, 1998; Kotabe, 1998), being associated with hidden costs (Larsen, Manning, & Pedersen, 2013) and impeding the building of resources (Jensen, 2012).

Despite extensive coverage of offshore outsourcing, only a limited amount of focus has been placed on the impact of offshore outsourcing on outsourcee, and particularly on developing-country firms and their strategies. Although some studies have addressed the impact of offshoring on developing countries at the macro and mezzo levels (Ernst

& Kim, 2002; Feenstra, 1998; Humphrey, 2001; Markusen, 2005; Schmitz, 2006), this has rarely happened at micro or firm level. To the extent that the IB literature on the offshoring of multinational corporations (MNCs) has addressed the micro perspective, it has tended to focus mainly on the issue of equity modes, studying outsourcees as subsidiaries of foreign multinationals. With some exceptions (Jensen, 2009; Li, Wei, et al., 2010), little is known about the non-equity modes (Hansen, Schaumburg-Muller, & Pottenger, 2008), particularly in vertical relationships such as offshore outsourcing. Despite, a considerable interest in offshoring of advanced tasks (Ernst, 2006; Lewin & Couto, 2007; Manning et al., 2008), its impacts on developing economies firms (DESs) are still unclear (Kenney , Massini , & Murtha 2009). Therefore, there is a need for empirical investigations and theory development related to firms' (DESs and outsourcers) learning and development (Bunyaratavej, Hahn, & Doh, 2007). Thus, it should be interesting to investigate the impact of offshore outsourcing on DESs; how DESs formulate their strategies to learn in offshoring ties and why they do so in specific ways. Therefore, the goal of this study is to explore the learning impact of offshore outsourcing on DES, and to make a theoretical and practical contribution in order to understand:

***Research question 1- How do developing economy suppliers (DESs) learn through their work with multinational corporations (MNCs) engaging in offshore outsourcing?***

***Research question 2- What influences developing economy suppliers (DESs) learning? (in other words, why do they learn in the ways they do)?***

These questions will help identify and describe the various processes, modes and dynamics that a firm from a developing country goes through when it acquires, absorbs and applies new learning in its offshore outsourcing engagements. Once the processes and modes of learning are identified, it is equally important to identify and understand why it learns the way it does, what are the underlying reasons and outcomes that motivate DES's choice of various modes of learning over others.

### **1.3 Research Perspectives**

It is important to be explicit about the underlying philosophical assumptions concerning what constitutes valid research and which research method is appropriate for the development of knowledge related to a particular research topic. Therefore, to conduct

and evaluate any research, it is important to know what these assumptions and perspectives are. Laudan (1989) identified that every study has several specific theories for guidance. Similarly, Gephardt (1999) classified research paradigms into three philosophical categories: positivism, interpretivism and critical postmodernism. The present study adopts an interpretive research approach. This approach is rooted in the philosophy of interpretivism, also known as the interpretivist paradigm (Prasad & Prasad, 2002). The interpretive approach relies on the ontological grounds that humans construct and reconstruct their realities, which are understood to be produced through on-going interactions. Humans and human intentionality are central to the interpretivist approach (Lincoln & Guba, 1985), the premise of which is based on the notion of ‘social construction of reality’ (Berger & Luckmann, 1966). The interpretivist perspective does not focus on the notion of objective reality; rather, it focuses on the subjective and intersubjective meanings to obtain multiple realities and viewpoints on phenomena. In this approach, the major task of the research is to understand out the interpretations of various actors regarding the social reality in specific settings and bring them into conjunction as much as possible (Guba & Lincoln, 1989).

Overall, this study aims at developing the outsourcing literature. Furthermore, in the presence of prior limited research on learning of advanced and innovative manufacturing activities in DES, it seems that a ground-up approach is necessary to build greater understanding. Glaser & Strauss (1967) suggested a grounded theory approach as a viable technique for conducting research that focuses on interpretive processes by analyzing “the actual production of meanings and concepts used by the social actors in real settings” (Gephart, 2004, p. 457). In principle, the current research addresses the investigated phenomena through observation in an inductive manner (Eisenhardt, 1989) in order to develop an initial conceptual framework.

As no phenomenon is completely disconnected from existing knowledge, starting from a complete clean slate is “neither practical nor preferred” (Perry, 1998, p. 788). Therefore, researchers need theoretical sensitivity based on broad familiarity with existing theories to generate new theories (Timmermans & Tavory, 2012). Furthermore, adherence to a purist inductive approach, assuming no prior theoretical understanding, would seem like a risky approach, that can lead to methodological challenges (Miles & Huberman, 1994) as well as creating hurdles in conceptual innovation. Induction may have a vital place in qualitative research, but induction doesn’t in itself sustain theory-

building. Therefore, there seems to be a general observation that the inductive focus, and grounded theory have not delivered on the promise to develop theories. Therefore, abduction has increasingly been adopted as a logical choice to bring new ideas into a scientific field (Peirce, 1935).

Due to the multiple relations and complex nature of the process of outsourcing, it is necessary to integrate knowledge from existing areas of research, including organizational learning, offshore outsourcing, dynamic capabilities, value chain, supplier relations and internationalization literature to develop an understanding. The existing research can be used to inform data collection and analysis, without confining the research to existing theories. Therefore, a constant interplay between ideas from existing theories and evidence emerging from the observed data should be maintained for discovering new variables, relationships and anomalies (Timmermans & Tavory, 2012) at different stages of the research (Ragin, 1992). This is the essence of the abduction, as explained in-depth in Chapter 3.

Based on the interpretive research approach, the empirical inquiry is operationalized through a multiple-case study design, with an inductive logic. The multiple case study design includes 4 case studies of intra-firm and inter-firm offshoring of R&D to explore several instances of the phenomenon in different organizational settings so as to develop a well-rounded understanding and to gain potentially wider applicability. The choice of the case study strategy is commensurate with the nature of research questions and the purpose of the research (Yin, 2009).

Data was collected in the period January 2013-April 2013 and was obtained through multiple sources including face-to-face, telephone and Skype interviews (mostly used for follow-up interviews and clarifications), website audits and related documents such as annual reports, media, press releases, special bulletins, etc., as well as insights from industry professionals, research/universities and trade bodies. The quality of the research was assured through triangulation of data, cross-checking of case analysis reports and summaries from respective respondents, experts, as well as confrontation of findings with existing literature and related explanations.

The empirical research involves developing detailed case studies and cross-case analysis to identify patterns of similarities and differences across cases (Eisenhardt, 1989; Yin, 2009). Chapter 2 will outline the research perspective and approach in detail.

## 1.4 Research Significance

The problems and gaps addressed in this current research are important for both theory and practice. Offshoring is a fundamental element in the on-going reorganization of the world's economy and remains high on managerial agendas. In the late 1980s and early 1990s, the global sourcing of components and products was a key trend among manufacturing firms, and has since been expanding by incorporating new trends, dimensions and forms of outsourcing – namely, business processes, services, and information technology, among others. Until quite recently, offshore outsourcing was basically fueled by the purpose of cutting costs and staying competitive. More recently, offshore outsourcing has been a means of accessing supplier competencies and resources that would otherwise remain inaccessible. It has been realized that special competencies can emerge from the relationship between the outsourcing firm and the suppliers (Dyer & Singh, 1998). The offshoring of more advanced, innovative, R&D and high-value business tasks has recently emerged in this field, and research is growing rapidly.

With some exceptions, however, most of the research on offshore outsourcing focused on the impact on outsourcing firms, while neglecting the impacts on their suppliers (outsourtees) in general, and specifically in developing countries. In connection with the recent offshore outsourcing of advanced tasks, this study will address the impact on suppliers (that is, DESs) to better understand and obtain timely knowledge about this under-researched area. Several researchers have called for research to delve into the integration of developing countries suppliers' perspectives regarding offshore outsourcing (Bruton & Lau, 2008; Hansen et al., 2008; Priem & Butler, 2001). Specifically, this research seeks to contribute to the emerging literature on offshoring of advanced manufacturing activities (Jensen, 2009; Jensen & Pedersen, 2012) by enhancing the existing understanding of the learning effects (Jensen, 2009) in developing-country firms (Hansen et al., 2008).

Therefore, from a theoretical perspective, this research contributes to the field of offshore outsourcing while considering the outsourcee/ supplier's perspective; this is done by exploring the various impacts (such as learning and capability development) and the underlying outcomes that influence/motivate DES's choices among various modes. Practically, this research enables managers, entrepreneurs, decision makers and strategists in supplier firms to understand how they can use offshore outsourcing as precursors for learning, development of future business strategies and organizational

change. Furthermore, it will also assist the decision makers in foreign firms (outsourcers) in carefully choosing the right partners and extend their support to them for better alignment and performance, at the same time mitigate the risk of nurturing potential competitors under their sleeves.

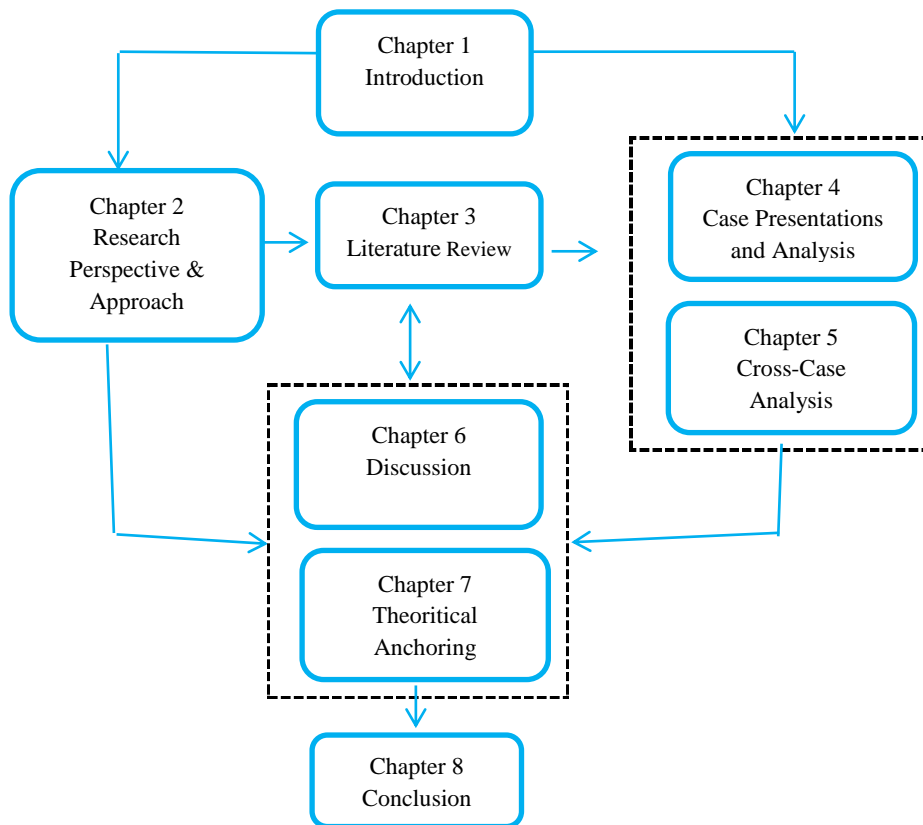
In short, the current study's unique position is based on the combination of three aspects: (1) analyzing outsourcing- and in particular the outsourcing of advanced and value-added activities from the perspective of DES (that is, the outsourcee) rather than from the perspective of a developed-economy outsourcer; (2) viewing and analyzing outsourcing practices as a learning process; and (3) viewing such learning in the context of its influence on the international developments of DES.

## **1.5 Thesis Structure and Organization**

This dissertation consists of seven chapters. Figure (1) shows the organizing structure of the current dissertation. The structure reflects an effort to gradually present an iterative research process in a sequential manner. The actual analysis employs the abductive approach, and was therefore based on the continuous modification between the original framework, the data and the analysis. Therefore, all the chapters represent mature stages of the research that gradually evolved during the research period.

Chapter 1 introduces the study and presents the rationale, research purpose, research questions and the overall organization of the thesis. It is followed by Chapter 2, which presents the perspective, approach and research methodology of the empirical research in detail, along with the multiple-case study design and the methods and procedures used for data collection and analysis. Issues related to research quality and validity are also mentioned and discussed in this chapter. Chapter 3 elaborates on the literature review while addressing literature related to outsourcing and offshoring, internationalization, learning, capability development and movement in value chain in order to develop a conceptual lens. This is a basis for an effort that provides an initial, tentative model for empirical inquiry.

Figure 1: Thesis Organization



After presenting the motivation for the current study as well as research perspectives, research approach and literature review, the dissertation enters the analysis stage. The analysis consists of three chapters: individual case presentation and analysis, cross-case analysis and the discussion. The individual case presentation in Chapter 4, includes seven subsections: case overview; emerging dimensions related to the main learning domains; modes, reasons and their overall impact on DESs development; derived model as the combined effect of the emerged dimensions; evaluation of fit between the case reality and the suggested model, case-specific answers to main research questions, and finally a short graphical presentation of main findings. Only one case is included in Chapter 4; the full presentation and analysis of the remaining three cases are available in appendices' VII, VIII, IX, X, XI and XII respectively. Chapter 5 contains the cross-case analysis of all four cases. It aims at conceptual refinement and fine-tuning through comparative analyses of the identified dimensions (domains, ways and reasons) and their combined effect on the developments. Chapter 5 concludes with the emerged dimensions, their effect on overall developments, answer to research questions and the overall model.

The discussion of findings in Chapter 6 challenges existing literature with the emerging findings, where certain aspects are fully consistent with the existing literature, some are partially in agreement, while others are not supportive of the existing literature. Finally, new dimensions are presented, propositions are drawn, aggregate developments are identified and a fine-tuned model is presented.

The discussion is followed by Chapter 7, in which the existing internationalization paradigms are challenged with the emerging findings to have a theoretical understanding of the identified developments and the theoretical contribution to internationalization (internalization process) of firms from developing economies, as well as linkages to outsourcing literature, with a focus on the DES perspective.

Finally, conclusions are presented in Chapter 8, which also evaluates the quality of the current study, identifies its main contribution, suggests future implications and acknowledges its limitations.



## **Chapter 2: Research Perspective and Approach**

The purpose of the current chapter is to provide an overview of important research philosophies and methods. More specifically, the current chapter will discuss and explain the adoption of particular research paradigm and the methods in order to accomplish the current study's research objectives.

### **2.1 Research Perspective**

#### **2.1.1 Research Paradigm**

Like other fields in international business, offshore outsourcing ties have been investigated from diverse research approaches (Ghauri & Grønhaug, 2005; Piekkari, Welch, & Paavilainen, 2008; Welch et al., 2011), and researchers in this field are heavily relying on methodologies used in both the natural and social sciences. This also means that researchers in the field are actively participating in common philosophical and paradigmatic debates regarding the use and appropriateness of various approaches. Similarly, this has also led to disputes about positivistic and interpretivist epistemological and ontological concerns, about deductive and inductive approaches to theory development, and about purist versus pragmatic views on research methods and their combination (Ghauri & Grønhaug, 2005; Lincoln & Guba, 2000; Suddaby, 2006; Timmermans & Tavory, 2012).

#### ***Positivism and Interpretivism***

In the domain of research methodology, interpretivism and positivism can be seen as two main philosophies or research paradigms at the center of methodology debates. These paradigms rests on different epistemological and ontological assumptions, contrasting characteristics and nuances, and they are generally considered as being in opposition (Lee & Baskerville, 2003).

The positivist philosophy has roots in logical positivism. It treats the phenomenon of interest as single, tangible and fragmentable, and believes that a unique, best description of any chosen aspect of the phenomenon is achievable. The positivist paradigm views the researcher and the object of inquiry as separate, and inquiry as such to be value-free (Creswell, 2003; Orlikowski & Baroudi, 1991). It holds a hypothetico-deductive approach to knowledge and analysis, with the aim of generating nomothetic outputs, and

claims that time- and context- free generalizations are possible. Positivism does not differentiate between natural and social sciences, and considers the methods of natural sciences to be equally applicable to social sciences as well (Lincoln & Guba, 1985).

Positivists believe that objectivist (non-involvement) research is perfectly feasible, and actually, the only genuine way to acquire an objective understanding of a phenomenon (Lee & Baskerville, 2003; Weber, 2004). In practice, positivist research support the existence of a priori relationships within a phenomenon, which is typically examined with structured instrumentation to test theory and generating predictive understanding of the phenomenon (Lee & Baskerville, 2003; Lincoln & Guba, 1985).

However, positivism has been strongly criticized by many organizational researchers who consider the paradigm to be inappropriate and ineffective for studying social and organizational phenomena or processes (Glaser & Strauss, 1967; Lincoln & Guba, 1985; Prasad & Prasad, 2002). Consequently, the conceptualization of science in positivism is considered to be inadequate by many, because it confuses the relationship between the context of discovery (genesis of theories) and justification (testing of theories) (Lincoln & Guba, 1985). According to critics, positivism is mainly concerned with prediction and control, and with temporal and contextual independence of observation and explanation, at the cost of ignoring understanding. Similarly, it also suffers from an overdependence on operationalism. Thus, positivism fails to deal with the interacting aspects of conceptual-empirical relationships, and its characteristics of determinism and reductionism remains its main shortcoming (Lincoln & Guba, 1985; Mason, 2002). Furthermore, positivism tends to completely ignore the presence and influence of humans and human intentionality, which are not only integral but critical to organizational settings and processes. This is seen as a major limitation of positivism, because it produces research with human respondents but ignores their humanness (Lincoln & Guba, 1985).

In contrast to positivism, humans and human intentionality are fundamental to the interpretivist paradigm (Lincoln & Guba, 1985), which rests on the notion of ‘social construction of reality’(Berger & Luckmann, 1984). The interpretivist philosophy rejects the notion of a single, objective reality. Instead, it acknowledges the existence of multiple realities, which are socially constructed by human actors (Neuman, 2011). Therefore, search for meaningful elements in a complex, multilayered and textured social world is vital in interpretivism (Mason, 2002). Interpretivists believe that the actor and the phenomenon or situation under investigation cannot be separated if one seeks a

holistic understanding and, hence, rejects the belief based on value-free inquiry (Lee & Baskerville, 2003; Lincoln & Guba, 1985). The interpretivist paradigm focuses on people's subjective and inter-subjective meanings to obtain perspectives on a phenomenon and to understand the particular contexts in which people act, and react (Maxwell, 2005). Hence, interpretivism adopts the position that the knowledge of reality is socially constructed by human (Walsham, 1995).

The interpretivist paradigm is inappropriate if the goal is to discover universal laws about human relationships and affairs, as individuals, groups, and other organizational units are unique in their actions and dealings. In such cases idiographic theorizing may be a better approach (Orlikowski & Baroudi, 1991). In the interpretivist paradigm the main task is to take the interpretations and actual point of view of the actors about the social reality in a given context, and bring them into conjunction as far as possible (Guba & Lincoln, 1989). The underlying idea in the interpretive paradigm is that individual actions are driven by the meanings, that arise out of social interactions and are developed and modified through an interpretive process (Orlikowski & Baroudi, 1991). Therefore, organizations, organizational norms and their dynamics are products of social exchange between organizations, organizational units, and organizational actors, and are reinforced through their mutual actions and interactions (Mir & Watson, 2000).

In contrast to positivism, where the aim is to discover an objective social reality, interpretivists assume that social reality is value-bound and needs to be interpreted, inferring that the researchers' prior assumptions, beliefs, values and interests always intervene to shape their investigations (Lincoln & Guba, 1985; Mir & Watson, 2000). Therefore, interpretivism involves acquiring a subjective understanding as well as an interpretive analysis of a situation or phenomenon.

### ***Induction and Deduction – Qualitative and Quantitative Research***

The mentioned paradigms often lead to debates involving different ways of theory development, mainly focusing on choices between induction and deduction (purists form of inquiry) (Bryman & Bell, 2011; Ghauri & Grønhaug, 2005) and abduction (pragmatism) (Glaser & Strauss, 1967; Timmermans & Tavory, 2012). Induction advocates that conclusions are drawn only from observable data, and that the findings of empirical observations lead to theory development and improvement. Deduction, on the other hand, suggests the deriving of conclusion by logical reasoning, and the process of theory development is emerging from existing theories and prior knowledge and subject to empirical testing.

The above mentioned positions and assumptions regarding ontology and epistemology is often closely linked to two main research strategies, namely- qualitative and quantitative research (Bryman & Bell, 2011; Morgan & Smircich, 1980). Quantitative research tends to articulate the assumptions of positivism. It focuses on quantification in the collection and manipulation of the data through sophisticated quantitative approaches. It tends to rely on deductive approaches to the relationship between theory and research; inherently employing the practices of natural science, and it tends to treat social operations and reality in much the same way as physical phenomena (i.e. social reality as an objective reality).

To the contrary, qualitative research tend to articulate the assumptions of interpretivism that focus on interpretive understanding (Stake, 1995), and thick description rather than quantification in data collection and analysis, being less concerned with notions of generalizability, causality and objectivity. It also tends to rely on inductive approaches to the relationship between theory and research; rejecting the practices of natural science while advocating that reality is subjective, multiple and socially constructed (Lincoln & Guba, 2000).

The qualitative/quantitative debate has risen on the basis of the mentioned competing assumptions. Ghauri & Grønhaug (2005), however, have argued that qualitative and quantitative approaches are not mutually exclusive, although they are different from each other in their overall forms, assumptions, focus and objectives. While the arguments presented clearly indicate a dichotomization between qualitative and quantitative methods, the relationship may be better understood as a continuum. In fact, inductive and deductive logics are mirrors of one another (Eisenhardt & Graebner, 2007), and induction may include elements of deduction and vice versa (Ghauri & Grønhaug, 2005), as studies can include both logics at different stages. Qualitative and quantitative research show different characteristics as suggested above, and they reflect different ways of looking at the world, different ways to observe, measure and understand social reality, but they need not be seen as representing absolute rules about methodology (Neuman, 2011). Therefore, studies that have characteristics of one such research strategy/methodology, may also have a characteristics of the alternative strategy, and hence a single study can involve both strategies at different stages (Bryman & Bell, 2011; Eisenhardt & Graebner, 2007).

## ***Abduction***

Contemporary research encourages the combination of qualitative and quantitative methods, conditional on a certain level of congruence between the research question (i.e. researcher's basic assumptions regarding the nature of reality and how one might know the reality) and the methods applied to address the research question (Suddaby, 2006). Such combinations of methods and fundamental approaches (using both induction and deduction) is at the heart of 'abduction' (Van Maanen, Sørensen, & Mitchell, 2007).

The concept of abduction was coined by pragmatist philosopher, Charles Peirce who argued that discovery rests primarily on abductive reasoning (Timmermans & Tavory, 2012). Similarly, an abductive approach to case research in terms of 'systematic combining' also leads to discovery process (Dubois & Gadde, 2002, 2014; Suddaby, 2006). Peirce saw the discovery process as consisting of both thick descriptions and explanation of deep-probing analyses. Hence, the discovery process is problematic solely focusing on either positivistic/linear or interpretivist approaches. Therefore, discovery and theory development is more likely to occur through abduction, a non-linear path dependent processes of matching theory and reality, with continuous movement back and forth between framework, data sources and analysis (Dubois & Gadde, 2002, 2014; Van Maanen et al., 2007). Therefore, such an approach will tend to reveal surprising facts, novelties (new experiences) and anomalies (unexpected experiences) (Timmermans & Tavory, 2012) and new dimensions of the research problem (Dubois & Gadde, 2002).

### **2.1.2 Theory Development and Grounded Theory Approach.**

The word 'theory' has been explained and defined in various ways, "to theorize" means to prescribe a particular way of conceptualizing something" (Sayer, 1992, p. 50). Theory is defined as "any coherent description or explanation of observed or experiment phenomena" (Gioia & Pitre, 1990, p. 589). Theory building refers to the processes by which theoretical representations are generated, tested and refined (Gioia & Pitre, 1990). Grounded theory has remained a critical pathway for conceptual innovation and "discovery of theory from data" (Glaser & Strauss, 1967, p. 1) in social sciences. Grounded theory became a dominant data analysis approach due to its inductive,

contextual, and process based nature (Charmaz, 2006), providing heuristic guidelines for data driven theory construction (Timmermans & Tavory, 2012).

Glaser and Strauss (1967) proposed grounded theory as a guiding method for conducting research that center on an interpretive process by analyzing the “the actual production of meanings and concepts used by social actors in real settings” (Gephart, 2004, p. 457). Furthermore, Glaser and Strauss suggested that the process of theory development can be the result of a careful balance between “the daily realities (what is really happening) of substantive areas” (Glaser & Strauss, 1967, p. 239) and the interpretations of those daily realities made by the actors. In principal, they rejected the positivist approach and its notions of empirical testing. Alternatively, “they described an organic process of theory emergence based on how well data fit conceptual categories as recognized by an observer, by how well the categories explain or predict ongoing interpretations, and by how relevant the categories are to the core issues being observed” (Suddaby, 2006, p. 634). Furthermore, Suddaby (2006), argued that Glaser and Strauss adopted a middle way between a purist form of empiricism and relativism in which systematic data collection was used to develop theories that address the interpretive realities of actors in their context.

Glaser and Strauss (1967) described grounded theory method as based on two main concepts, namely “constant comparison,” where data collection and analysis occurred simultaneously, and “theoretical sampling,” in which decisions about which data should be collected next are determined by the theory that is under construction. Theoretical sampling means to select groups based on theoretical relevance for developing emerging categories. These two concepts oppose the positivist traditions of research. As constant comparison does not favor a linear and clean separation between data collection and analysis, and theoretical sampling violates the hypothetical deductive model. The direction of new data collection is determined, then, by ongoing interpretation of data and emerging conceptual categories, instead of a priori hypotheses. Grounded theory, therefore, is most suited to the efforts to understand the process by which actors construct meaning in an intersubjective manner and efforts to understand how the social reality is “known”. It is more appropriate when one makes knowledge claims about how individuals construe reality, rather than the claims about an objective reality (Suddaby, 2006).

Glaser and Strauss noted that in order to gain theoretical insight, one will also need “theoretical sensitivity”, defined as the “awareness of the subtleties of meaning of data”,

assuming that “one can come to a research situation with varying degrees of sensitivity depending upon previous reading and experience with or relevant to that area”(Strauss & Corbin, 1990, p. 41). Furthermore, the researcher should also corroborate the relevance of their preliminary theoretical framework with the empirical findings (Urquhart, 2007). Suddaby (2006) stresses that a preliminary literature review is necessary as it enhances the researchers’ capacity “to make the familiar strange”. It should be conducted with an understanding that it is the theory under development that will govern the relevance and collection of the literature, which must be constantly revisited and contrasted to the emergent theory from the data.

Despite the popularity of grounded theory, critics have questioned whether grounded theory has met the needs to develop theories. Several researchers relate the lack of theoretical breakthrough and conceptual innovation to researcher’s misconception, careless treatments of data, incomplete or inaccurate structure and application to grounded theory principles. Critics have mentioned that grounded theory has been used to label any research involved in any kind of theory construction process, any form of qualitative data analysis, word counts and coding (Hood, 2007; Suddaby, 2006; Timmermans & Tavory, 2012). More alarming, several researchers have claimed to work with grounded theory without knowing the basic methodological principles, the mode of presentation, nor the analytical strategy (Piekkari, Plakoyiannaki, & Welch, 2010; Snow, Morrill, & Anderson, 2003; Suddaby, 2006; Timmermans & Tavory, 2012).

Recently, some scholars such as Suddaby (2006) have suggested guidelines regarding the use of grounded theory as a method to develop theories and conceptual innovation. Some scholars argued that due to the focus on developing theories, grounded theory should take a pragmatic middle road (Suddaby, 2006), as epistemologically it is much closer to pragmatism and abduction (Kelle, 2007; Reichertz, 2007). Grounded theory researchers also seem to gradually shift their focus towards the role of abduction in grounded theory. Traditionally, grounded theory researchers have positioned abduction as secondary to induction (Charmaz, 2006), while some researchers (Timmermans & Tavory, 2012) take more radical stance, that privileges abduction, arguing that in processes of theory development abduction comes first. Thus, abduction has become integrated into grounded theory as “analytical induction”, when a researcher makes constant moves between induction and deduction (Suddaby, 2006). Strauss and Corbin observed that the data conceptualization process is basically about deduction and that effective grounded theory requires “an interplay between induction and deduction (as in

all science)” (1998, p. 137). Hence, grounded theory is a valuable tool for the organization of qualitative research processes and can be useful in theory development once combined with abduction.

Therefore, in the present study of learning processes and DES perspective in offshore outsourcing ties, the main objective is theory development. In this regard, a grounded theory approach was adopted as a starting point for conceptual innovation and theory development. Furthermore, for the sake of discovery the current study fully adopted an abductive approach, considered as most suitable for discovering new dimensions, variables, new relationships, (Dubois & Gadde, 2002, 2014; Van Maanen et al., 2007) novelties and anomalies, as well as for producing new hypotheses and propositions (Timmermans & Tavory, 2012). Contradictions emerging during the analysis may force the reframing of observations and view into new gestalt (Eisenhardt, 1989), while making the scholarly process interesting by addressing the gap between theoretical assumptions and discovered facts (Van Maanen et al., 2007). Certainly insightful theories “should demonstrate both novelty and continuity; they must differ from and at the same time be connected to the established literature in order to be seen as meaningful.” (Alvesson & Sandberg, 2011, p. 247).

Overall, abduction strongly relies on theory (rest on the scope and sophistication of theoretical background of investigator). It is logically distinct from induction as well deduction, and some suggest it should not be consider a mix between in induction and deduction (Dubois & Gadde, 2002; Timmermans & Tavory, 2012). Abduction simply mentions that “initial framework is successively modified, partly as a result of unanticipated empirical findings, but also of theoretical insights gained during the process” (Dubois & Gadde, 2002, p. 559). The study may be abductive, but its sub-stages may be more inductively and/ or deductively oriented. A detailed explanation of abduction and abductive nature of the current study is discussed in Sections 2.2.3.4 and 6.1.



## **2.2 Research Approach**

### **2.2.1 Research Strategy**

The choice of research strategy mainly depends on the type of the research questions and the existing theory under investigation. The research questions in this study are: “How do developing economy suppliers (DESSs) learn through their work with multinational corporations MNCs engaging in offshore outsourcing?” and “What influences developing economy suppliers (DESSs) learning? (in other words, why do they learn in the ways they do)?”

The research on learning in the context of vertical ties such as offshore outsourcing, and in particular from the outsourcee’s perspective is in its infancy and requires further theory development, with rich explanations and descriptions of various aspects. To develop propositions and explore the phenomenon, a qualitative research approach has been selected where both primary (interviews) and secondary sources were used to collect data. Due to the explorative nature of this study, a multiple-case study approach has been chosen as suggested by Eisenhardt (1989) and Yin (2009) because of the research questions, as well as due to the unavailability and unreliability of secondary data. Yin (2009) recommended the use of case studies when the research questions focus on ‘how’ and ‘why’. Case studies are also helpful for research that is focused on ‘what’ questions, as long as they are part of the exploratory research aiming to develop hypotheses for further investigation (Ghauri, 2004; Yin, 2009). Yin (2009) also argued that case studies are useful when the investigator has little control over events and mainly focuses on a contemporary phenomenon within a real-life setting.

Furthermore, Ghauri (2004) mentioned five main arguments in support of case study. First, case study research deepens our understanding of a research phenomenon through a longitudinal approach; second, the contextual approach is particularly useful, where the phenomenon is difficult to study outside its natural setting; Third, a holistic approach allows the investigation of a phenomenon from different viewpoints, across time, and with boundaries between different factors; fourth, the depth with which a case is investigated permits for both theory building and theory testing (Ghauri & Grønhaug, 2005; Yin, 2009); and fifth, case studies are used to examine complex, real-life concepts and variables that are difficult to quantify due to too many variables in a flexible manner (Ghauri & Grønhaug, 2005; Yin, 2009). In similar vein, Yin (2009) emphasized that a

case study is needed to understand complex social phenomena, ensuring that the researchers gain holistic and meaningful insights into the real-life events.

According to Miles and Huberman (1994), researchers in qualitative research often struggle with the questions of “what my case is” and “where my case leaves off”. Miles and Huberman (1994) defined a case as “a phenomenon of some sort occurring in a bounded context”. On the same note, Yin (2009) defines a case study as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (p.13). The case is the unit of analysis and needs to be defined based on the specific research question; a case can be an individual, a group, a firm, a community or a nation defined over a specific period. The unit of analysis in this study is the outsourcee (that is, firms from developing economies engaged in cross border sourcing ties).

### **2.2.2 Research Design**

Ghauri & Grønhaug (2005) explained that research design is the overall plan for relating the conceptual research problem to relevant and predictable empirical research. The choice of the research design is the overall decision to get the most relevant information in the best possible way despite the various constraints. On the same note, Yin (2009) identified a research design with the logical plan of arriving at some conclusion from the initial set of research questions.

Miles and Huberman (1994, pp. 16-18) have distinguished between tight and loose qualitative research designs. The tight design suggests that complex research question(s) may be addressed in a pre-structured manner, where the questions are pre-specified and from which the initial framework can be drawn, and constructs can be defined. It follows a deductive way of making sense of complex social phenomena. Tight designs yield economical, comparable and potentially generalizable findings, but are less case sensitive in answering cross case analytical questions.

In contrast, loose designs are described by broadly defined concepts, social processes and no fixed methodological procedure. The loose design suggests that social processes are too complex and elusive to deal with the standard instruments or with an explicit conceptual framework. Therefore, a loose design can be adopted where frameworks emerge through the field work, questions are continuously illuminated, settings and

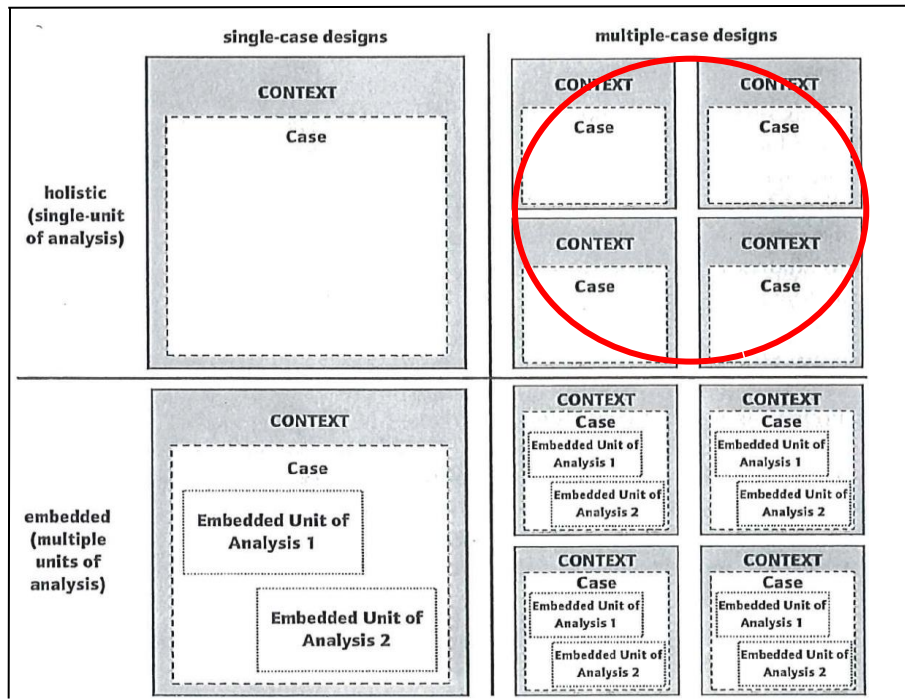
actors cannot be selected in advance, and instruments should be derived from settings and actor's views. It follows an inductive way of making sense of complex social phenomena. Loose design yield contextual rich and local idiosyncratic findings, but hard to get cross case comparability and generalizable findings, as well as being costly and time consuming. To formulate an effective, design the researchers should avoid either extreme and find a balance between the two. We need both approaches in order to get conceptualization-to pull facts and findings in generalizable manner.

Various design errors occur when one neglects the design (Ghauri & Grønhaug, 2005). Research may follow exploratory, descriptive or explanatory forms, where the choice of each is related to the research questions and problem statements at hand (Ghauri & Grønhaug, 2005). Structured problems are best addressed through explanatory designs, while exploratory design best supports unstructured problems. Therefore, Dubois & Gadde (2014) suggested a third approach-a 'tight and emerging' framework that support abductive reasoning and abductive approach to case research (i.e. systematic combining).

### **2.2.2.1 The Case Study Design**

The case-study approach is normally associated with descriptive or exploratory research (Bonoma, 1985; Nonaka, 1994). Case study design refers to a number of choices that researchers must make regarding the number of cases in the study and the unit of analysis that each case should cover. Yin (2009) presented four types of case study designs under a 2x2 matrix as shown in Figure 2, highlighting single and multiple case designs, as well as units of analysis termed as "holistic" and "embedded".

Figure 2: Types of Case Studies Designs



(Source: Yin (2009))

### *Single versus Multiple Case Design*

Yin (2009) explained that the research design is the logic that links the data collection to the initial research question of the study. Following a case-study approach, the question arises of whether to use a single-case study or multiple-case study design. One should be clear about the decision to use single- or multiple-case designs at an early stage of the study. Yin (2009) suggested five rationales to use the single-case design: when the case represents a test of a well-formulated theory; when the case shows a unique or rare situation; when the case is regarded as representative; when the investigator has the chance to observe an inaccessible phenomenon; and when the case serves a longitudinal purpose.

A multiple-case study design is more appropriate for comparative purposes, studies that do not involve rare, critical or revelatory cases. In this approach, the researcher should be clear about the particular purpose of the cases in the study (Ghauri & Grønhaug, 2005). A multiple-case study design is often preferred over a single-case study design, since relying and focusing on a single-case study makes the study riskier, while having

two or more cases increases the analytical benefits considerably. In the present study, a multiple-case study approach is applied, as shown in Figure 2.

In multiple-case studies, the purpose of data collection is to compare the phenomenon in a logical way, exploring the various dimensions of the research issue (Ghauri, 2004). Also Stake (2006) has explained that an important reason for selecting a multi-case study design is to observe how the phenomenon under investigation performs in different settings (firms) and to learn as much as possible from each case. Multiple-case studies increase the likelihood of obtaining interesting findings, acquiring new understandings (Miles & Huberman, 1994) and producing robust research (Yin, 2009). A multiple-case strategy offers a powerful means to generate a descriptive and explanatory theory, as it allows for comparisons across cases and encourages replication, extension and contrasting among cases (Eisenhardt, 1989; Pettigrew, 1990). According to Eisenhardt (1989), a multiple-case study allows one to compare possible concepts and variation in the study. The main purpose of a multiple-case design is the logic of replication (Yin, 2009), where each case should be seen as a separate analytical unit, and multiple cases are treated as discrete experiments that serve to replicate, contrast or extend the emerging theory (Eisenhardt & Graebner, 2007; Yin, 2009).

### ***Holistic versus Embedded Case Design***

Yin (2009) explained that a holistic design is preferred, when it is hard to define separate logical subunits or when the theory underlying the case study is itself holistic in nature. Holistic approach ensures a rounded view of the case, that can be shallow, therefore extra care is needed to include changes in the unit of analysis to get the original research design. Furthermore, Yin (2009) mentioned that a case study may involve more units of analysis. The embedded nature of a case occurs when the focus is also on the difference of subunits analysis, representing different dimensions of the same investigation. These units can enhance the insights into a single case as far as they retain their orientation and don't shift to the holistic aspects of the case itself. The main challenge with embedded designs lies in achieving a holistic perspective from the analysis of the sub-units.

Based on the above mentioned considerations and options regarding a case study design the current study adopted a holistic-multiple-case approach; where each case firm was considered as a single unit of the analysis; and will attempt at following a relatively tight design while allowing for loose ends, as mentioned earlier as a third approach (Dubois & Gadde, 2014) .

### **2.2.2.2 Case Selection**

Case selection is one of the biggest challenges in case study research (Myers, 2009; Stake, 2006). The case selection is of particular importance when building theory from case studies. Eckstein (1975) mentioned that case studies “are valuable at the stage of theory building process”. It is a challenging and important process where the researchers are required to balance the practicality of the research considerations (such as time and means, richness of information, confirmation and qualification of basic processes and constructs) (Miles & Huberman, 1994).

Ragin & Becker (1992) explained that the generalizability of case studies can be increased by the strategic selection of cases. Stake (2006) mentioned that in multi-case studies, selection by sampling of attributes should not be important, but balance and variety matter. Eisenhardt (1989) stressed the value of theoretical sampling (cases are chosen for theoretical rather than statistical reasons) as opposed to statistical sampling when the objective is to achieve the greatest possible amount of information on a given problem or phenomenon. Therefore, qualitative case sampling tends to be purposive rather than random (Miles & Huberman, 1994; Silverman, 2010), and the objective is to systematically select cases for reasons of replication, contradiction, and alternative insights (Eisenhardt, 1989; Lincoln & Guba, 1985; Walsham, 1995).

Pauwels & Matthyssens (2004) mentioned that in theoretical sampling, the investigator deliberately selects the cases. Therefore, in qualitative sampling the relevance is the main criterion for case selection (Stake, 2006), and not randomness (Eisenhardt, 1989; Ragin & Becker, 1992).

When the aim of the research is to develop theory, the focus needs to be on the theoretically rich cases that can further extend theory by filling conceptual categories. According to Strauss & Corbin (1990) and Patton (2002), the logic of employing and choosing purposeful sampling is selecting information-rich cases for an in-depth study, meaning that the selection of cases is based on the likelihood that they will contribute to replication or to extension of emergent theory (Dawar & Frost, 1999). Information-rich cases enable researchers to learn about the important issues that are relevant to the purpose of the research.

Based on Patton (1990), Miles and Huberman (1994) suggested strategies of “purposive sampling” that can be used for case selection. Researchers are likely to choose and adopt

a combination of strategies, rather than following a single strategy. A combination of strategies will be influenced by the study's specific research questions, by research design and conceptual framework in the selection of purposive sampling. Patton (1990) suggested that the common point to all strategies is to select information-rich cases for in-depth investigation and to obtain comprehensive knowledge relevant to the understanding of a specific phenomenon (Shah & Corley, 2006). However, when a multiple-case design is employed, it is important to emphasize the logic of replication (Yin, 2009), especially in the context of theory building from selected cases (Eisenhardt, 1989).

Moreover, a question arises regarding how many cases should be included in a study. There is no specific answer to this question, as there is no upper or lower limit to the number. It is the research problem and objectives that influence the number of cases to be considered in a study (Ghuri & Grønhaug, 2005), as well as time and budget considerations. For instance, Yin (2014, p. 64) mentioned that "having at least two cases should be your goal"; Eisenhardt (1989) recommended between four and ten, while Creswell (2012) stressed that researchers typically choose no more than four or five cases. Based on research strategy and design, this study will select four cases for in-depth investigation.

The sampling strategies in this study are influenced by the need to achieve maximum variations and obtaining as much insight as possible regarding the topic under investigation. The following combination and set of sampling strategies influence the case: theory-based, criterion stratified purposeful and opportunistic sampling. In the present study, the choice of cases selection has been based on theoretical, purposeful sampling, where I have looked for firms expected to reveal useful information (unique, rich) about the research issue (see details in Section 2.2.3.1).

### **2.2.3 Methods**

Ghuri and Grønhaug (2005) referred to research methods as the systematic, focused and orderly collection of data for obtaining information, which is then used for solving a problem or answering a specific research question. Having adopted a multiple case study strategy an interpretive approach relying on abductive reasoning, a qualitative

research approach is the obvious choice for this study (Creswell, 2003; Eisenhardt, 1989; Yin, 2009).

The reason for this choice has to do with the research questions and unreliability of secondary data. The qualitative and interpretive research approaches acknowledge the existence of socially constructed multiple realities. The search for meaningful elements in a complex, multi-layered and textured social world is vital in interpretivism (Mason, 2002); similarly, the major task in qualitative and an interpretive approach is to unearth diverse interpretations of a social reality in a given setting and bring them together as much as possible (Guba & Lincoln, 1989; Miles & Huberman, 1994). Furthermore, collective cases are studied to investigate general phenomena (Silverman, 2010) in order to obtain, refine and develop theory (Eisenhardt, 1989), that explicitly highlights the supplier/ outsourcee perspective and specially DES engaging in offshore outsourcing. In addition to interpretivism and grounded theory method (a starting point for conceptual innovation and theory development in current study) the discovery process is fully supported by abduction for discovering new dimensions, variables, new relationships novelties and anomalies, as well as for producing new hypotheses and propositions.

#### **2.2.3.1 Data Collection and Case Study Selection Criteria in the Current Study**

Creswell (2003) mentioned that data collection steps include setting boundaries for the study, collecting information through observations and interviews, documents and visual materials, and establishing an information-recording protocol. Data collection requires a series of actions, from the careful screening of potential cases through gradual development of protocol and a good interview guide. In adopting a multiple-case study design, the objective of the research is to understand, in depth, how and why DES learn in the offshore outsourcing ties. The analytical aim is not only to compare the cases based on their similarities and differences in offshore outsourcing, but also to compare them in order to formulate a theory that can explain the link between offshore outsourcing, learning and outsourcee movement in the value chain.

This study focuses on the firm level; thus, it is imperative to ensure that the chosen cases (firms) will be relevant to this focus as well as ensuring that they provide diversity across this context (Stake, 2006). Keeping the interpretive view in mind, the screening for potential cases was carefully carried out to purposefully select the cases based on pre-



determined criteria. The main criteria were set in advance considering the case suitability, along with the theoretical and conceptual value of the study (Eisenhardt, 1989). The selection and screening of cases were related to the conceptual vagueness and directed by informative concepts. In the present study, the following criteria were used for case selection:

a) participating firms were involved in international business, exports, OEM, ODM and services (that is, offshore outsourcing ties) for at least five years; b) about 50 percent or more of their production is exported to various foreign locations; c) participating firms must have well-established marketing, sale and merchandizing departments that deal with foreign clients; d) local firms were selected, as they maintain independent operations and make their own decisions, particularly about exports and international trade, rather than being subsidiaries of foreign entities; e) participating firms must have an internet presence via their own independent websites; f) the companies have headquarters in Pakistan and are listed in local Pakistani stock exchanges; g) the case companies are from the textile industry and operate mainly in the apparel and home textile sectors; and h) for logistical and costs reasons the selection of case companies was restricted to vicinity of Faisalabad and Lahore, which are rich in economic activity related to cotton, textiles and related industries.

Following Yin's (2009) recommendations, having defined and chosen a set of specific operational criteria for screening the potential candidate cases, the selection among qualified cases was done from a pool of both small and large companies. Based on a detailed examination of published information from the Pakistan Textile Exporters Association (PTEA) and textile companies listed in Pakistani stock exchanges, as well as information obtained through the author's personal network, a population of 17 most suitable firms were identified and confirmed in relation to the pre-specified case selection criteria mentioned above. The case companies that satisfied the above-mentioned selection criteria were formally contacted with a request to participate in the study (see appendix-I).

The search for suitable cases engaged in offshore outsourcing in textile industry in Pakistan was fueled by two considerations: first, the ease of accesses (i.e. the researcher had already contacts in local textile industry), and second the fact that Pakistan is the fourth largest producer of cotton, ranked third in yarn production and is also the third largest consumer of cotton in the world (Ministry of Textile Industry Government of Pakistan, 2015; Sheikh, 2012). Furthermore, textiles account for over 54 percent of the

country's total exports and 46 percent of the total manufacturing, providing employment to 38 percent of the manufacturing labor force and contributing eight percent of the total GDP (All Pakistan Textile Mills Association, 2016; Muneer, Maubleu, & Asif, 2006; Ministry of Textile Industry Government of Pakistan, 2015).

After receiving a response from the companies, once again the most desirable companies from every aspect were selected among the pool of 17 potential companies. These selected firms were formally contacted through both post mail and emails that included the covering letters (appendix-I), summary and purpose of the study (appendix-II), consent form (appendix-III), sample of interview questions (appendix-IV), and Norwegian research council ethical guidelines for Research Ethics in the Social Sciences, Humanities, Law and Theology (appendix-V). In addition, personal references were contacted via phone, e-mail and/or Skype. From the 17 companies, full access to nine case companies with respect to all aspects of the research was secured for in-depth interviews and site visits. Out of the nine selected cases, two cases did not fully participate in the interview stage, as they did not allow interviews with their R&D and product development departments due to certain confidentiality and competitive issues.

Also, despite several reminders, one firm did not respond to confirm the initial case summary. Of the nine companies that agreed to participate, six were finally chosen; from these six, four cases were selected for further analysis. The four cases were selected based on their richness of information, content and variety (see Table 2.1). Through the analysis and confirmation of case summaries by each respective company, certain gaps were identified or it was decided that further, detailed insights were needed (by adding or removing some factors, what Yin (2009) called "redesign").

The collected data from four case companies was transcribed, coded, analyzed and compared for detailed insights. Through the analysis and confirmation of case summaries from each respective company, certain gaps were identified or it was decided that further, detailed insights were needed (usually concerning the adding or removing some factors) what Yin (2009) called "redesign".

Table 2.1- Case study sample of offshore outsourcing

Case	Area of specialization	HQ location	Type of engagement	Duration of Outsourcing ties	Number of interviews	Inclusion in Study
CBL	Apparel	Lahore, Pakistan	OEM, OBM, OBM, R&D Centre,	21 Years	9	Included in the final case selection and analysis based on their richness
AZ9	Apparel	Lahore, Pakistan	OEM, OBM, OBM, Lead Supplier	22Years	5	
MTM	Apparel	Lahore, Pakistan	OEM, OBM, OBM, Lead Supplier	21 Years	5	
GT	Home textile	Pakistan	OEM, OBM, OBM, Lead Supplier	22 Years	4	
Medias Group	Garments, Safety Gloves	Pakistan	OEM, OBM, OBM, Lead Supplier	32 Years	4	Did not provide new insights, therefore excluded from the final case selection & analysis
Javed Gloves	Garments, Safety Gloves	Faisalabad, Pakistan	OEM, ODM,	12Years	4	
Interlope	Hosiery	Pakistan	OEM, OBM, OBM, Lead Supplier	18 Years	5	The case firms did not allow access to product development and R&D. Therefore, excluded from the final case selection
Chenab	Garments/Home Textile	Faisalabad, Pakistan	OEM, ODM, OBM, Lead Supplier	25 Years	3	
AT - fabrics	Home textile	Pakistan	OEM, OBM, OBM,	22 Years	4	Despite several reminders, the firm didn't confirm the case summary report

In all cases the redesign process was carried out whenever needed through follow-up interviews and discussions with the respective unit/ respondent(s) about a specific issue; this was done mainly through telephone, Skype and emails in order to ensure, as much as possible, the genuineness of the findings. At the end, all findings were confirmed with individual respondents in their respective companies by submitting case summaries.

### 2.2.3.2 Data Collection Sources

Data sources are the carriers of data, and can be primary or secondary (Ghauri & Grønhaug, 2005). Primary data sources are original sources, and are collected by the

researcher exclusively and for the specific problem under investigation. The secondary data derives from sources of information and facts collected by others. Eisenhardt (1989), Ghauri & Grønhaug (2005), and Yin (2009) explained that when considering the case-study approach, one should use a combination of various data formats and sources for analysis.

Creswell (2003) detailed four basic types of data collection procedures in qualitative research: observations, interviews, documents and audio-visual materials. Yin (2009) suggested six data sources that are mostly used in conducting case studies: documentation, interviews, archival records, participant observations, direct observations and artifacts. Yin (2009) further mentioned that each data source has its strengths and weaknesses, and no single source has complete advantage over others. For example, documentation and archival records may be reviewed repeatedly and potentially cover a broad range, but they may also be incomplete, inaccessible or have inherited bias due to being created for a specific purpose. Data collection from interviews may be focused and insightful, but at the same time may suffer from interviewer subjectivity, inaccuracies, bias from retrospective reflections, selective memory and impression management that may color the findings in a specific direction (Eisenhardt & Graebner, 2007; Yin, 2009). Through direct observation one studies the events and context in real-time, but much more time and resources are needed, which may result in selective or reflexive results. Physical artifacts may be insightful into certain features and operations, but suffer from selectivity and availability problems.

Interviews (structured, semi-structured and unstructured) are the main and most important sources in qualitative research (Bryman & Bell, 2007; Yin, 2009).

In structured interviews, the purpose is to ask pre-formulated questions in the same specific order and even within a specified time limit, and the answers from different respondents can be aggregated in a uniform and consistent way. In unstructured interviews, the interviewer has a list of certain topics or issues to be covered instead of formal questions. The respondents are free to answer in a free manner, but answers must be related to the topic of the interview. The sequence and phrasing of questions will change between the interviews. In an unstructured format, there is no attempt to maintain consistency across the interviews. The semi-structured interview involves the use of some pre-formulated questions in an unstructured way; additionally, new questions might arise during the interview, and improvisation is encouraged to obtain detailed information. However, a certain level of consistency in the interview is maintained, as

the interviewer starts with a similar set of questions or questions related to a specific issue or topic. Bryman & Bell (2011) mentioned that the unstructured and semi-structured interview formats are the most suitable in conducting qualitative research, due to their flexible nature and effect on how the interviewee perceives the issue under investigation. Furthermore, Eisenhardt (1989) also emphasized the importance of field notes as a continuous commentary of oneself and/ or the research team, which helps to achieve the overlap between data collection and analysis that is unique to case study research for theory development.

### **2.2.3.3 Data Sources and Modes in the Current Research**

The main sources and empirical materials used for data collection in this study consist of the following: interviews, current and archival website audits, documentation and experts' insights. The experts were researchers and consultants with expertise in different areas of textile production, garments, processing, R&D/product development, sales, marketing, merchandizing, supply and others. The documents were the existing and accessible versions of both print and soft copies, including textile magazine (Textalk), Pakistan textile journal, brochures, case company presentations, press releases, annual reports, scholarly articles and others. The main modes used in data collection included face-to-face interviews at the respective case sites, via Skype, and telephone.

The use of different sources may serve the purpose of triangulation in order to ensure the validity and reliability of the data (Ghauri, 2004) as well as enhance the theoretical generalizability of the current study.

#### ***Interviews***

Following the tenet of interpretative approach, this research employed qualitative interviewing, which essentially involves an interactional exchange of dialogue in an informal way similar to a discussion. The research used the semi-structured interviews with open-ended questions for data collection. It is defined as a conversation that has “the purpose of obtaining descriptions of the life world of the interviewee in order to interpret the meaning of the described phenomena” (Kvale & Brinkmann, 2009, p. 3). A semi-structured interview is a thematic, topic-centered interview with a scripted set of open-ended questions, and is flexible in its approach (Mason, 2002). In semi-

structured interviews, the same questions are asked without any pre-specified sequence. The questions will be asked in a manner that allows the interviewees to jump back and forth based on the real-time incident, amount of information in their possession, development of thoughts, occurrence and theme associations. It is the prime duty of the interviewer to ask questions about all the relevant themes outlined in the study, while identifying and noting the emerging themes during interviews for future investigations. In this sense, qualitative interviews are essentially “conversations with a purpose” that generate data (Robson, 2002). Table 2.2 summarizes the list of conducted interviews, interviewees’ background, interview duration, location and mode of language.

Table 2.2- Overview of conducted interviews

Case	Respondent	Interview Duration & Date	Place	Language	Remarks
CBL	Assistant Vice President, Supply Chain and Marketing	37 Minutes 05.02.2013	Hafizabad, Pakistan	English	Included in the final analysis
	Senior Manager, Marketing	65 Minutes 05.02.2013	Hafizabad, Pakistan	English	
	Assistant Vice President, Marketing-Europe	50 Minutes 06.02.2013	Hafizabad, Pakistan	English	
	Senior Manager, Merchandizing	40 Minutes 06.02.2013	Hafizabad, Pakistan	English	
	Senior Manager, Supply Chain	35 Minutes 06.02.2013	Hafizabad, Pakistan	English	
	Vice President, Product Development	45 Minutes 07.02.2013	Hafizabad, Pakistan	English	
	Deputy Manager, R&D-Textiles Textiles	37 Minutes 07.02.2013	Hafizabad, Pakistan	English	
	Assistant Vice President, Textiles Production	110 Minutes 08.02.2013	Hafizabad, Pakistan	English	
	Vice President, Human Resources and Shared Services	37 Minutes 08.02.2013	Hafizabad, Pakistan	English	
MTM	Group General Manager, Human Resources	25 Minutes 12.02.2013	Faisalabad, Pakistan	English	Included in the final analysis
	Director Marketing	36 Minutes 13.02.2013	Faisalabad, Pakistan	English	
	Senior Manager, Mechanizing	45 Minutes 13.02.2013	Faisalabad, Pakistan	English	
	Senior Manager, Marketing-USA	45 Minutes 14.02.2013	Faisalabad, Pakistan	English	
	Manager, Product Development & R&D	42 Minutes 14.02.2013	Faisalabad, Pakistan	English	
GT	Manager, Marketing	55 Minutes 19.02.2013	Faisalabad, Pakistan	English	Included in the final analysis
	Manager, Planning and Marketing	40 Minutes 19.02.2013	Faisalabad, Pakistan	English	
	Senior Product Development & Marketing Executive	120 Minutes 21.02.2013	Faisalabad, Pakistan	English	
AZ9	Manager, Human Resources	34 Minutes 05.03.2013	Lahore, Pakistan	English	
	General Manager, Operations & Product Development-Denim Division	43 Minutes 06.03.2013	Lahore, Pakistan	English	

	Manager, Sales & Marketing-USA Region	38 Minutes 07.03.2013	Lahore, Pakistan	English	Included in the final analysis
	Manager Sales & Marketing (Brand)	38 Minutes 07.03.2013	Lahore, Pakistan	English	
	General manager, Garments division	42 Minutes 08.03.2013	Lahore, Pakistan	English	
Medias Group	Deputy General Manager Production	75 Minutes 18.03.2013	Faisalabad, Pakistan	English	Did not add new insights therefore, excluded from the final case selection & analysis
	Manager, marketing	75 Minutes 19.03.2013	Faisalabad, Pakistan	English	
	Deputy Manager, Product Development and R&D	32 Minutes 19.03.2013	Faisalabad, Pakistan	English	
Javed Gloves	Managing Partner and marketing Head	39 Minutes 21.03.2013	Faisalabad, Pakistan	English	
	Chief Executive Officer and Head of Exports	43 Minutes 21.03.2013	Faisalabad, Pakistan	English	
	Manager Production and Product Development	29 Minutes 21.03.2013	Faisalabad, Pakistan	English	
	Assistant Manager Quality Assurance	30 Minutes 22.03.2013	Faisalabad, Pakistan	English	
	Export Manager	33 Minutes 22.03.2013	Faisalabad, Pakistan	English	
Interloop	GM Marketing	36 Minutes 02.04.2013	Faisalabad, Pakistan	English	
	Manager Marketing	37 Minutes 03.04.2013	Faisalabad, Pakistan	English	
	Manager Merchandizing	40 Minutes 03.04.2013	Faisalabad, Pakistan	English	
Chenab	Manager, Human Resources & Administration	40 Minutes 05.04.2013	Faisalabad, Pakistan	English	
	Senior Manager, Marketing	39 Minutes 09.04.2013	Lahore, Pakistan	English	
	Manager, Merchandizing	44 Minutes 09.04.2013	Lahore, Pakistan	English	
AT Fabrics	Manager, Marketing and Exports	70 Minutes 16.04.2013	Faisalabad, Pakistan	English	Did not confirm the case summary report.
	Assistant Manager, Merchandizing	65 Minutes 16.04.2013	Faisalabad, Pakistan	English	
	Manager Production	46 Minutes 17.04.2013	Faisalabad, Pakistan	English	
	Assistant Manager, Product Development and R&D	31 Minutes 18.04.2013	Faisalabad, Pakistan	English	

In order to conduct the interviews, an interview guide was developed to encourage detailed responses as well as descriptions of the learning domains, specific main learning ways, main reasons and overall developments as related to the research questions. The interview guide contained open-ended, semi-structured questions to obtain perspectives from respondents regarding their firm engagements in offshore outsourcing. As shown in Table 2.3 (for full details, see Appendix-IV), the interview guide is divided into five sections, where the Introduction Section contain the information about the interviewer, the institution, research topic and main objectives and definitions. Section 1 presents background information about the respondents, their position, education and experience, etc. Further, Section 1 presents a detailed overview of the case firm's offshore outsourcing engagements and involvement in foreign operations. The remaining three

sections explicitly deal with specific learning ways, main motivations and developments, reflecting different themes and dimensions with several general questions as well as probes potentially used in exploring the different themes in questions at hand. These dimensions of inquiry were based on the conceptual lens. The interview guide was designed and piloted with PhD supervisors before being used for data gathering at the case sites. The interview guide evolved during the course of the study as the researcher gained experience with interviews and as concepts and theory emerged from data resulting from multiple cases.

Table 2.3: Interview guide

Section	Interview Questions	Estimated Time
Introduction	Interviewer name, position, general information about research topic, objectives, definition and clarity of specific terms and terminologies if needed	10 Minutes
1. Overview of the company and its Offshore Outsourcing ties	Background information of the respondent including- position, education, experience and main responsibilities, description of the respective department <ol style="list-style-type: none"> <li>1. How your company established?</li> <li>2. When it starts its latest operations and exports?</li> <li>3. Is it important to have foreign orders and clients?</li> <li>4. How your company categories the foreign clients?</li> <li>5. Is the number of your foreign clients increased during the last five years?</li> <li>6. Can you please identify your five most important clients? Why are they important for your firm?</li> <li>7. Which department and persons are in charge of dealing with foreign clients/ exports?</li> <li>8. How you will describe your overall engagement with foreign customers?</li> <li>9. Does your firm stop serving clients in the last five years? If yes Why?</li> <li>10. What do you think about your company position, where it stands now?</li> </ol>	5 Minutes  20 Minutes
2. Learning	11. In order to get a rough idea of your company's history in serving foreign clients <ul style="list-style-type: none"> <li>• What are your main foreign market(s) /region(s)?</li> <li>• Who are the main customers and leading sourcing partners?</li> <li>• What are the core product(s), processes and services for these customers/markets?</li> <li>• Is your firm serving the same foreign client(s) or it extends to others in the same or in other markets/regions?</li> <li>• What criteria they use in assigning order(s) to your company?</li> <li>• What criteria you used to organize their order in general?</li> <li>• Please tell us about the recent changes in the ordering criteria/specifications from your main clients.</li> <li>• How you organize and address the recent changes in orders with respect to ordering procedures and specifications.</li> </ul>	25 Minutes



	<p>12. What is the main reason(s) for engaging with these clients, market/region?</p> <p>13. What was the year and first mode of supplies? Was your company changing from the first mode of supplies? If yes how?</p> <p>14. Can you please explain the following:</p> <ul style="list-style-type: none"> <li>• Please elaborate how you received the first, the second order(s) and so on.</li> <li>• The orders received from different clients (local/foreign) were remained the same or different in their specifications and details. How it was different?</li> <li>• How your firm organizes and deals with unique and unusual orders?</li> <li>• Is it important to have such unusual or routine orders for your firm? Why?</li> <li>• Can you please specify any kind of advises training and help from foreign client(s)?</li> <li>• Has your firm received any help, advises and training form customers and sourcing partners in managing their unique orders? If yes, please specify.</li> <li>• In your view is such training and advises are helpful in dealing with existing and or extending to others and future engagements?</li> <li>• What measures and steps your firm took in completing their orders.</li> <li>• Can you please tell us the importance of working and dealing with different foreign clients and offshoring ties?</li> <li>• In your view, do some of the experiences gain through working and dealing offshoring partnerships in general are helpful in learning? With respect to- business strategy, business development, organization and implementation of offshoring projects.</li> <li>• Can you point out the critical events and experiences that you consider helping your firm learning for future business?</li> </ul> <p>15. Based on working with different clients over the last five years what is your recent mode of engagement, operation and position in the main markets?</p> <p>16. Can you explain to what extend you improve (d) your operations and how?</p> <p>17. What was your inspiration for improvement?</p> <p>18. How you value your engagement with local or foreign clients?</p> <p>19. Are you want to add something that you think will be most important and didn't learn while working with different clients?</p>	
<p>3. Value Addition and Movement in Value Chain</p>	<p>20. Please tell us about how your business with foreign clients (main) started and how did it go so for?</p> <p>21. Did you face any surprises and challenges in this engagement? How and to what extent your firms overcome such challenges?</p> <p>22. Has your firm's overall strategy changed since the begin of offshoring partnership?</p> <p>23. Has your company changed or adopts other modes with the initial mode(s) of operation over the last five years? Yes/No explain.</p> <p>24. Why your company decided for this change(s)?</p> <p>25. Can you please tell us how and when you change it?</p> <p>26. What aspects you find helpful for your ability to get into new modes and what aspects you would like to see change.</p> <p>27. Is your changed mode of operation has/ will have effects on the engagements with your client(s) in any market?</p>	<p>25 Minutes</p>

	28. How you will describe the value proposition of changing modes to your organization? 29. In your view, what will be the desirable arrangements of your firm's future business, new market /market segment entry?	
4. Wrap-up and Overall Development	30. In your view what are the most important experiences and learning from offshore outsourcing ties and working with different foreign clients and their diverse orders? 31. What is the relevancy and effect of such learning for your department and company overall? 32. Explain how your firm further using(end) these experiences and learning? And to what extent? 33. In your view what is the overall contribution of such learning in the performance of your firm? 34. What you have learned overall about your firm growth? How you can measure it?	20 Minutes
Closing	Thank you note Something you would like to add and emphasize for our understanding that can add value to this research. Can I contact you again, asking for business card and contact details?	5 Minutes

In order to start the interview and site visit, a formal point of contact was established in each case company through their Human Resources (HR) department. The HR department formulated plans for site visits as well as interview schedules, and access to information and clearances were coordinated.

Formal points of contact served as guides into the organizations. Before visiting the sites, basic information from the participating organizations and secondary sources was obtained using a structured template. The information requested included: history of the firm, the nature of their business, main operations, main customers/ markets, main offerings, overseas marketing and sales activities, value-added operations and others. In addition to the Human Resource department, an informal contact was also established with sales and marketing departments in all case companies. The informants for interviews were identified in each site and forwarded to their respective Human Resource department for further approval and for setting the schedule for plant visit and interviews. A description of the study (Appendix-II), consent form (see Appendix III), sample of interview questions (see Table 2.3 and Appendix-IV) and a copy of The Norwegian research council ethical guidelines (see Appendix-V) were sent directly to each individual respondent in advance.

Working closely with the contact points (in most case firms Human Resources department) in each company, the interview schedule was drawn up for each case study site. The case site visits and interviews were planned between start-January 2013 to late April 2013, considered a suitable time for conducting interviews specifically with sale, marketing, production, product development and R&D professionals. All interviews

were conducted face-to-face at each respective case firm site, except for Chenab (where the interviews with marketing and merchandizing managers were conducted at the company's head office). All interviews were conducted in English and lasted between 35 and 105 minutes. All interviews were fully recorded using a digital voice recorder. In addition, detailed notes were made during each interview to capture the noticeable points for follow-up questions. The interview guide, tables and questions were originally written in English in order to avoid any language and transcription inconsistencies, as the target respondents were educated (that is, had at least a bachelor's degree), senior-level managers with vast experience in their respective areas, dealing with foreign clients for years.

During the interviews, a conscious effort was made to listen to the informants actively and in a non-judgmental manner (Walsham, 1995). Further, the questions were modeled in layman's terms, employed in a simple manner and avoiding the use of any jargon. Special care was taken to avoid asking leading questions or providing any clues that might lead respondents to answer in any particular way (Mason, 2002; Robson, 2002), although some clarifications were provided at certain points in order to elucidate and explain certain questions and issues. Through interviewing the informants, prompts and probes were used to establish details and extract deeper perspectives. In order to obtain honest and well-rounded perspectives, certain clarifications, reasoning and examples were asked from the respondents (Brown & Eisenhardt, 1997; Gillham, 2000).

### ***Afterthought Reports***

After each interview, the interviewer summarized the main impression, ideas, new insights and points that emerged in a specific interview. These summaries are later attached to each individual interview and respective case database in order to improve the interview questions, add new insights and an additional individual supporting resource for writing individual case reports. These brief reports are subjective and reflective in nature, and are purely based on the researcher's understanding and impressions. Together with interview notes, these reports constitute field notes, as mentioned by Eisenhardt (1989).

### ***Firms' Website Analysis and Online Information***

The author conducted website analysis of the case firms' website and online information before the interviews to obtain detailed information about a) the case firms, their operations, main products, processes and markets; b) the firms' local, regional and

international activities, markets, clients, competitors, partners, sales and marketing offices; and c) the case firms' involvement in value-added projects, OEM, ODM, R&D and changing modes of operations over time. Additionally, the case firms' websites and Facebook pages were used as efficient and convenient tools to trace changes in the firms over time (such as in case of MTM acquisition by Chinese in 2013–2014), helping enrich and triangulate the data. Further, the analysis of the case firms' websites was helpful to i) avoid wasting time asking about detailed background information that is available elsewhere; and ii) provide the ability to question and probe companies about issues they may not otherwise have mentioned during the interview, but that may be relevant for the analysis at hand.

### *Documents Analysis*

Information gathered from documents are likely to be very relevant for the case study research (Yin, 2009). Documents can take many forms and should be included in the data collection plans; however, the information gathered from documentation should be used carefully, as the documents are written for an explicit purpose other than for the case study. Documents play an explicit role in data collection in conducting case studies, and systematic searches for relevant documents are important in any data collection plan. Therefore, researchers should carefully use the documents to corroborate and support evidence from other sources.

The document(s) in the current study were used for supportive purposes. Such documents include company brochures, newsletters, trade journals (Textalk and Pakistan textile journal), blogs and news clippings, information from various international trade shows, and most importantly company presentations used by marketing departments. In addition, the bulletins of All Pakistan Textile Mills Association (APTMA) and Pakistan Textile Exporters Association (PTEA), reports from the Trade Development Authority of Pakistan (TDAP) on textile industry, Pakistan stock exchanges and official websites of various public institutions and departments were used. Further, the information acquired (conference websites, online proceedings etc.) from textile and fashion trade fairs and shows held in different parts of the world were also included in the data collection process. It is important to note that the documents also include online information related to the case companies.

The data and information gathered from these documents were used to observe the case firms' exports activities, relations with their international customers, markets, involvement in value-added products, processes, services, R&D, international market

developments and expansion. Such collected data enhances the richness of the information collected from interviews and websites; Further, the data from documents was compared with data from interviews and websites and was used for triangulation as well as to enrich existing data.

### *Experts'/Consultants' View*

This refers to the professionals who have expertise, knowledge and a sharp eye on the market changes in their respective fields or areas of specialty related to the textile industry. This study includes the views of textile experts and professionals from different areas related to textile, home textile and/apparel (denim and knitted) about the changing scenario of textiles, value addition and their impact on Pakistani textiles, in general, and on the case companies in particular. The data, information and experts' views further enriched the existing data by adding dynamics to the data collection and served as a triangulation tool. The details of the experts and consultants, modes of establishing connection and data collection and main themes are mentioned in Table 2.4:

Table 2.4: Details of experts' View

<b>Respondent Designation</b>	<b>Mode of Contact</b>	<b>Mode of Data Collection</b>	<b>Main Theme</b>
1. Dr. Mumtaz Hasan Malik (Dean National Textile University (NTU) and Consultant to various large Public-sector organizations)	Through a personal Contact	Interview	Value addition and modernization of Pakistani textile sector
2. Dr. Tanveer Hussain (Dean faculty of engineering & technology-NTU and consultant)	Through Dr. Mumtaz Hasan Malik	Interview	Value addition and modernization of Pakistani textile sector
3. Dr. Rashid Masood (Chairman textile processing department-NTU)	Through Dr. Mumtaz Hasan Malik	Interview	Value addition and modernization of Pakistani textile through their engagement in technical/medical textile
4. Muhammad Naeem (Deputy general manager –MIDAS group)	Through Dr. Mumtaz Hasan Malik	Interview	Value addition and modernization of Pakistani textile sector through innovation
5. Mr. M.I. Khurram (CEO Comfort Pakistan)	Through Dr. Mumtaz Hasan Malik	Interview	Value addition and modernization of Pakistani textile sector from an individual firm entrepreneurial perspectives
6. Dr. Tahir Shah (Professor at Institute for Materials Research and Innovation, -The University of Bolton –UK and senior researcher at the British Textile Technology Group (BTTG))	Meet at COVITEX-2013, Second international conference on value addition and innovation in	Key Note speaker at COVITEX & Interview	Value addition and innovation in Chemicals, materials and inputs

	textile held at NTU, Faisalabad Pakistan		
7. Professor Subhash Anand Shah (Professor at Institute for Materials Research and Innovation, -The University of Bolton –UK and renowned senior researcher and consultant	Meet at COVITEX-2013 second international conference on value addition and innovation in textile held at NTU, Faisalabad Pakistan	Key Note speaker at COVITEX & Interview	Value addition and innovations in novel knitted and nonwoven structures for technical applications; healthcare and medical devices; effect of laundering on sensory and mechanical properties of textile materials; composite materials; sportswear and active wear structures; filtration; geotextiles; automotive textiles; and personal protective equipment (PPE).

### ***Individual Case Report***

After conducting interviews, the data was complemented by the interviewer’s afterthought report as well as by the data and information collected from documents, experts, company websites and other sources; these were all compiled and integrated in a coherent manner – that is, a case summary report for each individual case firm. These reports were sent to the respective respondents in their specific case firms, and served two purposes: first, they confirmed, corrected and added new insights and answers to the previously unclear issues and unanswered questions; and second, they created a sense of trust between the case firm (that is, the interviewee) and interviewers, that nothing was going out without the prior check of the case firms. In total, four out of six case reports were received back from the respondents in R&D, product development and marketing departments, providing additional information and technical issues. The reports were again sent to the concerned case firms until final approval was granted.

#### **2.2.3.4 Data Analysis**

The purpose of data analysis is to obtain meaning and make sense from the collected data through various steps in the research process (Creswell, 2003; Ghauri & Grønhaug, 2005). All the steps involved in the research process have been taken into account to support this search for meaning. The data analysis stage is considered to be the most important and challenging step in the research process, where limited and general guidelines exist. The researcher has to evaluate the strategic and technical options related to data analysis before the data collection (Ghauri, 2004; Miles & Huberman, 1994) to assure that the collected data will be analyzable (Yin, 2009). Further, Yin (2009) recommended that the researchers should adopt a general analytical strategy and proceed with the suitable techniques for the analysis. Moreover, Yin (2009) explained

three main analytical strategies: reliance on theoretical propositions, rival explanation and case descriptions. Reliance on theoretical propositions enhances the theoretical orientation of the study and helps focusing on the specific data as well as defining alternative explanations. Rival explanations consist of both classical and emergent rivals, and are considered useful in the absence of theoretical propositions. In case of problems in using the first two, one may proceed to the case description by following a specific descriptive purpose or by using a description to identify casual links for analysis.

Various authors have mentioned different stages in the analysis processes. For instance, Miles & Huberman (1994) distinguished between within-case analysis, cross-case analysis and at-conclusion confirmation. In similar lines Ghauri (2004) mentioned certain stages beginning with a story telling centered towards the chronologies and biographies of individual organization followed by a processes where the data is rearranged chronologically and in terms of conceptual categories. And finally, the process may end with the proposition testing stages, by cross checking for commonalities through comparisons and integrate the data into a single coherent framework/ model. Myers (2009) discussed several considerations for the qualitative data analysis, suggesting that qualitative data analysis should be consistent with the research method. For example, one may start with some kind of coding rather than try to use hermeneutics or discourses while using the grounded theory approach.

### ***Shaping the Data: Coding***

One of the simplest ways to analyze a qualitative data is coding (Myers, 2009). Coding is effective in organizing overloaded data, enhancing the data retrieval and speed up the analysis (Miles & Huberman, 1994; Richards, 2009). Codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes are attached to chunks of varying size-words, phrases, sentences or whole paragraphs, connected or unconnected to a specific setting (Miles & Huberman, 1994, p. 56). It is important to note that codes will change and develop with the researcher's experience. Codes may be descriptive (i.e. open code) (Myers, 2009), topic, subject and analytic when leading to theory emergence (Richards, 2009).

## *Analytical Techniques*

Yin (2009) recommended five analytical techniques including pattern matching, explanation building, time series analysis, logic models and cross-case synthesis, as described below.

First, pattern matching involves comparing the empirical pattern derived from the case study/ studies with a predicted one. The matching of such patterns can strengthen the case study's internal validity. The predicted patterns may consist of different types: (a) non-equivalent dependent variables design, where an experiment or quasi-experiments may have multiple dependent variables and different but relevant outcomes; (b) rival explanations of independent variables explaining how and why a specific outcome occurred/ did not occur; and (c) precision of pattern matching, including the minimal variety of either dependent or independent variables or low level of precision, making room for interpretive discretion.

Second, explanation building is considered a special type of pattern matching, where analysis of the case study data is done by developing explanations about the case. The final explanation might not have been fully specified at the beginning of the study, but is developed through an iterative process of case evidence and theoretical revision of proposition.

Third, in time series analysis the main aim is to trace events over time in a detailed and precise manner in order to follow the changes that happen over time within the cases under investigation. Here the dominant logic is to show a match between a trend of data points compared to a pre-specified theoretically significant trend, versus rival and other trends. The trends range from simply predicting one direction or aspect through time, to complex predictions, changing through multiple directions over time. The complex trend may even be more complicated when looking at changing trends in different times for different variables.

Fourth, logic models stipulate and operationalize a complex chain of events over a period of time. The events are staged in a repeated cause-and-effect sequence, in which a dependent variable at an earlier stage becomes the causal event or independent variable for the next stage. The use of a logical model as an analytic tool involves the matching of empirically observed events to theoretically predicted ones. However, a logical model can be considered as a separate analytical technique due to the use of their unique sequential stages. In total, four main types of logical models are identified: individual-



level logical model, organizational-level logical model, program-level logical model and nonlinear patterns.

Finally, cross-case synthesis is applicable to multiple-case analysis. This technique treats each case as a separate and distinct analytic unit or experiment, and is based on the aggregation of findings across individual cases. The aggregation may take various forms. A common and one of the most helpful options is the use of tabular displays of data from various cases, where each table reflects specific variables, processes or results as observed in single-case studies. The analysis of tables for cross-case patterns relies on argumentative interpretations rather than on numeric tallies and statistical techniques.

### ***Abduction and systematic combining***

The abduction and abductive approach to case research-systematic combining is a continuous and cyclical movement between the real and the theoretical domains (Dubois & Gadde, 2002); it is a dynamic process due to the novelty of the phenomenon under investigation with respect to the role of the theory in the analysis. An abductive approach is useful if the intention is to study and discover new things and open to emerging explanations and relationships of variables (Dubois & Gadde, 2002). This is a repeated process of checking and rechecking a phenomenon for wider explanations. Systematic combining is a process “where the theoretical framework, empirical fieldwork, and case analysis evolve simultaneously and particularly useful for the development of new theories” (Dubois & Gadde, 2002). Dubois & Gadde (2002) further explained that the researcher is able to expand his or her understanding of both theory and empirics. The initial analytical framework consists of articulated ‘preconceptions’, and is developed according to what is actually investigated through a combination of observed fieldwork, analysis and interpretation. This means that theory cannot be understood without the empirical observation, and vice versa. Systematic combining focuses more on the refinement and development of existing theories, rather than inventing new ones.

#### **2.2.3.5 Data Analysis in the Current Study**

The formal data analysis starts with the transcription of all planned interviews, as well as other documents. In the present study, all data from interviews were converted into electronic format and entered into a study database. Transcription is an important aspect of an interpretive inquiry, and facilitates the analysis of language data (Oliver, Serovich,

& Mason, 2005). All recorded interviews were transcribed verbatim, exactly in the same sequence and flow in which the conversations took place. Although transcription is a tedious and lengthy process (Walsham, 1995), it can impact the completeness and accuracy of analysis if overlooked. In addition, the transcripts assist the audit process of analytical decision points because they preserve the data in a more permanent, retrievable, examinable and flexible manner. Further, the transcription process also promotes familiarity with the data, which catalyzes theoretical thinking that is essential to interpretation (Lapadat, 2000; Walsham, 2006).

Given the focal aspects of the inquiry, a de-naturalism approach of transcription was adopted (Oliver et al., 2005). Under the de-naturalism approach, the main interest is in the richness of informational content and the focus is on meanings and perceptions within speech that constructs the organizational reality. In this approach, verbatim depiction of speech is aimed at full and faithful transcription, but accuracy here concerns the substance of the interview as opposed to grammar, accentuation, behavior or background noise (Oliver et al., 2005). While transcribing the interviews, the transcripts were coded and marked up with interpretations in the margin of the document (Lapadat, 2000). Furthermore, each interview was transcribed twice in order to double-check the consistency and obtain a precise picture for a correct analysis. After the two transcriptions, some minor differences were found that were discussed with the respective respondents for further clarification and confirmation. In addition, four follow-up interviews were conducted with two case firms. The follow-up interviews were conducted via Skype, recorded through MP3 Skype Recorder 3.1 and transcribed twice.

After the completion of the hectic process of interview transcription, the coding processes started. It is important to note that “coding may be part of the process of analysis, but it should not be thought of as the analysis itself”. Miles and Huberman (1994) specified the advantages of using computer software in data analysis, while Richards (2009) related coding with learning by continuously revisiting and revising the data until some understandable explanations or patterns were obtained. Interview transcripts were coded by using the qualitative analysis software NVivo 10. Initial codes (first order) were based on the indigenous terms used by the respondents (also referred to as ‘native categories’), followed by codes (second order) constructed from exiting theories and concepts. The analysis was done in two stages, following the Gioia methodology of analysis.

First, codes were generated in different categories from the data in order to faithfully adhere to informants' terms (Gioia, Corley, & Hamilton, 2013). Initial coding involved coding alongside main operations, international engagement, nature of outsourcing ties, main markets and region, offerings, case conditions, dynamics, nature of relationship and emerging themes. Second, the coding was further narrowed down and refined into aggregate dimensions (Gioia et al., 2013). The second-order coding included involvement in cross-border operations, offshore outsourcing partnerships, learning domains, learning ways, main motivations and their overall effect on developments (movement in value chain). In total, 42 codes in six general categories were obtained (Table 2.5 and Appendix VI).

Table 2.5: Final code list

Code	Sub Codes	Description of code Integration
<b>Start</b>		
Initial start	Nature of operations	Spinning, weaving, cutting, yarn and garments manufacturing etc.
	Type of product, processes and services	Basic inputs, semi-finished, finished, low / high value-added etc.
	Region/market of operations	Local, regional, international etc.
First international activity(s)	An unsolicited order	By chance
	Buying house	Commercial office, export office etc.
	Joint venture with foreign companies	Coalitions with market players
	Exports	Cross border trade
	Sourcing ties	Supplier of specific products to certain foreign clients
	Merger	Joint production, operations, business etc.
Organization of orders/ fulfilment of orders	Customers specifications	Needs, demand, requirements etc.
	Investment in machines	Purchase, acquisition of equipment, machineries, systems, processes etc.
	Imitation	Copy and use of market best ideas, products, procedures, operations etc.
	Outsource to local vendors	Purchase of inputs from local market, subcontract certain part of an order to local producers, cutters etc.
	Technical advises, help	Production related Technical Support from joint venture, alliance partners, customers and suppliers etc.
	Product planning & control Back tracking	Effective utilization of resources, inputs, materials, time, machines, people and production space etc.
<b>Engagement</b>		
Intensity of engagement in market $\geq$ 5 years	Focus on market	Local, regional, foreign, local & regional, local & foreign etc.
	Focus on ties	Existing clients in exiting market, follow exiting clients in other markets, new clients in existing market, new clients in new market etc.
Regions and Markets	Main regions	Asia, Europe, America, UAE, Oceania etc.
	Main customers	International brands, regional brands, buying houses, regional cutter, local cutter etc.

	Main products	Yarn, unprocessed denim fabric, processed denim fabric, knitted fabric, unprocessed and processed fabric, garments basics, value added, high value added, services etc.
	Core relation type	Same products existing customer, same products new customer, new product existing customer, new product new customer etc.
Changes in orders	Same all the time	Standardized, identical, homogeneous etc.
	Region to region	Varies according to regional market needs, specifications, demands etc.
	Season to season	Differences in seasonal needs, fad and fashion etc.
	Customers to customers	Varies from customer to customer in the same region, form different regions etc.
	Order to order	Variations in orders from the same customers, different customers etc.
	Unique order	Special, unusual, totally different specifications etc. from the rest
Changes in overall order philosophy	ordering procedure	Modification in overall ordering process, system based, I.T based, customer website, schedule, etc.
	Requirements	Small quantity, small batches, more varieties, short shelf life etc.
	Special features	Latest finishes, use of chemicals, unique washings, treatments etc.
	Specific standards	Customer specific, regional, international, etc.
	Order handling	Placement, process, feedback, completion, and delivery etc.
Relationship Duration	Long-term	Working since start, all time clients, over extended period, etc.
	Trust based	Loyal customers, mutual working understanding, mutual routine, cooperation, etc.
	Contractual	Specific period, time based, etc.
	Project based	Specialized task, job, assignment etc.
	Seasonal based	Spring, Summer, Autumn, Winter products
	Transactional	Short term, arm-length, product based etc. under MOQ.
Change in sourcing Relationship (from the initial mode of operations)	From simple to complex products, services, and projects	From sourcing of input to product development, designs production, innovative OEM, ODM, high end products and processes, innovative projects (water-less-jeans) etc.
	Lead supplier	Main provider, sourcing partner in specific area, products etc.
	Exclusive partner	Specialized, selected supplies partner from a certain region in specific products, product line etc.
	Co- design & develop	Joint designing, product development etc.
	Co-marketing	Joint promotion, sales and marketing activities etc.
	R&D and innovate projects	Joint R&D, innovation products, unique processes, latest washings etc.
	Other services	Designing and pattern development, chemical testing, quality audit, supply services (DTS), etc.
	Termination of relationship	Clients stop working, suppliers discontinue working, specific region policies, government regulations etc.
<b>Learning Domains</b>		
	Latest techniques	New methods, improved practices etc.
	R&D skills	

Technological Knowhow	Latest developments	Innovative aspects, new dimensions in offerings and operations
Product Related Knowledge	New production & manufacturing	High quality manufacturing, latest aspects related to spinning, weaving, knitting, garments etc. in apparel and home textiles production.
	Processing	Innovative and value-added aspects in printing, dyeing, finishes, embroidery, handlings, etc.
	Washing & laundry	Value-added & latest techniques in laundry, washing, drying, etc.
	Designing	Market, customer centric design, prints, fabrics garments etc.
	Pattern Development	Salute Templates, fittings, marking etc. on fabrics
New product development	Design	Creative ideas, novel designs etc.
	Product	Develop new, upgraded, innovative, unique products etc.
	Process	Value-added dyeing, finishes, treatments, cutting, aesthetics etc.
	Services	Innovative OEM, ODM, OBM, pattern development services.
	Promotional collections	Seasonal offerings, promotional samples, concepts etc.
	Diversified offerings	Enrich product portfolio, clothing fabrics (Lawn), non-denim and bottoms, wide range of offerings, etc.
Market Relationship	Customer relationship	Customer base management, access, develop, retain, extends etc.
	Conflict resolution	Customer base management, retention, discounts, negotiations, speedy delivery etc.
	Contingent production	Offshore production facilities, flexible production schedules, real-time production, planning and control etc.
	One- stop shop	Design, develop, manufacture (products and services) and deliver, etc.
Innovation	Create new	Designs, products, processes, services, systems, techniques, operations, etc.
	Improve existing	Designs, products, processes, services, systems, techniques, operations, etc.
	Organization wide changes	Overall operations, organization culture, systems etc.
Standards	Customer specific	Client initiated (water- less- jeans, sand blasting) etc.
	Regional	European, American, Scandinavian, African union, others etc.
	International	ISO, GOTS, WRAP, REACH, Öko-Tex, BSCI, OE etc.
Market Knowledge	Latest trends	Fad fashion, technology, processes, standards, etc.
	Competitors	Rival brands, operations, offerings, tactics, etc.
	Diverse customer needs	Preferences, latest demands, latent needs etc.
	Regional needs	Developments in specific regions, rules, regulations, duties, taxes etc.
<b>Learning Ways</b>		
Experts	Designers	Product (fabric, garments, home textiles etc.) design, prints, embroidery etc.
	Developers	Product, processes, washing, finishes etc.
	Other professionals	Marketing and sales, I.T, Supply Chain, quality audit, product planning & control, etc.

Investments	Modern Infrastructure and Machines	Technologies, equipment, machineries (spinning, weaving, knitting, laundry) etc.
	Labs/Testing tools	Laboratory, testing, calibration, confirmation etc.
	Latest Processes/ Finishes	Dyeing, treatments, aesthetics, cutting sewing etc.
	Washing and laundry	Washing, tumbling, drying etc.
	Systems and supports	I.T, delivery (DTS), back tracking, Eton station (garments transportation), RIDF, Six-Sigma etc.
	Vertical production facility	Campsite operations, integrated production etc.
Strategic Alliance	Production	Spinning, weaving, etc.
	Marketing and sales	Promotion, sales etc.
	Washing and Laundry	Washing, drying, finishes etc.
	Designing	Co-designs
	R&D	
Training	Production	Improved, innovative techniques etc.
	Processing	Improved, innovative techniques etc.
	Washing	Improved, innovative techniques etc.
	Quality Control	Reduce waste, defects etc.
	International standards	Know about, implement new developments, renew existing etc.
	Use of chemicals	Type, nature, intensity of active substances etc.
	Project based	Special help, unique aspects, extra handling etc.
Commercial Office	Marketing & Sales	Local, regional, international marketing and sales offices etc.
	Outlets/ stores	Online stores, offline stores, exclusive outlets etc.
	Sales Agents	Exclusive sale intermediaries, stockiest etc.
Trade Show	Expos/ Fair	ITMA, Shanghai TEX, TDAP, Heimtex, Moscow Textile Fair, Indo-Pak Fashion Street-India, Denim by Premiere Vision (DPV), Engraved-Paris etc.
Certification	Accreditation	Overall handling of firm, environment, ISO, working environment, use of chemicals, discharge of waste, pollution control,
Sourcing ties	Non-Denim	Purchase canvas, flat fabrics etc. from local market, bottoms and trousers manufacturing etc.
	Chemicals	Chemical, dyes, shades, rinse etc.
	Inputs & materials	Embroidery, zippers, buttons, threads, packing boxes, brand tags and marks etc.
	Cotton	High quality cotton, corrugated cotton, special type, etc.
License	Finishes	Lycra, Sorona, Coolmax, Special treatments, finishes etc. from DU Pont, Investa and others
	Customized Chemicals, Rinse and solution	Custom-made chemical, dyes, special shades etc. from Daystar, CHT-Benzema, Rodolf, Portra, Clairiant, BSA etc.
Designing	Onshore facility	Local, in-house designing facility, etc.
	Offshore centers	USA, Italy, UK, Turkey etc.
	Designers	Local, British, Italian, Canadian, German etc.
R&D	Onshore facility	Local, in-house R&D unit
	Offshore centers	USA, Italy, UK, Turkey etc.
Imitation & Emulation	Copy and modify	Improving existing operations, practices, offerings, ideas etc. based on market successful ones
	Copy and discover	Discovering alternative and new operations, practices, production techniques, offerings, etc. based on marketing successful ones
Mergers and Acquisition	Combine and share resources	Customers, sourcing partners, others etc.
	Getting hold of others	Customers, competitors, sourcing partners, others etc.

Customer Specifications	Hard specifications	Demanded requirements in price, quality, delivery, quantity, features, designs, aesthetics' etc.
	Soft Specifications	Demanded requirements in standards, ethics, CSR etc.
Negotiation and Discounts	Agreement- Compromise	Dialogue, concessions on agreed prices, replace defective lots, alternative mode of shipment, others etc.
Trade secrets protection	Safeguarding Clint information	Business secrets, R&D, commercial information, IPR etc.
Flexibility	Contingent production	Offshore production facilities
	Direct to store model	Nonstop supply arrangements, delivery etc.
	Changeover of order	Production schedules, allocation of machines, allocation of qualified workforce, production space etc.
Top management support	CEO interest	Owner, CEO interest, support in innovation, organization change, international business, exports etc.
	Managerial support	Support for change, innovation etc.
Experiential Learning	Learning by doing	Learning through practical involvement
	Learning by supplying	Practical learning from supplies
	Learning by exporting	Learning from cross border business
<b>Motivation for Learning Movement in value chain</b>		
Improve Performance	Enhancing firm's overall performance	Increase sale, offering quality products/ services, demanded specifications, on time delivery etc.
Ability to innovation	Ability to introduce new offerings and operations	Latest designs, value-added products, unique processes and services etc.
	Ability to upgrade exiting offerings and operations	Renewal of designs, products, processes, services etc. alternate way of doing things.
	Ability to change overall organization (organization turn around)	Organization change, operations, cultures, people thinking, systems etc.
Market seeking	International market presence	Seek access, establish, develop, retain, and nourish ties in international market
	Regional market presence	Seek, access, establish, develop, retain, nourish ties in regional markets
	Local market presence	Seek, access, establish, develop, retain, nourish ties in local and home market
	Local, regional and international market presence	Seek, access, establish, develop, retain, nourish ties in local, regional and international market
	Nurturing existing contacts	Cultivating business with existing clients, market segments, regions etc.
	Establishing new contacts	Creating new business with existing and or with new clients, markets, segments, regions etc.
Knowledge and Capabilities seeking	Textile Production	Knowhow and expertise related to new ideas, advance skills, modern tools, machines and latest techniques in production and washing etc.
	Latest processing	Knowledge acquisition, expertise in finishing, competencies in modern dyeing, embroidery, aesthetics etc.
	R&D PD	Hand on innovative aspects, design, development of high end offerings etc.
	Supply Chain	Competencies in agile supply, expertise in delivery, order tracking etc.
	Compliance with Regulations	Know how about latest developments in standards, compliance with market required criterion

	Commercial Services	Learning and competencies in OEM, ODB, OBM, Pattern development, delivery (DTS), quality audits, chemical testing etc.
Competitiveness	Latest demand	Fulfill present, emerging, latent customer needs, specifications and requirements etc.
	Goodwill	Enhance positive image
	Quality	Competencies in high end products, value-added washings, finishes, treatments etc.
Branding and marketing	Local market	Sale, promotion under own name, logo etc. in local market
	Regional market	Sale, promotion under own name, logo etc. in India, Bangladesh, UAE etc.
	International market	Sale, promotion under own name, logo etc. UAE, USA, Europe etc.
<b>Developments</b>		
Movement in Value Chain	Upstream	OEM, ODM, supplies, lead supplier etc.
	Downstream	Annual collections, own sale, marketing, specific product range etc.
	Both upstream and downstream	Simultaneous involvement in ODEM, ODM, innovative collection, own sale, marketing in specific product range etc.
	Product and process portfolio	Semi-finished, standardized, finished, innovative, unique, value added, narrow range, wide range etc.
	Range of services	Narrow, wide etc. complete range of service from spinning to final delivery of finished products, processes, and services
	Nature of services	Basic OEM, ODM, design, delivery, quality audit etc. Innovative and value-added OEM, ODM, design, pattern development etc.
	Own brand	Yarn, Denim Fabric, Knitted fabric, Home textile fabric, fashion clothing (Lawn), garments, design and pattern development services, processes etc.
	Market involvement	Local, regional, international, combination of two, combination of all three etc.

The coded data was further used in the within case analysis (see Chapter 4) and the across cases analysis (see Chapter 5) analyses. In the start of both chapters, the introductory section explains the analysis and presentation logic in each respective case. For the within case analysis, the analysis is dependent on the tabular representation; specific interview quotes as a reference and graphical representations are intended at grounding emerging insights, concepts and relations in the case. Similarly, the cross-case analysis is dependent on the tabular representation, relevant interview quotes from different cases (limited to a maximum of three); graphical representation and textual summary tables enhance the fine-tuning of the analysis. The graphical representation in both analyses includes the refined models related to the learning dimensions, ways, main reasons and developments, both at the individual case level and aggregate cross-case level. Further, in both chapters the data is presented in accordance with the research questions to obtain the answers at an individual as well as aggregate level.



Hence, the attempt of the theory-building process in the current study will follow the pattern matching, and will be captured by the conceptual development emerging from the iterative analyses and display of both individual case and cross case findings.

### **2.3 Research Quality**

Based on the research objective and questions, this study has adopted an interpretive research approach by assuming the construction and reconstruction of human realities. The multiple-case study approach will be adopted in order to develop and refine theories rather than to test the existing theories. Unlike natural science methods, qualitative research in the social sciences suffers from the lack of a coherent framework to determine the quality of the data. Marschan-Piekkari and Welch (2004) stated that the evaluation of qualitative research is often neglected and marginalized within IB. Further, there are several concerns and misunderstandings about the difficulties in conducting case study research (see, for example, Flyvbjerg, (2006). This does not mean that evaluation of the quality of the case study will be ignored; rather, qualitative research should seek to evaluate the quality of the research.

Maxwell (2002) argued that data itself cannot be valid or invalid; rather, validity is relative to the purposes and circumstances of the data. Maxwell further detailed five types of validity that are common in qualitative research. Descriptive validity is about the accuracy of the account; Ghauri & Grønhaug (2005) referred to it as the degree to which the actual description becomes true. The important point with descriptive validity is to clarify that the interviewee makes the exact statement, or else there would be dissonance in the interviewer's (researcher's) wording (that is, researcher bias). Interpretive validity refers to the participants' perspectives on the physical objects, events and behaviors in the study. Such understanding relies on the interpretation of the researchers; Ghauri & Grønhaug (2005) pointed to the importance of accurate interpretation: is the expressed interpretation correct and according to the participant's perspective, or is it deviated, and thus incorrect? Theoretical validity refers to the adequacy of one's suggested theory or explanation, and deals with the theoretical construction of the researcher. Finally, Maxwell (2002) mentioned evaluative validity as the degree of legitimacy of understanding.

Researchers such as Bryman and Bell (2007) and Seale et al., (2004) mentioned their concerns about the credibility and quality, as well as issues of reliability and validity of data in qualitative research. This leads to two approaches, one which regards these criteria as related even though the meaning of certain terms should be changed according to qualitative research realities, and the other, which has suggested new concepts in order to deal with these issues in different ways.

Based on the existing criteria which assume that an absolute social reality is feasible. Lincoln & Guba (1985) proposed that validity and reliability should be replaced by trustworthiness. Guba (1981) and Denzin & Lincoln (2005) proposed four criteria to be considered by qualitative researchers in the pursuit of a trustworthy study. Trustworthiness consists of the following: *Credibility* is characterized by Guba and Lincoln (1989) as being parallel to internal validity; it refers to a match between the construct realities of the respondent and the realities represented by the evaluator; *Conformability* is about ensuring that the data, interpretations and results of the study under investigation are rooted in the sources, and are not from the researcher's own view and preconceptions (that is, impression management); *Transferability* is parallel to external validity and generalizability; it deals with an empirical process for checking the degree of similarity between the sending and receiving source. It means that the reader should be able to evaluate how the findings can be transferred to other contexts; *Dependability* is similar to reliability, and refers to ensuring that if the study would be repeated by others in a different time, the researcher would be able to clearly follow the same steps involved in the process. Therefore, it is about providing a detailed and reliable description of the research process, so that people can replicate the process but not the results.

### **2.3.1 Research Quality in the Current Study**

This research will follow Pauwels & Matthyssens's (2004) and Yin's (2009) architecture of multiple-case study design. It will focus on the four pillars of theoretical sampling, triangulation, the logic of analytical pattern-matching and analytical generalization as a basis for validation through juxtaposition and iteration at various stages of the analysis. Based on the ontological and epistemological assumptions, the current research – being an interpretive research – will adopt the criteria of credibility, transferability, dependability, and confirmability (Guba, 1981; Lincoln & Guba, 1985;

Miles & Huberman, 1994; Shenton, 2004; Trochim, 2001) to judge the quality of the study.

Credibility is concerned with authenticity and confirmation by informants (Guba, 1981; Lincoln & Guba, 1985; Trochim, 2001). In this study, several measures were taken to obtain credible results. At the start of the process, a research design was developed that ensured that the paradigm and methods of inquiry were suitable for the study. The research approach and methods used in this study are well recognized and have been extensively used by other scholars for similar research (Shenton, 2004). All four cases were written-up (case summary reports) in order to provide thick, contextually grounded descriptions and were duly checked by the respective respondents in each case company (Miles & Huberman, 1994; Shenton, 2004). The checking of the case summaries was a vital part of this study, not only for obtaining feedback, but also for the interpretive synthesis (Lincoln & Guba, 1985; Shenton, 2004). Hence, such sharing of the findings with the respective respondents helped to warrant the authenticity and credibility of this research (Sandberg, 2005). Further, the data in each case company was obtained from multiple respondents at different units and levels (mostly from middle- and high-level management), while as a whole the data was obtained from multiple case studies and other sources, thus achieving data triangulation at two levels (Lincoln & Guba, 1985; Miles & Huberman, 1994; Shenton, 2004). Finally, the research also relied extensively on peer debriefing (Guba, 1981) (conferences, internal department presentation, supervisors' feedback) and experts views (Dean, professors from NTU Pakistan and researchers from Bolton University, UK), in addition to interviewees' feedback, in order to help avoid that the researcher's own framework would imposed on the inquiry (Lincoln & Guba, 1985; Shenton, 2004).

Dependability is concerned with the reliability of the results and findings (Lincoln & Guba, 1985; Trochim, 2001). Several steps were taken to ensure that the process of research was robust and consistent. First and foremost, a multiple-case study design was used, and the conclusions were drawn by investigating several instances of the phenomenon (Lincoln & Guba, 1985). The research design and methodological decisions, interpretations and findings were continuously reviewed (Miles & Huberman, 1994). Furthermore, the whole research process and the methods used for this study were, on a regular basis, under audit by my doctoral advisors (Lincoln & Guba, 1985). Memos, field notes, interview records and transcripts, data analysis and communications with experts/professionals and case companies were stored to permit an end-to-end audit trail (Lincoln & Guba, 1985; Miles & Huberman, 1994). A thick but rich case study

database was organized that contained the main findings from all the interviews from different cases companies in order to facilitate thematic analysis (Yin, 2009). Further, an interview guide with a semi-structured questionnaire was prepared and piloted for data collection. All interviews were recorded and transcribed (Mason, 2002; Yin, 2009). Thus, the systematic inquiry carried out in this research is supported by the already established and used methodologies.

Confirmability refers to good faith, corroboration and confirmation of the findings (Lincoln & Guba, 1985; Trochim, 2001). As mentioned earlier, the research relied on peer review and respondents' feedback, so such checking was an integral part of the research process (Miles & Huberman, 1994; Shenton, 2004). In addition, multiple theoretical perspectives were used for sense-making and for drawing conclusions (Miles & Huberman, 1994; Shenton, 2004). To counter the issues of reactivity (that is, researcher's influence on the informants and their perspectives), precautions were taken during the interviews so as not to pose any leading questions, seeking to avoid guiding informants towards the researcher's own worldviews, although certain clarifications were made whenever needed in order make the questions more understandable. Further, the guarantee of personal and business privacy and confidentiality helped the respondents to share their views honestly and to provide concrete details (Sandberg, 2005; Shenton, 2004). Further, multiple respondents from different units in all case companies were interviewed, and their information was cross-checked with other sources in order to reduce the key informant bias, which might involve retrospective sense-making by image-conscious informants (Lincoln & Guba, 1985; Miles & Huberman, 1994).

The transferability criterion is parallel to generalizability or external validity with regard to other contexts (Lincoln & Guba, 1985; Trochim, 2001). Developing an understanding and finding explanations with wider applicability were the main objectives of this study. Several steps were taken to achieve generalizability. As previously mentioned, a multiple-case study was chosen to obtain the generalization, and all cases were written up containing thick, contextual descriptions so as to facilitate comparison with other contexts (Lincoln & Guba, 1985; Shenton, 2004). Explicit selection criteria were used in the selection processes of the cases. Further, a purposive sampling strategy was used to study theoretically diverse cases so as to allow generalizability (Miles & Huberman, 1994). Lastly, congruence with existing theory and literature was sought to assist with the generalization (Eisenhardt, 1989; Miles & Huberman, 1994).

## 2.4 Summary

The current chapter has discussed critical aspects relating to research perspective, strategy, design and methodological options, as well as the adoption of main choices. The goal of the empirical research was to gain a first-hand understanding of the phenomenon of offshore outsourcing and to develop theory that can explain the link between offshore outsourcing and outsourcee (DES) learning (such as R&D, innovative capability, movement in a value chain, and organizational change).

Because there has only been limited prior work on the focal aspects of the phenomenon, and only limited support is available from the existing literature, an interpretive, multiple case study approach and more specifically multiple case holistic research design was used for the empirical inquiry. This approach allowed for inductive development of understanding and explanation in a grounds-up manner rooted in empirical reality. The interpretivist approach suggests an assumption that reality is subjective, multiple, and socially constructed by its participants. Since the induction and interpretivist approaches provide thick and contextually grounded descriptions, but do not cover the explanation and cause-and-effect relationship in a deductive manner; and to develop and discover new and unexpected dimensions, abduction remained the best approach. In abduction, the empirics (reality) are matched with theory and the researcher moves back and forth between framework, data sources and analysis as part of the theory development process. Theory-building follows a multiple case research design based on detailed data collection, allowing for gradual conceptual refinement and relationship identification.

Furthermore, from a methodological point of view the data collection relied on multiple sources, primarily interviews from multiple respondents, and secondary sources such as websites, documentations, and experts. The variety of sources and interviews will all be analyzed, thereby enriching the analysis process and enabling triangulation of evidence. Similarly, the cross-references of data sources enhance reliability and replication opportunities. This shows the transparency in the research process and the gradual development of the conceptual framework.



## **Chapter 3: Literature Review and Conceptual Development**

### **3.1 Introduction**

This chapter focuses on relevant strands of literature related to the study of *“the learning impact of offshore outsourcing on developing economies suppliers”*. The presented literature review will be used as a basis to search for insights that can inform and enrich outsourcing literature by incorporating developing economies suppliers’ (DESS) perspective in cross border outsourcing ties. Which will further focus on different learning modes, strategic choices and intent of adopting specific ways, main motivations and their overall effect(s) on DESS development.

The chapter is organized into three subsections: First, a review of the outsourcing and offshoring literature and of the emerging literature about consequences for the outsourcees. This section will inform and guide the readers through the evolving strands of outsourcing research, while underlining the important concepts and aspects in this field of research. Second, a detailed review of themes related to learning, dynamic capabilities, strategic orientation, innovative capabilities and movement in the value chain. In this section, an effort will be made towards integrating existing knowledge from different domains into a coherent approach that can be learned to the context of outsourcing engagements. Third, a conceptual development section focused on outsourcee perspectives suggesting an initial typology of development stages and a tentative development model. Later, this framework will serve as the basis for analysis learning types, ways and reasons throughout the stages of the development process.

### **3.2. Outsourcing, Offshoring and the Outsourcee Perspective**

In recent years, outsourcing has received a great deal of attention as it has become a hot theme in international business (IB) literature (Hansen et al., 2008; Javalgi et al., 2009; Kotabe & Mudambi, 2009). However, a wide spread confusion exists about how to use the term on the conceptual level, as the literature frequently confuses outsourcing with offshoring. There are different connotations prescribed by academics and practitioners, and there does not seem to be a convergence on one agreed-upon definition.

This is because outsourcing as a concept has been used to explain two similar but different phenomena (Pyndt & Pedersen, 2006) .

Kakabadse & Kakabadse (2003) and Pyndt & Pedersen (2006) related outsourcing to changing from the use of internal to external resources, in carrying out various activities, which were previously performed in-house. Jahns et al., (2006) raised the basic question “what exactly is meant by offshoring” pointing out several variations and diversions in the outsourcing literature. Offshoring can be anything from “outside borders” (Monczka & Thomas, 1995), to “not local nor in country” (Shamis, Green, Sorensen, & Kyle, 2005), to “remote and low cost locations” (Robinson & Kalakota, 2004), or “outside the first world” or “outside the continent” (Lowson, 2001). Prasad & Prasad (2007) defined offshoring as the geographic relocation of business activities and functions abroad or outsourced to an independent party. Similarly, Hansen, et al.,(2008) argued that offshoring is sometimes conducted through an internalized mode of sourcing, or “in-sourcing” via firm’s own subsidiaries, sometime conducted through an external mode, or “outsourcing” to external parties, and often through a combination of both.

Domberger (1998) used boundary spanning business functions (i.e. in house vs. outsourcing) and geographic scope (i.e. domestic vs. foreign location) in order to differentiate between outsourcing and offshoring. Outsourcing then, is the delivery of goods and services by an external supplier- one outside the boundaries of the firm, not necessarily outside the national border of the firm. Kotabe & Zhao (2002) referred outsourcing to contact with an outsider in order to perform specific activities. While Deloitte Consulting (2008) refers offshoring to the relocation of processes and functions to foreign locations. Offshore outsourcing occurs when the process of sourcing crosses both organizational and national borders simultaneously (Manning et al., 2008; Stack & Downing, 2005).

### **3.2.1 Types of Coordination and Control in Offshore Outsourcing**

Offshoring has been described as “the transitional relocation or dispersion of activities” (Doh , Bunyaratavej , & Hahn 2009). The term has also been used to mention different control situations and ownership models (Jahns et al., 2006; Mudambi & Venzin, 2010), with control and ownership ranging from one extreme to another such as international



sourcing (Kotabe, 1990), hybrid solutions (Javalgi et al., 2009) and wholly owned subsidiary solutions (Jahns et al., 2006; Mudambi, 2008; Nachum & Zaheer, 2005)

Table 3.1 depicts the geographic location and the control modes. The geographic location refers to the sourcing choice while the control mode shows different ownership and governing mechanism of the outsourcers.

Table 3.1: Business model based on geographical location and control

<b>Control Mode</b>	<b>Captive</b>	<b>Hybrid</b>	<b>Outsourcing</b>
<b>Geographic location</b>			
Onshore	Onshore in house Internal control, completely owned subsidiary	Onshore developing centers- Local joint ventures	Onshore outsourcing
Offshore	Wholly owned subsidiary, acquisitions, country office across borders	Offshore development centers- International joint ventures	Offshore outsourcing

Source: Adopted from Jahns et al., (2006), Mudambi (2008, p. 701) and Kotabe & Mudambi (2009, p. 122)

According to Jahn’s, et al.,(2006) classification of offshoring, there are three main offshoring business models: (1) “captive offshoring”, (2)“offshore outsourcing”, and (3) “ offshore development centers”. A company chooses “captive offshoring” when it has decided to produce goods and services by establishing its own subsidiaries abroad in order to gain control of its business activities. “Offshore development centers”, reflect hybrid arrangements (i.e. joint venture), and implies that the client firm (outsourcer) gives up the control of some business activities, but still hold control over some activities. Lastly, in “offshore outsourcing”, firms delegate some of their business functions and decision-making rights to a supplier/ outsourcee in a foreign country, who has expertise in these functions.

The current study focuses on offshore outsourcing and delegation of business activities to the outsourcee (DES). For offshore outsourcing two conditions have to be met. First, the geographic location of an activity crosses the border of the home country. Second, the activity is carried out by a foreigner supplier (Pyndt & Pedersen, 2006).

### 3.2.2 The Outsourcee Perspective

The extent of literature on outsourcing and offshore outsourcing traditionally focuses on two motives held by the outsourcer; 1) to obtain cost advantages and 2) to be able to focus internal activity on strategic and core competencies (Hätönen & Eriksson, 2009; Kakabadse & Kakabadse, 2005).

More recently, there is evidence that firms have also started to outsource high quality manufacturing and advanced processes such as product design, new product development, R&D functions, marketing, and services (Demirbag & Glaister, 2010; Ernst, 2006; Huang et al., 2009; Jensen & Pedersen, 2012; Lacity & Willcocks, 2014; Lewin, Massini, & Peeters, 2009; Oshri, Kotlarsky, & Gerbasi, 2015). In contrast to traditional outsourcing, more strategic functions have been outsourced termed as “Transformational Outsourcing”.

As a result of “transformational outsourcing”, firms have also started to establish closer ties with suppliers in order to enhance their competitiveness (Hätönen & Eriksson, 2009) and to get the right quality product in a timely manner. Another consequence of “transformational outsourcing” is to relocate core, advanced and high value chain activities to loosely coupled networks of partners and suppliers across borders. The main purpose is to seek strategic renewal and develop flexible organization structure (Hätönen & Eriksson, 2009; Li, Liu, Li, & Wu, 2008). Such arrangements enable the outsourcers to address the dynamic and abrupt changes in the environment and discover emerging market needs (Dess, Rasheed, McLaughlin, & Priem, 1995; Li et al., 2008). Thus, outsourcing firms engaged in transformational outsourcing may achieve competitive advantages in the long run compared to those who merely seek cost advantages abroad and focus on core competences in their domestic operations.

Offshore outsourcing collaboration is a dyadic relationship and a potential source of inter-firm learning (Mikkola, 2003). The effect of offshore outsourcing may not be only contributed to the learning, resource pool, capabilities and value creation of outsourcers, as mostly explained in the literature. Such learning also contributes in the development of their partner’s (i.e. DES’s) capabilities (Hansen et al., 2008; Li et al., 2008). Most of the IB literature on offshore outsourcing is highly diverted towards the outsourcer view, while silent on the outsourcee perspective (Chen, 2005; Hansen et al., 2008; Jensen, 2009). The offshore outsourcing literature offers very limited insights about the questions

of “how” and “why” from the outsourcee standpoint (how and why they learn, develop capabilities and formulate their own strategy in offshoring ties). There is a lack of studies that explicitly address the role of outsourcees’ strategy in offshore outsourcing ties (Mudambi & Tallman, 2010).

A limited number of studies have referred to the newly emerged perspective (i.e. the outsourcee perspective) in offshore outsourcing literature. For instance, Hansen et al., (2008) explicated the developing country firm perspectives in offshore outsourcing, Jensen (2009) contributed to offshoring literature by concurrently including the outsourcee and outsourcer learning as an impact of offshoring, and Li, Wei, & Liu (2010) examined how local vendors in emerging economy respond to offshore outsourcing. In their work Hansen et al., (2008) identified a number biases in the outsourcing literature with respect to developing country contexts. They pointed out theoretical areas that can motivate future empirical work on outsourcing, explicitly focusing on the developing economies suppliers (DESSs).

Jensen (2009) has found that the offshoring of advanced services enhances the learning effects in both developed and developing countries firms. He further points out that the offshore outsourcing of advanced services and functions may serve as an opportunity for strategic business development and organizational change. Over time, the offshoring ties mature and the involved firms gain experience and learn, a process which effects both outsourcers and outsourcees. At the outsourcer level, the experience and learning ignites strategic transformation, while at the outsourcee level, the experience and learning influence business development, and provide for connections to new markets. Such learning may also enhance their capabilities in technology and other business domains.

Li et al., (2010) identified how developing economy firms (i.e. DESSs) respond to outsourcing, and how they tend to focus on learning and knowledge acquisition. Their study showed that supplier/vendor adaptation to different ways and strategic orientations, such as an Entrepreneurial Orientation or a Marketing Orientation, effect knowledge acquisition and learning. They found that the entrepreneurial orientation has positive effects on knowledge acquisition, whereas the effect of a marketing orientation on knowledge acquisition seems to follow an inverse U-shape relationship. Furthermore, the interaction of marketing and entrepreneurial orientations appeared to be positively associated with knowledge acquisition. The results extend our understanding of DESSs learning and knowledge acquisition in offshore outsourcing.

The current study considers offshore outsourcing ties as an antecedent of outsourcee learning. Furthermore, it explicitly seeks to explain the strategic mechanisms and interactions of DESs that allow them to learn, and to acquire and absorb valuable resources and knowledge. Moreover, the learning ways and the main motivations behind their learning can add to the outsourcing literature. In this scenario, the current study adopts an integrative theoretical approach, considering both internal (intra firm) and external (inter firm) approaches and strategies to learning and movement in the value chain.

### **3.2.3 The Specificities and Strategies of DESs**

Developing economies are fertile grounds for offshore outsourcing based on their specific location, low cost, skilled labor, resources, market reforms and agglomeration economies. However, weak legal and regulatory institutions as well as economic, cultural, political, infrastructural, proximity and security issues have sometimes hindered the flow and intensity of offshore outsourcing. In terms of resources and capabilities as late comers on the international stage, DESs have not always obtained competitive advantages (Dawar & Frost, 1999; Khanna & Palepu, 2006).

At the start, DES apparently get into cross-border sourcing ties either by chance, through local supplier/ exporter network referral, government support or entrepreneurial drive. This lead them on to the “stepping stone” in their international endeavor. This can be achieved through DES linkages with foreign firms/MNCs (Dawar & Frost, 1999), either in the host economy (as a local supplier ) or in the international market (as an international supplier). It is, however, not straight forward that MNCs and other foreign firms will move their advanced functions, activities and operations to developing countries.

In order to motivate and attract foreign partners in offshoring ties, evidently DES increasingly seek to exploit and combine their local resources and develop strategies in ways that not only involve the provision of cheap inputs and differentiated offerings but also enable strategic and operational renewal on a continuous basis. Thus, outsourcers often participate and willingly invest in suppliers, and thereby support the strategic development of the outsourcees, as they (the outsourcers) need low cost, differentiated and better quality products from reliable and competent suppliers across borders

(Hansen et al., 2008; Wei & Liu, 2006). Hence, the DESs engagement in original equipment manufacturing and other offshoring ties is not only limited to overcome the inherited constraints, but also has spillover effect on their learning, on knowledge and resource acquisitions, and on their accumulation for future engagements. Accordingly, DESs learn about international markets and international standards, and they gain access to technology, superior skills, latest designs, new product development capabilities etc. to offer high quality products, original equipment and design manufacturing, and the provision of advanced services (Anderson et al., 1994; Mikkola, 2003; Petersen, Handfield, & Ragatz, 2005). Furthermore, such spillover effect may help them move up in the value chain, even to catch-up and in certain cases challenge MNCs and foreign firms (Chittoor & Ray, 2007; Dawar & Frost, 1999; Luo & Tung, 2007; Mudambi, 2008; Mudambi & Venzin, 2010; Tsai & Eisingerich, 2010).

### **3.3 Outsourcee Learning in Offshore Outsourcing**

The literature on strategic alliance management reveals that knowledge acquisition and learning are often the prime drives in alliance formation, and that such motives may have effect on outcomes (Dong & Glaister, 2006; Inkpen & Beamish, 1997; Lyles & Salk, 1996). In this regard, the “relational based view” may be an important theoretical basis, that explains how firms acquire knowledge by learning through mutual exchanges in order to address uncertainties in their business environment (Liu, Ghauri, & Sinkovics, 2010), and to handle incomplete contracts (Baker, Gibbons, & Murphy, 2002).

Similarly, such knowledge acquisition is also seen as the main drive and an important source of competitive advantage according to the resource based view and the knowledge based view (Grant, 1996). Although these theories and the “relational based view” offer valuable insights about how offshore outsourcing ties can be utilized for enhancing DES learning and knowledge acquisition, these views do not offer explanations of how DESs develop and renew themselves. Some scholars have associated the dynamic capabilities (DC) framework with the resource based view in order to better understand the complex and dynamic processes behind resource creation, and also in order to learn how to coordinate, integrate and transform for competitive advantage (Easterby-Smith, Lyles, & Peteraf, 2009; Foss & Foss, 2005; Makadok, 2001; Walter, Lechner, & Kellermanns, 2007). Also, absorptive capacity (AC) can be seen as

a dynamic capability (Zahra & George, 2002) that enables DES to acquire and understand external knowledge and technology and to use it in the future. The absorptive capacity influences DES learning at different levels and appears to be important in the exploitation and acquisition of external knowledge (Szulanski, 1996).

The DES engagement in offshore outsourcing may be motivated by different motives and strategic orientations, ranging from being a subordinate supplier to outsourcers firms to becoming world class firms. Therefore, in the context of absorptive capacity, the strategic orientation of DES is influential in focusing on external knowledge for learning, re-configuration and coordination (Lane, Koka, & Pathak, 2006; Teece, Pisano, & Shuen, 1997).

### **3.3.1 Learning and Knowledge Acquisition**

Knowledge and learning are important and interchangeable dimensions in international business. According to the resource based view, most of the literature considers knowledge as a resource and learning as the capability to acquire this resource (Hsu & Pereira, 2008). Organization learning is defined as “the development of new knowledge or insight that has potential to influence firm behaviors” (Slater & Narver, 1995, p. 63). Some authors also connect organizational learning with a change in behavior (Fiol & Lyles, 1985). Accordingly, Huber (1991, p. 89) observes that “as an entity learns, if through its processing of information, the range of its potential behaviors is changed”.

Organizations can be quite different with respect to organization structure (Fiol & Lyles, 1985), organization culture (Popper & Lipshitz, 2000), strategic orientation (Child & Rodrigues, 2005), entrepreneurship and leadership style (Covin & Slevin, 1989; Vera & Crossan, 2004), ways of interpreting meaning (Daft & Weick, 1984), collective memory (Moorman & Miner, 1998b), and in their ways of using learning (Brown & Duguid, 2001). As such, organizations may show considerable differences in their learning styles. For example, organizations can vary in formality, quest, participation level and systematic approach to learning (Shrivastava, 1983). The similarities and differences between firms are important determinants of the level and types of organizational learning (Lane & Lubatkin, 1998). For instance, information and social interaction with compatible partners can considerably enhance learning (Dutta & Crossan, 2005).

### **3.3.2 Relational Embeddedness Framework**

The “relational embeddedness framework” is valuable in providing basic understanding of how firms facilitate learning and knowledge acquisition through inter-firm interactions, especially in turbulent business environments (Dhanaraj, Lyles, Steensma, & Tihanyi, 2004). According to this framework, firms can embed their commercial transactions in social relationships and connections (Uzzi & Lancaster, 2003). These connections create behavioral expectations that may replace opportunism with trustful cooperative behaviors that form a basis for exchange of information, knowledge transfer, and learning (Arrow, 1998; Liu et al., 2010; Uzzi, 1997, 1999). The social bonds developed through economic exchanges tend to enhance the mutual trust among partners and may even serve as an alternative governing mechanism to formal, arm’s length contacts (Dyer & Singh, 1998; Liu et al., 2010; Uzzi, 1999; Uzzi & Lancaster, 2003). Accordingly, trust based relationships will tend to ease the partners to share both private information and valuable resources (Liu, Li, Tao, & Wang, 2008), including unique opportunities and distinct insights. In addition, social ties can also lead to greater longevity of the relationship and consequently to mode changes (Benito et al., 2013).

### **3.3.3 Relational Capital and Resource Acquisition in Offshore Outsourcing**

Firms from emerging economies come from underdeveloped settings (i.e. in terms of institutional arrangements and market intermediaries etc.) that naturally limit their access to resources and business opportunities (Khanna & Palepu, 1997). As new entrants on the international horizon, these firms are often far behind in developing the resources and capabilities that are needed to achieve competitive advantages at the international stage (Dawar & Frost, 1999; Khanna & Palepu, 2006). Existing research on emerging economies in general, and specifically on DES’s in offshore outsourcing, is concerned with the search for resources and critical assets, such as technological knowhow, managerial and marketing skills, foreign market knowledge and R&D capabilities (Hansen et al., 2008; Jensen, 2009; Kim, 1980; Li, Wei, et al., 2010; Uhlenbruck, Meyer, & Hitt, 2003).

MNCs and firms from developed economies possess such resources and some superior processes (Dawar & Frost, 1999; Guillén, 2000), and their offshoring ties will directly

or indirectly grant the DESs/outsourcees access to critical skills, competencies and learning opportunities that may ultimately lead to competitive advantages (Alcacer & Oxley, 2014; Bonaglia, Goldstein, & Mathews, 2007; Doh, 2005; Ernst, 2000; Grant & Baden-Fuller, 2004; Li, Wei, et al., 2010; Mathews, 2006; Powell, Koput, & Smith-Doerr, 1996; Simonin, 1997; Soekijad & Andriessen, 2003).

DESs may learn about and/or acquire such resources through their interactions with outsourcing partners in ways that are not possible through open market exchanges (Nonaka, 1994). However, certain difficulties come into play as the firms from developed economies are often reluctant to share their critical resources with DESs, both because of their lower competence level (Grant, 1996), but also because of the danger of misappropriation (Alcacer & Oxley, 2014; Hitt, Ahlstrom, Dacin, Levitas, & Svobodina, 2004). In addition to weak institutional settings, the poor protection of intellectual property rights in many developing economies may further deteriorate the sharing process (Mesquita, Anand, & Brush, 2008). In such a scenario, the DESs can leverage the relational ties with specific outsourcers in order to facilitate knowledge and resource acquisition (Yli-Renko, Autio, & Sapienza, 2001).

Furthermore, based on such relations, they may improve and extend their ties to existing partner(s) and develop new contacts for knowledge sharing and for developing future business. Basically, knowledge acquisition can be considered as a social process (Kogut & Zander, 1992). The advantages resulting from such a relationship is called “relational capital”. Such relational capital is vital for DESs in order to access additional knowledge and resources (Dhanaraj et al., 2004; Van Gils & Zwart, 2004) and accumulate it over time.

The relational capital in offshore outsourcing may represent a form of “relational rent” (i.e. value generation) to both outsourcer and outsourcee in mutual exchanges and cannot be developed in isolation (Dyer & Singh, 1998). Relational capital is a resource that is created through social interactions (Dyer & Singh, 1998; Wathne & Heide, 2004) that accompany, and to some extent govern the economic transactions among the partners (Uzzi & Lancaster, 2003).

The essence of the relational embedded approach is that the firms extend their ties beyond economic transactions and gradually come to share private resources with those that they trust and with whom they develop a common set of values (Kale, Singh, & Perlmutter, 2000; Rogan, 2013; Ulaga, 2003; Uzzi, 1999; Uzzi & Lancaster, 2003). In offshore outsourcing, the outsourcers may gradually lose the ownership of the



production to the outsourcees. In such situations trust remains vital. As the level of the outsourcer's trust in the outsourcee grows, the outsourcer becomes more willing to give more business and share more information over time. Consequently, the outsourcee has the opportunity to learn more from this relation. Therefore, mutual trust, openness and frequent interactions are vital for learning, knowledge transfer, and resource acquisitions.

Trust has remained as a central theme in inter-firm relationship in many studies across different fields (Liu et al., 2008; MacDuffie, 2011; Madhok, 2006; Poppo, Zhou, & Li, 2015; Schilke & Cook, 2013). In economic exchanges, trust refers to the belief in honest efforts by parties through commitment, investment and willingness to be vulnerable to the actions of others (Doney & Cannon, 1997; Mayer, Davis, & Schoorman, 1995; Schoorman, Mayer, & Davis, 2007; Wu, Sinkovics, Cavusgil, & Roath, 2007). Trust exists at macro (international), mezzo (inter-organizational) and micro (individual and organization) levels (Das & Teng, 2001b; Gulati & Nickerson, 2008; McAllister, 1995). Inter-organizational trust remains the “fundamental relationship building block” (Wilson, 1995a, p. 337) in cooperative ties, and can be seen as a fundamental ingredients in the recipe of success (Aulakh, Kotabe, & Sahay, 1996).

Two main dimensions of trust can be mentioned; competence trust and goodwill trust (Das & Teng, 2001a; Das & Teng, 2001b; Sako & Helper, 1998). Competence trust refers to “the expectation of technically competent role performance” (Barber, 1983, p. 14). In offshore outsourcing, competence trust depends on the degree to which one party (outsourcer) believes that its partner (DES) has the required competences and expertise to undertake a specific job successfully (Das & Teng, 2001a; Das & Teng, 2001b; Ganesan, 1994). Goodwill trust, on the other hand, has been defined as “the expectation that some others in our social relationship have moral obligations and responsibility to demonstrate a special concern for others' interests above their own” (Barber, 1983, p. 14).

Most studies treat trust as both an antecedent and an influencer of relationship development (Anderson & Weitz, 1989; Anderson & Narus, 1990), while other takes the view that an established relationship can influence trust (Gulati, 1995). An interesting question arises as to what extent initial competence trust can lead to further competence and greater goodwill trust over time? Once the relationship is initiated, and the DES and the outsourcer start interacting, the level of competence trust and goodwill trust may be enhanced. The inter-firm trust in offshore outsourcing implies that an

exchange partner's (Outsourcer's/Outsourcee's) expectation that the other partner (Outsourcee/Outsourcing) may be relied upon to behave as expected and act fairly for mutual gains (Doney & Cannon, 1997; Zaheer, McEvily, & Perrone, 1998). Such trust leads to positive perceptions about stability, solidarity, and mutual coordination that reduce relational risks, while facilitating learning and knowledge acquisitions. The results of previous empirical studies affirm such claims, that different types and levels of trust are associated with reduced cost and risks, facilitate learning and knowledge transfer, and improved performance over a period of time (Gulati & Nickerson, 2008; Leana & Barry, 2000; Li, Poppo, & Zhou, 2010; Li, Wei, et al., 2010; Liu et al., 2008; Oxley & Sampson, 2004; Poppo et al., 2015; Ulaga & Eggert, 2006; Zaheer et al., 1998).

In vertical governance modes, such as offshore outsourcing, the duration and type of a relationship can vary from a single transaction to repeated, cooperative, and long-term relational ties. The nature of sourcing ties for strategic and non-strategic purposes also varies. Existing literature has mentioned that strong ties can be a strategic mechanism for firms using inter-firm exchanges (Kotabe, Martin, & Domoto, 2003), and a source of strategic resources (Das & Teng, 2000) and competitive advantages (Afuah, 2000; Ulaga & Eggert, 2006).

The literature has widely explained the role of cooperation and trust in long-term relationships, but has also considered it to be ineffective in arm's length relationships. In transactional and arm's length relationships, the interaction and exchange of information between firms is limited and the knowledge base remains limited to partners (Squire, Cousins, & Brown, 2009).

In the context of strategic or transformational outsourcing, it is important to note that the outsourcers and outsourcees cooperate, whether the relation is long-term or short-term (for a season or one-time transaction). In such ties, the outsourcers and outsourcees interact closely, cooperate, and share information on a continuous basis, with an open-door policy, in order to achieve the desired end results. The outsourcers need products, processes and services of required standards at a specific price at a particular time (Wei & Liu, 2006), while the outsourcees need continuation in their business, and they need learning through working together and meeting the required specifications of outsourcers. In this regard, only close and cooperative ties – even in an otherwise arm's length relationship – can benefit both parties (Möller, 2006) for mutual value.

In short-term ties, the exchange partners cooperate in a rational forward-looking manner that is referred to as “calculative trust” (Ferriani, Fonti, & Corrado, 2012; Poppo et al., 2015). The calculative trust depends on the costs, benefits, and relative value associated with either cheating or cooperation (Lewicki, Tomlinson, & Gillespie, 2006). When the calculative trust is high, the parties prefer cooperation to achieve performance targets, rather than the imposition of penalties and termination. This supports the expected payoff of rewards over penalties and regulates exchanges with cooperation (Parkhe, 1993). In this regard, the outsourcers cooperate to get the desired products and services, and work with reliable suppliers. On the other hand, outsourcees may prefer to cooperate in order to obtain longevity in cross border business, and to develop continuous learning opportunities and signaling to potential clients.

### **3.3.4 Relationship Types/Length, Trust and Resource Support**

Earlier studies have mentioned that sourcing ties normally start with a relatively simple task which is often transactional in nature; as the relationship matures over time, partners engage in more complex and innovative projects (Asanuma, 1985; Benito et al., 2013; Jensen, 2009, 2012). The frequent interaction between the DES and outsourcer accumulates experience, develops expectations, and forms mutual values that shape and guide their working pattern (Bercovitz, Jap, & Nickerson, 2006; Squire et al., 2009). Based on the social exchange view, the increase in duration of partnership leads to outsourcers’ trust in DES, as a long-term relationship enables them (DES) to judge and adjust with the partners needs and specifications (Anderson & Weitz, 1989). Relational trust arises when the DES start to act according to the expectations and preferences of the outsourcer, and vice versa (Lewicki et al., 2006). Embeddedness and trust become the dominant modes of control (Liu et al., 2010; Squire et al., 2009; Zaheer et al., 1998) that reduce the adversities of private knowledge and misappropriation of resources (Dhanaraj et al., 2004). Furthermore, trust enhances openness, and the process of sharing crucial information (Inkpen, 2000) among outsourcers and DESs leads to mutual developments (Das & Teng, 1998), and learning (Hamel, 1991).

The relationship duration enhances the social aspects that motivate partners to share their private information and resources (Dhanaraj et al., 2004; Uzzi & Lancaster, 2003). Over time, the familiarity of DESs and outsourcers enhances trustworthiness (Barney &

Hansen, 1994; Schilke & Cook, 2015), which makes it easier to identify and develop a collective atmosphere and build relationship-specific assets that promote inter-firm learning and knowledge transfer (Kotabe et al., 2003). Similarly, the long-term relationship can also enhance the outsourcer's trust in the competences of the DES (Anderson & Weitz, 1989).

The DES's previous interactions, dealings, and successful completion of orders/projects lead to enhanced competence trust. Experienced DES learn to protect proprietary knowledge and the business secrets of their customers and sourcing partners, is enhanced trust and facilitates the knowledge-diffusion mechanism (Cavusgil, Calantone, & Zhao, 2003). Compliance with the required standards and agreed upon supply deadlines, enhance the outsourcer's trust in- and reliance on DES (Chua, Ingram, & Morris, 2008). In return, the outsourcers share knowledge and support the DES in both upstream and downstream operations. Hence, the relationship duration and contents may impact the absorptive capacity of the DES through the development of shared understanding.

Therefore, both the economic and social relational aspects shape and are considered to be antecedents of the multiplex ties (Ferriani et al., 2012). Multiplexity is referred to as the number of relations in a single relation, and the dimensions that shape relations and the contents of the relationship (Ferriani et al., 2012). As mentioned earlier, a single or uniplex relationship plays a vital role in shaping a multiplex relationship (Ferriani et al., 2012) in offshore outsourcing. The uniplex relationship in most of the offshore outsourcing ties takes the shape of economic transactions (placing order by outsourcer) that can lead to multiplex ties and social relationships over time. For instance, previous studies have mentioned that economic interests are vital in shaping the social relationships (Argote, Ingram, Levine, & Moreland, 2000) and bonds of cohesion (Kuwabara, 2011). Economic or short-term transactions entail two dimensions that motivate multiplex ties, namely relational proximity and redundancy. The relational proximity is based on the notion that business transactions have the incentives to develop mutual business opportunities in a fair manner for future engagements. Redundancy refers to the tendency to build new relationships upon the end of previous ones in order to obtain stability and longevity in business (Lomi & Pattison, 2006). In contrast, the social interaction contains mainly the accumulation of information and control mechanisms (trust and relational aspects) that enhance the reliability and trustworthiness of partners, which in turn leads to multiplexity (Ferriani et al., 2012; Gulati & Gargiulo, 1999; Uzzi, 1996).

The multiplex relation (either transactional, relational or a combination of both) may be vital in creating resource support for the partners (Tuli, Bharadwaj, & Kohli, 2010) engaged in offshore outsourcing, and especially for the DES. Therefore, it is not surprising that outsourcers, particularly from developed economies, engage and further extend their sourcing ties in highly advanced, technological, R&D, and innovative co-developed and co-produced products, processes, and services (Kotabe et al., 2003). Such relationships are important for building long-term relationships with key suppliers and supplier development (Narayandas & Rangan, 2004a; Ulaga & Eggert, 2006).

### **3.3.5 Resource-Based View, Dynamic Capability, and Absorptive Capacity**

The resource-based view (RBV) considers a firm's specific resources and capabilities as the main source of competitive advantages and better performance (Barney, 1991; Peteraf, 1993). Resources are the stock and collection of assets and capabilities that are semi-permanently linked with organizations. Such resources guarantee superior performance and competitive advantage if and only if they are valuable, inimitable, rare, and non-substitutable (Barney, 1991).

Studies on inter-firm learning show that competitive advantages are derived not only from the individual firm's resources (Bertrand, 2011; Eisenhardt & Schoonhoven, 1996), but also from difficult-to-imitate capabilities embedded in relationships with others (Dyer & Singh, 1998; Mesquita et al., 2008). In this regard, competitive advantage is derived from a firm's superior capabilities as well as from transferring and creating knowledge in a relationship (Foss & Foss, 2005). In order to acquire knowledge and keep the string of relationship with foreign firms (outsourcers), DES not only build relation-specific assets and knowledge-sharing routines (Yli-Renko et al., 2001), but also combinative capabilities. These capabilities allow DES to both exploit and explore rent-generating resources, shape future competencies, and generate competitive advantage through effectively integrating and coordinating resources, and further disseminating them across the firm in a dynamic manner.

Dynamic capabilities of the firm stems from their ability to integrate, build, and redeploy internal and external competences to address changes in the business environment (Eisenhardt & Martin, 2000; Teece, 2007), and have been defined as “ the capacity of an organization to purposefully create, extend, and modify its resource

bases” (Helfat, 2007, p. 1). The dynamic capabilities are identifiable (and thus not implied), and they derive from firm-specific processes that contribute in product development, resources-transferring processes, knowledge creation, strategic decision, and alliance formation (Eisenhardt & Martin, 2000). The dynamic capabilities represent firm-specific routines and strategic orientations that may not only allow firms to overcome their inherited resource limitations and constraints (Easterby-Smith, Lyles, & Peteraf, 2009), and respond to changes (Teece et al., 1997), but also drive them towards organizational change (Eisenhardt & Martin, 2000; Zott, 2003) on a continuous basis.

Accordingly, DESs foster dynamic capabilities that can enable them to develop compatible processes and systems to correspond with their needs and further enhance their abilities to acquire knowledge and support from sourcing partners, and can help them integrate, build, and reconfigure the resources to develop competencies. The development of such capabilities can lead to innovative offerings that meet the market demands and can enhance longevity in existing sourcing ties as well as develop new business.

Absorptive capacity is a form of dynamic capability (Zahra & George, 2002) that permits firms to understand the relevant technology or knowledge to predict its future use. Further, absorptive capacity enhances firms’ ability to accumulate related knowledge components that allow them to evaluate and exploit resources for future developments. It refers to the firm-specific routines through which they acquire, assimilate, transform, and exploit knowledge (Zahra & George, 2002). It has vital effects on the level of organizational learning, as in its absence firms simply lose their ability to exploit external knowledge (Szulanski, 1996). According to absorptive capacity theory, the strategic orientation of a firm is vital in shaping which areas and aspects of knowledge are valuable and should be assimilated and applied (Lane et al., 2006).

Strategic orientation is an umbrella term referring to firm-specific processes, practices, and decision-making patterns (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005) that shape firms’ operations in a dynamic manner; it helps firms to guide and execute their operations according to strategic intent (Atuahene-Gima & Ko, 2001), shape knowledge-acquisition routines and execution, and respond to the market needs (Lane et al., 2006). The DES’s strategic orientation serves a double role: (1) DES actively builds relationships with sourcing partners and market actors to acquire knowledge and resources, (2) while also actively re-configure and integrate the acquired resources

internally, in a dynamic way. This helps to its involvement in value-added offerings and operations.

### **3.3.6 Strategic Orientation, Knowledge Acquisition and Value-Chain Movement**

Operating under conditions of limited knowledge and resources, underdeveloped infrastructure, and weak institutional settings lead DESs to initially build low value-added, homogeneous, and low-cost competencies as a source of competitive advantages. Such competencies and processes can only guarantee DESs a minor share of business (Ulaga & Eggert, 2006) or just help them to get integrated in the global production network (Kotabe, 1998) on a temporary basis.

However, cost efficiency is no longer a sole driver (Kedia & Lahiri, 2007), as reliance on cost competences may hamper firms' innovative capabilities in providing unique (Gao, Murray, Kotabe, & Lu, 2010) and value-added offerings. Furthermore, such reliance deteriorates the future competitiveness of a firm. Product and price have not generally been important differentiators, but searching new ways and improved behaviors capabilities are important in differentiation and value creation on a continuous basis (Lewin & Couto, 2007; Möller, 2006; Ulaga & Eggert, 2006; Vandenbosch & Dawar, 2002).

Besides active involvement in offshore outsourcing and resource support from outsourcers, DESs need firms-specific orientations and capabilities (Sundbo, 1997) to mitigate the competencies and knowledge gaps as well as to enhance their abilities to offer unique and innovative products (Gao et al., 2010) and services (Gebauer, Gustafsson, & Witell, 2011) at low costs (Kothari, Kotabe, & Murphy, 2013). The deliberate involvement in both exploitative and explorative orientations can enhance DESs' ability to acquire, absorb, accumulate and disseminate knowledge internally (Lane et al., 2006) to create, extend, and modify its resources (Helfat, 2007) and offerings.

The strategic orientation helps DESs to focus on resources, capabilities, and main competencies (Wernerfelt, 1985) to fine-tune their operations according to their strategic intent (Atuahene-Gima & Ko, 2001) and to guide their quest for knowledge acquisition, application, and reaction to the changing business environment (Al-Ansaari,

Bederr, & Chen, 2015; Lane et al., 2006; Neu & Brown, 2005). This motivates DESs to nurture an organizational culture and competences that can successfully meet the specifications for innovative OEM, ODM, and related services. Furthermore, strategic orientation enhances their ability to operate independently, change their operational modes, and assists with organizational renewal and development, and even outward FDI (Benito et al., 2013; Kotabe, Dunlap-Hinkler, Parente, & Mishra, 2007; Luo & Tung, 2007; Zhou, Yim, & Tse, 2005). In general, strategic orientation includes market (Kohli & Jaworski, 1990), entrepreneurial (Lumpkin & Dess, 1996), technological (Gatignon & Xuereb, 1997), alliance (Batonda & Perry, 2003; Kandemir, Yaprak, & Cavusgil, 2006), and other evolving orientations.

*Market orientation (MO)* refers to customer-centric processes, operations, and the decision-making style of a firm to respond to markets and meet customers' needs better than competitors in a given time (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990; Sinkula, Baker, & Noordewier, 1997). In offshore outsourcing, the market oriented DES focuses on outsourcer's centric operations to meet their dynamic demands and/or quickly respond to the changes in overall market standards. The market oriented DES not only sees outsourcing collaboration as a part of its marketing strategy (that is, access to international markets), but also as a springboard for learning and movement in the value chain. Therefore, in offshore outsourcing, the acquisition of resources and knowledge is motivated by both the requirements of outsourcers and DESs' deliberate intent for movement in the value-added operations. In order to meet the customized and complex customer needs (Gebauer et al., 2011), cope with the competition (Li, Wei, et al., 2010), and react to the fast changes in the market, DESs needs not only close support from its sourcing partners, but it also needs active investments in technological, managerial, and marketing resources. Thus, the market orientation motivates DESs to invest in resources and capabilities in a dynamic manner to acquire, adapt, and internalize new knowledge and competences (Child & Rodrigues, 2005; Hurley & Hult, 1998). This updates and enhances their knowledge base regarding the latest market developments in order to design, develop, and manufacture new products and services, and engage in innovative processes (Berkhout, Hartmann, & Trott, 2010; Hurley & Hult, 1998), which may lead to an overall improvement of the competitive advantage of DESs (Henard & Szymanski, 2001).

*Entrepreneurial orientation (EO)* reflects the firm's eagerness to disrupt the tried-and-true philosophy (Wiklund & Shepherd, 2003) and follow "new market opportunities and the renewal of existing areas of operations" (Hult & Ketchen, 2001, p. 901).



Entrepreneurial orientation is a mechanism that stimulates innovativeness, proactiveness, and risk-taking behavior (Covin & Slevin, 1989, 1991). Innovativeness is the tendency to support new ideas and changes (Lumpkin & Dess, 1996; Rauch, Wiklund, Lumpkin, & Frese, 2009); it enhances creativity and experimentation in developing new products/services, technology and techniques, adaptation, and internal processes/systems (Baker & Sinkula, 2009; Li, Wei, et al., 2010). Proactiveness is a forward-looking and opportunity-seeking motivation to anticipate and embark on future changes in the market and introduce new techniques, processes, services, and products (Ahuja & Lampert, 2001; Baker & Sinkula, 2009; Li, Wei, et al., 2010). Risk-taking is the ability to tolerate risk and participate in projects with uncertain outcomes (Ahuja & Lampert, 2001; Baker & Sinkula, 2009; Lumpkin & Dess, 1996).

In the case of DESs, the entrepreneurial orientation encourages both learning by exploration and exploitation/experimentation (Gebauer et al., 2011; Lisboa, Skarmas, & Lages, 2011). The main purpose of DESs involvement in explorative and exploitative experimentation is to improve their competitive advantage, while following the customer-/market-centric philosophy to meet their latent needs (Hamel, 1991; Shah, Rust, Parasuraman, Staelin, & Day, 2006). Offshore outsourcing can serve as a springboard for DESs, as it help them to gain access to international markets as well as to obtain up-to-date international knowledge (Luo & Tung, 2007). DESs involved in customized original equipment manufacturing (OEM) and original design manufacturing (ODM) need to stay closer to their customers (Kohli & Jaworski, 1990; Sheth & Parvatiyar, 1995), receive more support, lead the co-creation of knowledge, co-design new products, processes, and services (Gebauer et al., 2011), and achieve better performance (Hult, Hurley, & Knight, 2004).

In addition to customer support, DESs find new and dynamic ways to overcome their critical bottlenecks (Mathews, 2002) (such as lack of international experience, managerial and professional expertise, technological and innovative capabilities, etc.) to work with new technologies and create value (Ulaga & Eggert, 2006). The entrepreneurial oriented DESs actively engage and invest in resources and capabilities to reduce their latecomer disadvantage at the global stage, and connect their resources, knowledge, and competencies for the development of value-added products, processes, and services (Hurley & Hult, 1998). This stimulate them to acquire innovative capabilities and renew existing competences that can foster their abilities to meet the complex international demands for innovative products, advanced processes, services, and/ or the ability to create new business (Lumpkin & Dess, 1996).

*Technological orientation (TO)* is defined as the firm's "ability and will to acquire a considerable technological background and use it in the development of new product" (Gatignon & Xuereb, 1997, p. 78). It refers to the frequent acquisition and engagement of an organization with new technologies (Sainio, Ritala, & Hurmelinna-Laukkanen, 2012). A technologically oriented DESs devotes resources and invests in R&D and design, and uses sophisticated technologies and systems (Voss & Voss, 2000) in order to develop innovative products, value-added processes, services, and new solutions according to international market needs (Gao, Zhou, & Yim, 2007; Liu, Ke, Wei, & Hua, 2013). Technology-oriented DESs employ technology as a source of competitive advantage to enhance their capacity to differentiate themselves through innovative and high-value offerings as well as to explore new business opportunities (Frambach, Prabhu, & Verhallen, 2003; Hamel & Prahalad, 1994). Integrating both customer value and technological innovation leads to a continuous stream of high value-added offerings, above-average returns, and overall better performance (Batra, Sharma, Dixit, Vohra, & Gupta, 2015; Gatignon & Xuereb, 1997).

*Alliance orientation (AO)* refers to the strategic choice of firms to collaborate with others (Alexiev, Volberda, & Van den Bosch, 2016) in the development and commercialization of innovative products, processes, and services (Ahuja, 2000; Yli-Renko et al., 2001). Strategic ties and collaborations with market players are vital in acquiring knowledge, technology, and expertise, as well as developing production, market capabilities, and industry networking, while sharing costs and risks (Baker, Grinstein, & Harmancioglu, 2015; Kotabe, Jiang, & Murray, 2014). Accordingly, firms can enhance their overall innovativeness and innovation in the value chain through strategic alliances. The lack of resources (Baum, Li, & Usher, 2000) has caused DESs to engage in different types of strategic alliances in order to gain access to market information, resources, the latest techniques/methods and technologies, thus mitigate their competencies and knowledge gaps to be able to work in international markets (Ireland, Hitt, & Vaidyanath, 2002; Wilson, Perepelkin, Di Zhang, & Vachon, 2014). Alliance-oriented DESs proactively form alliances with suppliers, customers, and important market players to gain access to resources, capabilities, and markets (Petzer, De Meyer, Svensson, & Johanna de Villiers-Scheepers, 2012). Accordingly, alliances can enhance their ability to address turbulence in the business environment, market alienation, and competitive intensity (Alexiev et al., 2016).

### **3.4 Conceptualizing DES's Learning Domains, Ways, and Reasons**

In order to establish a basis for a potential effect of offshore outsourcing on DESs' learning and movement in the value chain, an attempt has been made towards identifying key dimensions related to learning domains, specific ways, main motivations, and their overall effect on DESs' developments (that is, movement in the value chain). The strategic intents and dynamic capabilities (both exploitive and explorative) of DESs could explain their learning, specific ways, main motivations, and overall developments.

As mentioned earlier, DESs are different from their developed-economy counterparts, both in weaknesses and strengths. DESs did not initially develop the necessary resources and capabilities needed for competitive advantages. The literature has mentioned DESs with several challenges related to financial resources, advanced technologies, managerial capabilities, R&D capabilities, global brands, and others (Hitt et al., 2004; Khanna & Palepu, 2006; Tsai & Eisingerich, 2010; West-III & DeCastro, 2001) needed to compete in international markets and move up in the value chain. Furthermore, under-developed institutions and market infrastructure further restrict their access to resources. In such a scenario, what are the main tactics and strategies that DESs have employed in order to get involved in value-added operations and move up in the value chain?

The literature mentions different strategy typologies and taxonomies at a generic level (Doty & Glick, 1994; Porter, 1998). Several attempts have been made to develop specific conceptual models that explicitly focus on firms in developing economies (Craig & Douglas, 1997; Dawar & Frost, 1999; Khanna & Palepu, 2006), mostly focusing on survival strategies, such as defensive or dodger strategies staying at the lower end of the value chain, or partnering with international firms. Similarly, Khanna & Palepu (2006), Chittoor & Ray (2007), Tsai & Eisingerich (2010), and Chittoor et.al., (2009) explicitly mentioned how the competitive strategies of emerging economies firms drive them in value-added operations at the international level.

Most of these frameworks converge on the view that DESs should find it challenging to develop resources and capabilities on their own, that would allow them to move to high value-added activities at the international stage and compete in demanding foreign markets. Therefore, the main strategy of DESs would be to exploit locally available resources or developed proprietary advantages, as well as to rapidly explore and acquire resources and capabilities to offer, add value-added products/services and move up in

the value chain. (Danneels, 2002; March, 1991; O'Reilly & Tushman, 2008; Raisch, Birkinshaw, Probst, & Tushman, 2009)

Kotabe & Mol (2009) mentioned that firms may either welcome others to their home, and /or they may go abroad to address their deficiencies and gain access to resources, market knowledge, and best practices. Based on their inherent deficiencies, DESs' outsourcing strategy/sourcing ties might be one of the most effective ways to obtain the necessary knowledge and resources for development. The strategic intents and dynamic capabilities (both exploitive and explorative) of DESs could explain their learning, specific ways of learning, main motivations for learning and overall developments (movement in value chain), including the following: target market; product/service strategies; entry mode (involvement in value addition and foreign markets); mode and intensity of expansion; R&D and innovation tendencies; production/system competences; and top-management support.

Overall, the relevant studies on firms from emerging economies consistently suggest a number of learning domains, ways, and reasons to exploit the competitive advantage as well as to address their competitive disadvantages for future development.

### **3.4.1 Learning Domains**

The term "learning domain" in this study refers to the adoption, knowledge acquisition, learning, and change in overall behavior of DESs or their subunit(s) over time, while engaging in outsourcing ties. Past research in the context of emerging economies has explicitly identified managerial, technological, marketing, critical assets and resources as key areas of concern for DESs (Hansen et al., 2008; Jensen, 2009; Kim, 1980; Li, Wei, et al., 2010; Uhlenbruck et al., 2003).

The learning, knowledge acquisition and capabilities development of firms in emerging economies are associated with the search for technological know-how (Young, Huang, & McDermott, 1996), product-related knowledge (Hitt, Bierman, Uhlenbruck, & Shimizu, 2006), new product development, design and R&D (Petersen et al., 2005), market relationships (Jensen, 2009), branding (Jensen, 2009), innovation (Kotabe et al., 2007; Salomon & Jin, 2010), international standards (Kang, Mahoney, & Tan, 2009),

market knowledge (García, Avella, & Fernández, 2012), and others. All the aforementioned are different “learning domains” that are examined in the present study.

### **3.4.2 Learning Ways**

‘Learning ways’ refers to idiosyncratic modes and channels through which DESs or their subunit(s) acquire and disseminate knowledge about a specific aspect/ area, as captured by the learning domains.

Generally, firms in developing economies will face low availability of financial resources and advanced knowledge locally. They are fundamentally different from their counterparts in developed economies, both in strengths and weaknesses (West-III & DeCastro, 2001). Therefore, these companies have historically given low attention to R&D and innovation, and consequentially have weaker technological capabilities. Armed with dynamic capabilities and strategic orientations, some DESs may adopt exploitative and explorative routes to deliberately acquire, adopt, create, and modify their resource base (Helfat, 2007), which can help them to develop superior capabilities and move up in value chain.

Existing research regarding emerging economies has generally identified different learning ways and dynamic capabilities, including CEO and top management support (Lisboa et al., 2011; Wiklund & Shepherd, 2003; Zhou et al., 2005); investment in machines (Chittoor et al., 2009; Malik & Kotabe, 2009; Tsai & Eisingerich, 2010); mergers and acquisition (Chittoor & Ray, 2007; Gubbi, Aulakh, Ray, Sarkar, & Chittoor, 2010); reverse engineering (Malik & Kotabe, 2009); imitation and emulation (Jiatao & Kozhikode, 2008; Luo, Sun, & Wang, 2011; Shenkar, 2009); customer specifications (Lamin & Dunlap, 2011); outsourcing ties (Hansen et al., 2008; Jensen, 2009; Yakhlef, 2009); product partnership (Prahalad, 2005); investment and involvement in R&D (Chittoor & Ray, 2007; Tsai & Eisingerich, 2010); marketing and sales (Jensen, 2009; Young et al., 1996); manufacturing flexibility (Malik & Kotabe, 2009); investments in new technologies (Svetličič & Rojec, 1994); alliances (Li et al., 2008; Liu et al., 2010; Tsang, 2002); and learning by doing, supplying, and exporting (Alcacer & Oxley, 2014; Chu, 2009; Tsang, 2002).

The present study will explore how these different learning ways influence DESs' development and movements in the value chain.

### **3.4.3 Main Reasons for Learning**

The term “main reasons” in the present study refers to the main motivations for the DESs to learn in a specific domain through a specific channel or “learning way”. These reasons are related to both upstream and downstream movement in the value chain.

The main motivations for both outsourcers and outsourcees to engage in offshore outsourcing ties generally include the following: resource seeking, market seeking, efficiency seeking, technologies/competences seeking, strategic assets seeking, and corporate transformation, among others.

As mentioned earlier, firms from emerging economies are different from their counterparts in developed economies with regard to resources, capabilities, and ways of obtaining resources and knowledge, and thus they also differ in their main motivations for future development. Due to underdeveloped strategic resources, firms from developing economies face challenges in acquiring resources such as market, finance, technology, and managerial capabilities. Overcoming such resource constraints is a pre-condition for a transformation towards value-added operations and for being globally competitive. Hence, access to these resources can place DESs in the endogenous process of learning and acquiring new capabilities and know-how for high value-added offerings according to internationally demanded standards. Such accesses and learning involvements can move DESs up the ladder in the catch-up process.

Previous studies on emerging economies have identified the following motivations: improve overall performance and competitiveness (Gubbi et al., 2010; Malik & Kotabe, 2009); innovation (Li et al., 2008); market seeking (Andreff, 2002; Jensen, 2009); capability seeking (Tsang, 2002); knowledge seeking (Li, Wei, et al., 2010); strategic assets and options (Luo & Tung, 2007; Mathews, 2006); organizational changes and strategic transformation (Chittoor et al., 2009; Gubbi et al., 2010); internationalization (Gubbi et al., 2010); competitiveness (Li, Wei, et al., 2010); branding (Chu, 2009); access to technology (Chittoor & Ray, 2007; Chittoor et al., 2009); and others. In the present study, all such relevant motivations will be explored.

### 3.4.4 Initial Development of DESs Typology

A combination of the related learning domains, ways, main motivations and overall strategic intent could explain different paths and developments as initial typologies. For the purpose of the present study, this study may identify a few main company types with their specific strategic orientations in addition to their offshore outsourcing ties. The different types of companies may also be seen as representatives of various stages and developments in internationalization process and on their way to becoming global actors. As we shall see, however, this does not mean that all firms will go through all stages on their way to developments. The typologies are based on nature of offerings, type of customers, nature of relationship with customers and market actors, focus on markets, entry mode, R&D and innovation intensity, marketing intensity, intensity of expansion.

*Traditional Actors (TAs):* These firms historically and typically focus on conventional narrow lines of low value-added products, processes, and services that are limited to their local market. TA exploits comparative endowment factors such as cheap raw materials, labor, and conventional production systems. This type of actor also tends to stay in isolation, with no or very limited international exposure and involvement; additionally, they do what others have been doing for decades in the local market, with limited or no involvement in R&D-related activities.

*Experimental Outsourcees (EOs):* The EOs are at a stage where they are yet not committed to an internationalization strategy, international operations and markets but they started and are open for selling products and services across borders with certain value-added aspects to gain experience and benefits. This extension may be a response (active/passive) to customer specifications, changes in markets and/or marginally treating international business as part of their business. EOs allocate some resources and a small portion of production capacity to foreign orders, and undertake international sales on an experimental basis. This type of actor has no or very limited investments or engagements in R&D-related activities. Although EOs establish contact with one or more foreign clients, most of their operations are concentrated in local markets. They remain in low-medium value-added operations, as they offer low-medium value, standardized products and services, and OEM as per customer demand. In general, EOs build their capabilities on location-specific advantages, such as availability of cheap inputs, processes, and labor, leading to low-cost advantages.

*Active Outsourcees (AOs):* In addition to having low-cost manufacturing and processing capabilities through exploitation of local resources, AOs actively seek to explore new opportunities. This type of actor is committed to invest resources to extend their ties with existing sourcing partners and/or search for new customers and markets across borders. They formally establish sales and marketing offices (both locally and across borders) to engage in proper sales and marketing activities. They invest in new machines, processes, and R&D-related activities, and acquire experts to obtain the required competencies to meet the latest demands. In relation to its conscious efforts to remain in manufacturing and supplier relations with international clients and move into international markets, AO obtained certain international certifications. Similarly, AOs formulate product strategies related to a specific range of products and designs for both local and international markets.

*Explorers (EXPs):* In addition to exploitation of local low-cost capabilities, Explorers are characterized by exploration and innovation to acquire new capabilities so as to extend their operations and offerings in value-added segments in regional and international markets. They adopt a proactive approach towards value addition and explicitly engage in long-term relations with specific customers and sourcing partners in different markets and regions. EXPs intensify investments in the latest machines, equipment, processes, and R&D/RE, and acquire experts to introduce the latest developments in their operations that are necessary for innovative offerings (such as promotional collections or OEM, ODM), designs, and services according to international standards. In addition, EXPs establish close ties with sourcing partners and leading market actors in different areas in order to obtain the required competencies in the production of a vast range of high-end products, quality processes, innovative services, and related operations. Through these involvements, EXPs explore new avenues and make their way into value-added operations in both local and international markets. In addition to their active involvement in knowledge intensive and specialized contractual manufacturing (that is, OEM, ODM) the EXPs further explore new opportunities in marketing and sales of their own products under registered names and logos.

*Partner/Competitors (PARs):* Partners are aspiring to emerge as truly international firms, with about 80 percent of sales revenue coming from international business and exports. Their strategic focus and customer-centric philosophy require them to invest and acquire a solid foundation in all-round capabilities: R&D/ reverse engineering (RE) in developing new product concepts, designs and developments, innovative services,



international presence, marketing, sales, and distribution capability. Further, PARs establish close ties with market-leading actors to know about the latest market trends, and they seek help in designing and developing innovative concepts, products, processes, designs, services, and marketing. Furthermore, PARs strengthen their production, design, and R&D capabilities through their involvement in offshore production facilities and in design and R&D centers. Besides, specialized expertise in knowledge-intensive manufacturing (that is, OEM, ODM), Partners develop and market their own concepts and offerings under registered logos (OBM) as promotional tools through significant process skills and R&D/reverse engineering capabilities. Additionally, they actively participate in providing design and pattern development services to world-leading names. PARs may also use international acquisitions, focus on niche segments, and ethno-branding strategies in order to be able to pursue branding and marketing activities through their own supply chains, outlets, sales, and marketing networks to enhance overall growth. These capabilities enhance Partners' ability to compete with MNCs in specific product categories in local, regional, and international markets.

*Emerging Global Challengers (EGCs):* Comparatively, EGCs are more advanced than PARs in their operations and market selection. Emerging Global Challengers adopt proactive and explorative routes for expansion, both upstream and downstream, and they focus on high value-added operations. They acquire experts and invest in state-of-the-art machines, systems, marketing, operational capabilities (such as supply chain, sales and distribution, outlets, etc.), product development, and R&D facilities. They may also engage in international acquisitions, offshore production, offshore design and R&D facilities, and certified integrated manufacturing in order to strengthen their abilities to develop innovative collections, patents, and brands. They also engage in a broad range of OEM, ODM in both customized and generic categories. They tend to expand rapidly, offer innovative products and services, and market their own brands and registered collections in regional and international markets.

Generally, TAs and EOs are involved in low value-added operations and produce standard and low-medium end products, and they mostly focus on local markets. EOs may participate in sourcing ties with one or two international clients with a focus on simple and standard products, in addition to active local market engagements.

AOs exert a higher level of commitment and invest in resources to engage in both local and international markets. They engage in basic product development and R&D-related

activities, and produce innovative offerings through a limited range of products for both local and international market(s). They generally have limited geographical coverage and expansion.

EXPs are characterized by the exploration of new capabilities, besides active exploitation of low-cost capabilities. This type of actor targets regional and international markets as well as value-added segments in the local market. Explorers intensify their commitment and resources towards areas such as R&D, design, certification, sales, marketing, and latest machines to engage in innovative and value-added offerings according to international standards. In addition to contractual manufacturing of OEM, ODM, Explorers develop and market their own registered products, processes, and service concepts as a promotional tool.

PARs and EGCs both adopt a proactive and exploratory route of expansion, with different levels of intensity. Partners are firms who compete with modern firms and MNCs in specific product categories in different markets. Partners expand rapidly; they build all-round knowledge and intensive capabilities in R&D/RE, design, innovation, and marketing. They are active in providing specialized OEM and, ODM services to world-leading clients. Additionally, they develop and market their own registered logos, collections, and brands (OBM) through their own sales and marketing network.

EGCs are more advanced in their operations and market focus than PARs. In addition to having the same set of capabilities, EGCs develop more advanced capabilities related to R&D/RE, designing, and advanced systems oriented operations. International acquisitions and involvement in offshore production, design and R&D enhance their movement into the high value-added sector. They market and sell under their own brand in regional and international markets.

The overall intention in the present study is to examine to what extent some DES may proactively learn in offshore outsourcing relations, bypassing certain stages and moving up in value-added activities, while others remain in middle- and low-value chain activities. The level of learning and value addition involved in each stage is briefly explained in Table 3.2:

Table 3.2: DESs' developmental stages

<b>Development</b>	<b>Nature of Operations and Offerings</b>	<b>Market</b>	<b>Learning ways</b>	<b>Capabilities</b>
<b>Traditional Actors</b>	Low value-added products and processes	Local	Exploitation of local resources, repetitive learning in domestic market, learn from local stakeholders (industry, competitors and customers)	Comparative advantage-low cost production, cheap resources and factors of production
<b>Experimental Outsourcee</b>	Low - medium value-added products & processes	One or two sourcing ties with foreign clients in addition to local focus	Operational learning by doing Market knowledge through clients' preferences, specifications and schedules.	Comparative advantage of low cost production, cheap resources and labor, blind imitation, limited OEM service
<b>Active Outsourcee</b>	Low or high medium value-added products, processes, services	Local market focus and expansion into new regional and international markets	Exploitation of local resources, exploration of operational and technical resources, customer specification, investment in men, machines, infrastructure, enhancing sales and marketing and legal handling Mergers and alliances	Comparative advantage of low cost production, cheap resources and labor, creative imitation, specific product strategies, OEM, ODM, proper marketing and sales capabilities
<b>Explorer</b>	Proactive approach towards value addition. Middle and high value-added products, processes, services	Shift focus from local to regional and international markets	Exploitation of local resources and exploration of innovative ways, customer specifications intensify investment in men, machines, processes, design, R&D and certifications, product partnership	Low cost and differentiation, innovation thorough reverse engineering, OEM, ODM services, innovative products and processes (OBM), high quality manufacturing and processing
<b>Partner/Competitor</b>	High value-added products, processes & services	Global mindset, more focus on regional & international markets, limited local engagement	Exploit low cost resources, strategically explore new ways, customer specification, strategic investment in R&D, designing, machines, processes, certifications, strategic alliances	Solid foundation in all round capabilities, lead OEM, ODM, OBM services supplier, innovative concepts, branding and marketing through own sale and distribution arrangements Niche and ethno-branding strategies in regional and international markets Commercial designing, pattern development and testing services
<b>Emerging Global Challenger</b>	High value-added products, innovative processes & services	Global mindset, more focus on regional & international engagements and markets, no or limited local engagement	Exploit low cost resources, strategically explore new ways, sourcing partners/customer specification, strategic investment in R&D, systems, designing men, machines and processes, strategic alliances, foreign acquisition	Expertise in innovative OEM, ODM, innovation, develop market, sale and distribution of own brand and promotional collections Commercial service provider including- logistic, designing, pattern development and quality audits

Based on the limited prior scholarly work on the outsourcee perspective in offshore outsourcing and having chosen an abductive approach in the current study, it is paramount to be open for other possible typologies and alternative paths towards

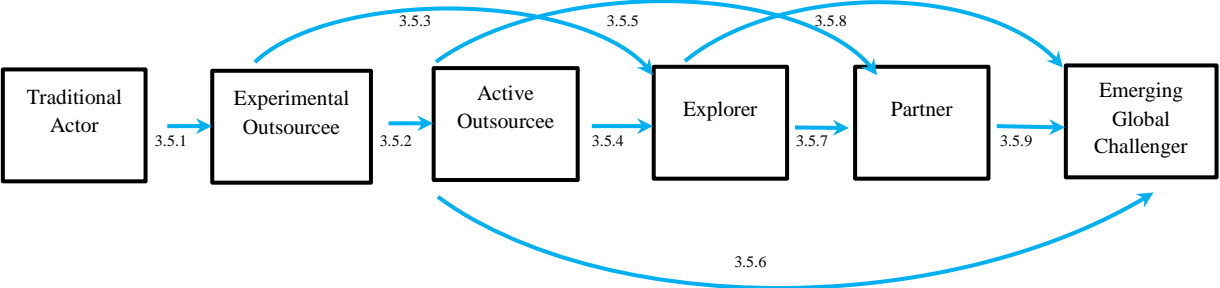
movement in the value chain. The chosen typologies served as an initial starting point for deep empirical, qualitative research, and for theory development-not for hypothesis testing, which would require more refining and large sample.

**3.5 A Tentative Research Model**

Based on the literature review, and in addition to the above-mentioned typology an initial and tentative research model is suggested, as shown in Figure 3. The model portrays learning domain(s), specific ways, main reasons, and the overall effect of these three dimensions upon DESs development. The development can be seen as a movement in the value chain towards an advanced, high value-added stage.

The learning domains consist of knowledge acquisition and the learning of certain dimensions or aspects related to value-added operations, processes, and services. Learning ways are the dynamic means and approaches through which DESs successfully acquire and disseminate the required knowledge and competences. The reasons are the DESs’ specific strategic intent and main motivation to become involved in certain learning through specific ways. The development path is the overall effect of the learning domains, ways, and motivations on DESs to progress or move strategically towards different value-added operations, processes, services and modes.

Figure 3: A Tentative Research Model of the Learning Impact of Offshore Outsourcing



The development model (Figure 3) is used to map the main concepts and their relations. In general, it is assumed that DESs’ expansion is driven by the exploitation of local advantages and/or through learning from others (Lamin & Dunlap, 2011; Salomon & Jin, 2010).

Reliance on low-cost resources, inputs, and labor is no longer a source of competitive advantage. To become globally competitive, firms should develop critical capabilities that move them up the value chain (Lamin & Dunlap, 2011; Oshri, Kotlarsky, & Willcocks, 2011). The objective of the present study is to explore how and to what extent firms learn and acquire capabilities through their offshore outsourcing ties – in ways that enable them to move up in the value chain (Jensen, 2009).

With regard to development paths in the model, DESs may take many alternative, exploration and exploitation routes, in their learning and development endeavors, as shown in Figure 3 and discussed below. Each development path is represented in figure in numbers referring to the sub-section below.

### **3.5.1 Development from Traditional Actor to Experimental Outsourcee**

The initial development from TA to EO is considered to be a result of responses to customer inquiries, specifications, changes in market and/or considering international business as part of their business on a trial and intermittent basis. DESs typically have a history in low-cost manufacturing and processes, being mostly dependent on the exploitation of local resources, cheap inputs, labor, and production as comparative advantages. Gradually, the owner's/top-management orientation and involvement in international supply and operations may serve as a driving force for allocation of resources and production capacity to foreign orders/international sales. This extension demands little commitment, and only extends DESs' domestic products or services across borders with some value-added aspect(s) and/or produce according to foreign customer specifications. The successful fulfillment of customer specifications in basic and standard products and processes may often connect DESs with cross-border markets.

### **3.5.2 Experimental Outsourcee to Active Outsourcee (EO to AO)**

The development from EO to AO can be seen as a result of DESs' active search and involvement in new opportunities in lucrative international markets, based on their positive experiences from previous engagements in international sourcing ties. The AOs

have focused their attention on international sourcing ties in addition to their active local market engagements. Besides the active exploitation of low-cost resources, these AOs show more commitment, and invest more resources in the acquisition of necessary capabilities in order to extend their cross-border ties with existing sourcing partner(s) and to further search for new opportunities and segments in international markets.

The establishment of a formal organizational structure, with sales/marketing departments for handling international business, may be vital in driving DESs in new directions, and for exploring new business opportunities. Similarly, the investments in new machines, acquisition of experts, and mergers and alliances with foreign partners, may help the production infrastructure, processes, and related activities to start producing according to international market standards and customer specifications. Involvement in certifications and standards may also enhance DESs' abilities to comply with international market requirements and can enhance good image to create trust in their dealings and offerings. Furthermore, DESs may formulate product strategies related to both sourcing ties and local market engagements in value-added offerings.

### **3.5.3 Experimental Outsourcee to Explorer (EO to EXP)**

The development from EO to EXP may be considered to be the result of active investments in integrated production, washing/processing facilities, and related operations. Furthermore, the acquisition of experts and certifications may enhance the production of new and value-added offerings and processes according to customer specifications and international standards. The commitment and involvement in production related and certifications enhance DESs competences and upgrading their both economic and societal aspects, which in turn enhance trust among their customers. Similarly, the establishment of marketing and sales office(s), R&D facilities and new offerings may help DESs explore and develop new opportunities with existing and/or potential clients/markets in different product categories in local, regional, and international markets.

### **3.5.4 Active Outsourcee to Explorer (AO to EXP)**

The development from AO to EXP can be considered a decisive step with respect to commitment of resources and active involvement in new offerings, innovative operations, and services. At this stage, firms may strategically invest in specialized production facilities, techniques, and processes to strengthen their production capabilities and add a vast range of quality products, modern processes, and value-added services (OEM and ODM) according to international standards and customer specifications. Furthermore, they acquire the services of foreign experts and invest in research and development, designing, product development, and related operations. These involvements may often open new avenues to address emerging market trends and develop future product concepts, designs, and services as promotional tools.

In addition to OEM and ODM services, the firms may offer and market their own innovative product/service collections as marketing tools through their international sales and marketing offices. The involvement in such operations may often enhance DESs' ability to explore new markets and segments and to establish ties in both global and regional markets. Based on the above-mentioned capabilities, it is expected that some firms will also move downstream and become involved in retail business as they may start selling their own brands in local markets.

### **3.5.5 Active Outsourcee to Partner (AO to PAR)**

This development may be viewed because of involvement and extension of the same set of capabilities mentioned in AO to EXP (see Section 3.5.4). The AO to PAR development may be an outcome of firms' active involvement in value-added operations and innovative services such as design and design development services in addition to OEM according to international market needs. Furthermore, it may expect that DESs will design, develop, and market their own innovative products, processes, and service concepts as a promotional collection to showcase their innovative production capabilities and develop new business in value-added segments.

### **3.5.6 Active Outsourcee to Emerging Global Challenger (AO to EGC)**

This development can be visualized as a move to downstream value-added operations, such as selling and marketing under the firm's own brand in international markets, besides active involvement in OEM, ODM.

In addition to learning and gaining experience in outsourcing ties, emerging global actors may invest in R&D, designing facilities, sophisticated machines, and acquisition of foreign experts' services as vital sources in developing competencies in new products development, innovative services and involvement in downstream value-added operations, marketing, and selling under their own brand in international markets.

Based on the mentioned investments and involvements in latest operations it is expected that DESs will develop to EGC.

### **3.5.7 Explorer to Partner (EXP to PAR)**

The development from EXP to PAR can be viewed as a result of DESs' active involvement and exploration into technological/advanced systems and R&D. In addition to successive investments in state-of-the-art machines, R&D, and designing and testing labs, the majority of firms install supporting systems such as I.T, product tracking, and new ways for agile logistics and supply. It is assumed that these investments will enhance DESs' abilities to enrich their offerings and further meet the increasing production capacities in a vast range of quality products, processes, and services under broad product categories in an efficient way. Similarly, involvement in offshore production, R&D, design, and development facilities may further support DESs' production and innovative capabilities in meeting the dynamic market's demands. Furthermore, based on such involvement, DESs may explore new avenues to develop and offer their own registered trendy designs, new product concepts, processes, and services as a marketing tool. Their aggressive involvement and expansion of sales and marketing network at 'hot spots' across the globe, may further strengthen their existing ties, and lead to developing new ties and connecting with the latest market trends for future course of action. Furthermore, the engagement in specialized strategic alliances with world-leading players in different areas (such as design, washing, processing, and



marketing) may further strengthen their involvement and develops business in high value-added segments at both local and international levels.

In addition to world-class OEM, ODM services they also may get involved in the provision of other commercial services such as designing, quality audits, and supply and logistics solutions to local, regional, and international clients and suppliers.

### **3.5.8 Explorer to Emerging Global Challenger (EXP to EGC)**

This development can be regarded as a result of the extension of the same set of capabilities as seen in EXP to PAR (Section 3.5.7). The DESs extend those capabilities to become involved in international retail business or extend their local brand to regional /international markets through their own sales and marketing arrangements, such as exclusive outlets and sales agents.

### **3.5.9 Partner to Emerging Global Challenger (PAR to EGC)**

This development can be considered as the result of DESs' active involvement in high value-added and knowledge-intensive activities such as R&D, branding, sales, and marketing. DESs may actively acquire experts/developers and invest in technology, machines, and sales and marketing networks to sell under their own brands, registered logos, and trademarks, besides active involvement in OEM, ODM. Similarly, they may provide designing and pattern development services to some of world leading brands on commercial basis.

Furthermore, they may increasingly get involved in branding, sales, and marketing in international markets through international acquisitions. Furthermore, they may also adopt specific product and branding strategies (ethno branding) in niche segments in regional and international markets, in order to challenge and compete with multinationals in specific product categories in certain markets.

### 3.6 Summary

The purpose of this chapter is to present an overview into current state and gaps in outsourcing research that can guide the present inquiry. Towards that end, the current chapter illuminated the concepts of outsourcing, offshoring, learning and motivations that form the focus of this study.

The offshore outsourcing literature recommends relocating business activities and functions to independent providers across firm and country borders. The involvement of firms in such ties depends on (a) strategic intent and motivation, (b) market condition and competition, (c) pressure of globalization, (d) structure and attributes of firms, and (e) proximity. Organizational learning, on the other hand, is the capacity to acquire knowledge and resources that leads to new knowledge and insights that potentially influence and change firm behavior. The motivation is related to the strategic intent and drive that leads firms to be involved in value-added operations, organizational change, development, and internationalization. The offshore outsourcing ties (relational base view) and strategic orientation (dynamic capability) explain how firms acquire knowledge and learn over time. Knowledge and resource acquisition can be seen as the main drive and an important source of competitive advantage, according to the knowledge-based and resource-based views. The competitive advantage is a necessary ingredient in value creation and firm development and change. Therefore, the mentioned theoretical lenses offer valuable insights into how offshore outsourcing ties can be utilized to enhance firm learning and knowledge acquisition, resource pool, capabilities, value creation, and strategic change.

However, it is important to note that the discussions on acquisition of capabilities and learning in offshore outsourcing literature have largely been in the context of developed economies firms and outsourcers. Scholarly discourse linking offshore outsourcing and learning with outsourcees, and specifically developing economy firms, is limited. Several scholars have examined aspects related to developing economy firms at the country and industry levels. However, the international business (IB) literature on the offshoring of multinational corporations (MNCs) has addressed the micro perspective, as it has tended to focus mainly on equity modes, studying outsourcees as subsidiaries of foreign multinationals. Therefore, little is known about the micro perspective in non-equity modes, particularly in vertical relationships such as offshore outsourcing.

The conceptual lens was developed by integrating insights from offshore outsourcing, learning, and dynamic capabilities in order to make sense during empirical research. It suggests offshoring outsourcing as a dyadic relation that may be a source of inter-firm learning, knowledge and resources acquisition that are necessary for value creation and capabilities development, both for outsourcees and outsourcers. Furthermore, and more specifically, in the context of developing economy outsourcees, the DESs involvement in offshore outsourcing may also have an impact on their knowledge acquisition and innovative capabilities. As offshore outsourcing ties may contribute to a DESs' learning and innovative capability by acquiring knowledge about the market-demanded standards and aspects through outsourcers specifications. This is further used by them to augment their innovative capabilities (Venaik et. al., 2005) and produce market-driven outputs and future development.

The transfer of knowledge and resources by the outsourcers and the acquisition and integration of knowledge by the outsourcees in offshore outsourcing is determined by the nature of relations, the type of products and services, the characteristics of knowledge, the knowledge transfer mechanisms, and the motivational dispositions of both the outsourcer and outsourcee. Furthermore, as explained, the ability of the DESs to leverage offshoring ties for knowledge acquisition, learning, acquiring innovative capabilities and future developments also depends on how the DESs prioritizes, strategizes, and allocates resources. In addition, a number of organizational attributes of the DESs (such as specialization in specific area, stock of knowledge and resources, competences, nature of offerings, entrepreneurial style, organization culture, and one-stop-shop facilities), as well as the attributes of the relationship between the DESs and outsourcers (trust, credibility, duration and frequency, and distance) enhance the ability of DESs to gainfully leverage offshoring for learning, innovative capabilities and speedy developments.

Furthermore, strategic orientation and absorptive capacity are considered a form of dynamic capabilities that can further enhance a DESs' ability to develop and leverage a repertoire of flexible response options that permits it to achieve congruence with the demands of its business environment and movement in high value-added operations and offerings for future development. In offshore outsourcing, the organizational flexibility options arise from the resource flexibility of the DESs and its proficiency to configure and deploy the resources.

Finally, based on this intersection of literature, a tentative development model is developed. The tentative model conceptually illuminates the link between offshore outsourcing and the DESs' learning, innovative capabilities, main learning ways and developments. As the conceptual analysis suggests, offshore outsourcing ties have a positive linkage with a DESs' learning, innovative capability and developments. This model will serve as an initial step to motivate and guide the research process in an abductive manner, where a constant dialogue and continuous modification between the original framework, the existing literature, data and the analysis will keep going. It is important to note that the main objective of the current study is theory development rather than hypothesis testing. Therefore, the review of existing literature on internalization, outsourcing, offshoring and learning serves as a base to develop an initial model that will serve as a starting point for mapping out different learning, learning ways, main motivations, and their overall impact as varieties of development paths in case firms.

The tentative development model will inform data collection according to the methodology mentioned in Chapter 2. The individual case analysis and findings will be presented in Chapter 4, followed by the cross-case analysis and findings in Chapter 5. The discussion presented in Chapter 6 will re-examine the suggested model and fine-tune it in accordance with the overall empirical findings of the study.

## Chapter 4: Case Presentation and Analysis

This chapter represents an attempt to investigate what and how firms learn, how they over time develop capabilities through their engagement in offshore outsourcing ties, and what are the reasons for learning the way they do. An initial theoretical conceptual design has been presented in Chapter 3, and an exploratory multiple-case study design was presented in Chapter 2 in order to logically examine the learning domains, the adopted ways of learning and reasons for learning.

As explained in Chapter 2, out of 17 companies, the author was granted full access to nine. However, two case companies did not fully participate in the interview stage, due to confidentiality and competitive issues, and one firm did not respond to confirm the initial case summary. In the end, six case companies were chosen, and from these six, four cases were selected for full transcription, coding and analysis - based on their richness and variety of information.

Since the presentation and analysis of all four cases have been done in a very detailed and systematic way, due to space limitations, the current chapter will only include the full presentation and illustration of one case (CBL). The main objective of doing so is to provide an insight into the qualitative analysis carried out, while avoiding details. For a credible review and reporting, the full presentations and analyses of the remaining three cases are available in Appendix VII, VIII, IX, X, XI and XII respectively.

The findings from all four cases – including the CBL case in the present chapter – are presented in a common descriptive manner (Yin, 2009), starting with a detailed case overview followed by a presentation of findings related to the two main research questions:

***Research question 1- How do developing economy suppliers (DESs) learn through their work with multinational corporations (MNCs) engaging in offshore outsourcing?***

***Research question 2- What influences developing economy suppliers (DESs) learning? (in other words, why do they learn in the ways they do)?***

The main objective of the current chapter is to provide a description of the identified learning domains, modes and reasons, while engaging in offshore outsourcing. The presentation of findings is based on key issues, with relevant quotes from various

sources (edited without disturbing the essence of respondents' statements), and with summary tables of key emerging concepts and their identified relationships. The numerical representations in tables are references to concrete quotes in the case database. The case presentation relies heavily on the text. However, for reducing overload in detail, the cases present brief information on each dimension (learning domain, modes and reasons) of the critical concepts in the analysis.

At the end of the chapter, the learning impact of the offshore outsourcee experience of company CBL is compared to the tentative research model (Figure 3) presented in chapter 3, thus contributing to the final model (Figure 6.2) to be presented in chapter 6.

The concluding section also points out the main messages and points of interest that emerged as a result of cross-interview analysis. A detailed comparison and discussion of the results obtained from the group of four cases will be presented in Chapter 5 (cross-case analysis) and further discussed in Chapter 6, which also seeks to position the present study in the international business research literature in general and especially in outsourcing.

## 4.1 Crescent Bahuman Limited

Indicators	Case Information	Sources
Industry	Textiles and Apparel	
Area of Specialization	Specialized Yarn, Open End Yarn, Denim Fabric, Denim Apparel and Garments	[1,3,4,5,9,18]
Company ownership classification	Public Limited Company listed in Karachi Stock Exchange Pakistan	[18]
Country of Origin	Pakistan	
Year of Establishment	1950 Crescent Textile Mill (CTM) 1995 started latest Denim production as a joint venture "Crescent Greenwood Limited" 2001 started working as an independent company because of termination of JV i.e. Crescent Bahuman Limited.	[1,2,3,4,5,6,7,8,9] [1,2,3,4,5,6,7,8,9,19]
Number of employees	7200 in two shifts	
International Presence	Marketing and Sales offices in Germany, Ireland, USA, UK, Italy and UAE and exports in 4 continents, America, Europe, Asia and Australia	[1,3,4,10]
Estimated Company Value	250 Million USD	[10]
Expected Foreign sale/ export as 2013	1 Billion USD	[9]
<b>Product Type</b> Yarn/Denim (Fabric)/ Garment (Jeans)  Developed For	<b>Major International Clients</b> Adidas, Levi's Strauss (Global) Dressman, M&S, Muztag, Blend, Esprit Armani Jeans, Replay, Tommy Hilfiger, JCPenny, Nautica, Cubus, Diesel H&M, S. Oliver, D&G, Jules, American Eagle Outfitters, Lucky Brand, Pierre Cardin, Rosner	[3,4,5,9,10]
<b>Production and Processes</b> Yarn Denim and mixed color (Fabric)+ PFDs (white fabric) Garment (Jeans) Dyeing Weaving Finishing Cutting Sewing Dry Processes Laundry Printing and Embroidery Grading and Packing	<b>Production Capacity</b> 22 Million lbs./ year 15 Million meters/year  15 Million pieces/year 20 Million meters/year with a single dye range of 33 ropes 19 Million meters of greige fabric/ year 18 Million meters of finished fabric/ year with different finishing types 10.8 Million pieces/ year 10.8 Million pieces/year operates on standard minute values using PITS and RFID systems for quality 105,000 pieces/day in different processes 125,000 pieces/day in different washing operations 160,000 pieces/day in different operations 4 points American system for fabric grading with 7 inspection line by auto splicing and sealing	[3,4,5,10,15,16,17]
Major activities	Vertically Integrated production facility from cotton fiber to retail-ready garments and denim products (i.e. ginning, weaving, processing of yarn, dyeing, cut, sew, print, dry and wet finishing)	[1,3,4,5,9]
<b>Milestones</b> 1994  1995  1998  2001	Erection of latest production facility through collaboration with Greenwood Mills Incorporated USA Started its latest production (Yarn, Denim Fabric and Garments) and exported Local Apparel Marketing and Operation office (AMOL) was established followed by an office in Derry, Ireland Termination of JV with Greenwood Mills Limited.	[1,2,3,4,5,6,7,8 9,10,11,16,17]

2003	Established Crescent Bahuman Limited (CBL) completely owned by Crescent Group.	
2006	Addition of different range, high fashion and value-added products, highly fashion products and bigger customers.	
2006	Established specialized Fabric and Washing Development Center.	
2006	Acquired laundries and technology transfer from Italy.	
2006	Started two inspirational collections per annum	
2008	Launched local brand “Stoneage” through exclusive outlets in Southern Part of Pakistan	
2008	Add non-denim and bottoms in product portfolio	
2009	Launched Stoneage in Dubai through exclusive outlet.	
2010	Made a joint venture with Turkish company (i.e. Crescent Turk) to access Turkish and European markets.	
2010	Made a joint venture (The Denim Atelier) with Italian company Martelli to market together to new customers and to learn best washing and finishing practices from Martelli.	
2010	Made alliance with Greek company Hellenic Fabrics S.A as Hellenic Crescent to increase sale of innovative product by becoming more vertically integrated.	
2011	Installed latest machines and equipment to increase production capacity (9 million garments and 15 million meters of denim fabrics per annum).	
Machinery	Sourced, acquired from Switzerland, Italy, Japan, UK & USA.	[1,15,16,17]
International Standards & Certification	ISO -9001, ISO -14001, WRAP, SA -8000, GOTS (Global Organic Textiles Standards), OE-100 (Organic Exchange), OEKO TEX-9, BCI...TOE/COC (Social & Environmental Standards) for different customers, NEQS, World bank standards, First Pakistani Company with 6 sigmas certification	[3,5,6,9,10,21,23]
Awards	CSR National excellence award 2010-2011, Environment Excellence Award 2010-2011 country wide	[9]



### 4.1.1 Case Overview

Crescent Bahuman is a sister company of the Crescent group (family business) and dates back to 1910. The Crescent family incorporated a trading company (Muhammad Amin and Muhammad Bashir Limited) for the import and export of cotton. Since the independence of Pakistan in 1947, the Crescent group has seen outstanding growth and reputation in Pakistan's business community. The foundation of Crescent Textile Mills (CTM) was laid down on the first day of May 1950, and the company (CTM) progressed as it started exporting most of its products to the US, Europe, Middle East and Japan since its start. The Crescent Group further expanded its operations in textiles and established Shams Textile Mills Limited in 1968, which was primarily engaged in the manufacturing and trading of high-quality yarn.

The Crescent group has over 60 years of experience in diversified business sectors such as textiles, banking, insurance, sugar, steel, agriculture, and food. Besides some involvement in other sectors, the group has kept its focus on textiles. Crescent Textile Mills expanded its operations in denim due to an obvious increase in demand for denim garments in international markets. In 1991, Crescent Textile Mills joined hands with an American-based company, Greenwood Mills Incorporated (GMI), and Crescent Greenwood Limited (CGL) – a new, fully integrated denim garment production facility – was established [3,4,5,9]. This project was the largest-ever investment in the Pakistani textile sector, and was a joint venture between GMI (32 percent), CTM (34 percent) and the Pakistani general public (24 percent). The project was expected to produce approximately 70 percent of the country's annual jeans production and 8 percent of its total cotton garments production [24,25,26]. The construction of the plant was completed in December of 1994; the trial production started in late January 1995, followed by the commercial production in June of the same year.

CGL is recognized as the first fully integrated denim plant in Pakistan and the largest in South Asia, equipped with state-of-the-art machinery to spin, weave, finish, cut, wash, dry, sew, and stitch. The facility is backed by power generation and an efficient effluent water plant [9]. CGL started exporting right from its establishment in 1995; the company began to focus on enhancing sales and marketing operations and expanding to other regions, other than US markets. In 1998, Apparel Marketing and Operations Limited (AMOL) was established to formulate marketing and sales strategies. As a result, AMOL opened an office in Derry, Northern Ireland, with two objectives: to market and

sell in the European region, and to prepare a team that would undertake marketing and sales operations and train Pakistani management in sales and marketing [1,2,3,4,5,6,7,8].

In 2001, the joint venture with Greenwood Mill was terminated and a new company – Crescent Bahuman Limited (CBL) – was established; CBL was completely owned by the Crescent group [9,19].

The separation from Greenwood Mill Incorporated was a trigger for change, as CBL reformulated its future course of action based on its infrastructure and expertise inherited from the joint venture with GMI. In 2003, CBL formally started the preparation for change and improvement in its operations, dealings and offerings through forward thinking and value addition. Meanwhile, the company went through a painful process of negotiation, persuasion, alternative options and a long wait to reach its desired goals.

In 2006, the implementation came in a real sense, as CBL went hunting for ‘big fish’ in the market. CBL added different ranges of high-fashion content, high-end products, washes, and processes through investments in the latest machines, equipment, experts, design and a R&D center. Similarly, CBL for the first time sought to engage with well-established market players and elite customers through its marketing and promotional alliances. [1,4,5,9,27].

In 2006, CBL established a specialized fabric and washing development center through heavy investments in the latest machinery and equipment, as well as investments in foreign designers and developers. The design center is responsible for creating inspirational innovations in fabrics and washing, and carries out day-to-day developments, applying the necessary adjustments and ensuring compliance for production. Moreover, the design center is responsible for transferring approved finishes and techniques and for providing training of methodologies in a real production setting. In 2006, CBL successfully launched its biannual inspirational collection for the first time, as a promotional tool to attract clients; the company offered a new line of fabrics: 50 fabrics of various constructions and specifications were developed each season through its designs and R&D center. In the first three years, 250 kinds of fabrics were developed through CBL’s own Design and R&D center; these fabrics were marketed to customers in different regions. [4,5].

After all the installations and fabric developments, CBL sought to get the latest techniques in washing for quality products. In 2006, CBL acquired the latest laundry and washing technology from Italy to introduce the latest developments and washing techniques in its offerings. In the same year, CBL moved into retail business in addition to manufacturing private brands/labels for others, launching its own local brand in denim jeans (Stoneage) and other fashion clothes through exclusive outlets in major cities of southern Pakistan [4,5,9].

CBL attracted new customers and expanded its customer base both in number of clients and in obtaining more complex and iconic products from world-leading brands. In 2008, CBL diversified its product portfolio by offering non-denim and bell-bottom products on an experimental basis; the company sourced good quality canvas from local suppliers, processed it, stitched it and successfully added non-denim into its product portfolio.

CBL moved forward in the retail business as it launched its brand (Stoneage) in the UAE through an exclusive outlet in 2009. This was the beginning of a new era in marketing and branding at the international level.

Working with and being involved in the manufacturing of private brands/labels for world-leading brands led CBL to adopt the innovative route of pitching to even bigger players. CBL started hitting elite brands and their competitors with upward market trends to offer high-profile products instead of becoming stuck in the vicious cycle of low value and competitively priced products. CBL made several alliances with leading companies in washing, marketing, design and sales, as CBL had the mindset and strategy to explore, reach and develop business with big customers.

In 2009, CBL made a joint venture with its partner Crescent Turk, an established name in denim fabric and fashion garments sourcing in the region. This joint venture resulted in growth in CBL's business and proved positive in the emerging market dynamics through its design center [1,4,5,9,10,14].

Also in 2010, CBL partnered with a renowned Italian fashion name, Martelli (Denim Atelier), on two fronts. The first was to market together for new customers and to learn the best washing practices. CBL learned the latest washing techniques and trained for 18 weeks with Martelli in Italy and at CBL, Pakistan. The second side of the alliance with Martelli was to go to different reputed companies and offer them a complete package of products with customized stitching on CBL fabrics with Martelli standards

washing by CBL at lower cost. These offers were sent to Diesel, Scotch and Soda, Energy, Reply and Sixty, and provided good business results [1,4,5,9].

In 2010, CBL established a strategic alliance with a Greek denim manufacturer, Hellenic Fabrics, under the name Hellenic Crescent. This alliance resulted in increasing sales through a vertically integrated facility; it enhanced the competitiveness and growth potentials in the denim market, targeting new market segments by offering a full package of innovative products. CBL successfully implemented innovation through partnerships, achieving better results and developing contacts in international markets [1,4,5,9].

In 2011, CBL further modernized and expanded its fabric (15 million meters per annum) and garments (nine million garments per annum) production facilities through investments in the latest machines and equipment. This investment enabled CBL to meet the international demand for variety and depth in different fabrics of different quality and modern garments according to the world's fashion needs. CBL is among the few leading textile companies in Pakistan to have the latest techniques and tools for continuous process improvements in different functional areas. CBL is the first Pakistani textile company to have Six Sigma training in various functional areas (with 15 employees trained as black belts) [13,23]. Similarly, CBL operates on Standard Minute Values to perform a given task in a certain amount of time and meet production targets according to the international standards. CBL is equipped with the latest testing tools, labs, I.T. and tracking systems (PITS & RFID) for the effective handling and smooth supply of orders across the globe within scheduled times [9].

CBL is registered in Pakistan as a Public Limited Company and listed in the Lahore Stock Exchange (Guarantee) Limited [18]. The company's headquarters are in Lahore, and production facilities are located in the Pindi Bhatteian District Hafizabad, Pakistan. The facility is equipped with the latest technology, from spinning through garment finishing equipment and with a capacity of 22 million lbs. of yarn, 15 million meters of denim fabric and 15 million pieces of garments annually [3,4,5,10,15,16,17,27].

CBL supplies innovative and high-quality denim fabrics and Jeanswear to leading European, Australian, American, and Asia-Pacific brands and customers [1,2,3,4,5,6,8,9,27]. The company provides a full range of services, from design to doorstep delivery of readymade denim and a small portion of non-denim products and related services (that is, private brand manufacturing/labeling and pattern development) to world-renowned brands. The company produces, markets and sells through its global

marketing, sales and distribution networks in Europe, America, and Asia [1,2,3,4,5,6,8,9].

CBL also sells under its own brand name in both local and Gulf markets through its exclusive outlets and showrooms and is in its expansion phase [1,2,3,4,5,6,7,8,20]. CBL has multidimensional engagements in production, R&D, processing and marketing with clients, sourcing and alliance partners in different markets with an annual growth rate of 18–20 percent. The company's vision is "to be a role model in the business world, to create opportunity in the economy and to optimize the value of our stakeholders".

CBL is amongst the pioneer companies in Pakistan to establish and maintain an active CSR system to ensure compliance with local, regional and international legal, ethical, environmental and social standards/obligations. CBL got certification according to several international standards: ISO -9001, ISO -14001, WRAP, SA -8000, GOTS (Global Organic Textiles Standards), OE-100 (Organic Exchange), OEKO TEX-9, OHSAS 18001. Similarly, CBL complies with TOE/COC (Social & Environmental Standards) for different customers, NEQS, World bank standards, Levi's (PE's, noise monitoring, hazardous waste disposal & WWTP). Further, CBL got the CSR National excellence award 2010–2011, and the Environment Excellence Award 2010–2011 country-wide. In addition, CBL is actively involved in sustainability improvements, as it saved 30 percent energy and used 40 percent less water in finishing during 2011–2012. CBL is the first textiles company in Pakistan to implement the Six-Sigma business philosophy in various functional areas [3,5,6,9,10,21,23].

Today the company is facing a variety of internal and external challenges, including tough competition from local and regional denim producers in Bangladesh, India, China, Sri Lanka, the African Union and Turkey due to duty-free access to European and American markets [12]. The European Union granted the Generalized Scheme of Preferences Plus (GSP+) status to Pakistan in December 2013, which will allow almost 20 percent of Pakistani exports to enter the EU market at zero tariff and 70 percent at preferential rates. The GSP plus would not only help Pakistan increase export to the EU, but will open up immense opportunities for the apparel sector as well [1,4,5,6,12,22]. Consequently, the GSP plus status would enable CBL to increase its exports and effectively compete in international markets.

Moreover, abrupt changes in demand and technology [3, 4, 5, 12], dramatic increases in input prices, energy prices and shortages increase the pressure the company is facing [13,14].

Similarly, Pakistan's current poor governance, unstable political and economic conditions and security situation make conditions even worse [3,4,6] for the company.

#### **4.1.2 Findings**

After a careful analysis of the interview transcripts and codes, different dimensions were identified under three main themes: Learning Domain, Learning Ways and Reasons for Learning. Each identified dimension under a specific theme was defined to have a clear view and meaning. Further, each dimension under a specific theme was corroborated with relevant and illustrative quotes (see Appendix VIII, X, XII and XIII) from the interview transcripts as reference, so as to provide an authentic proof of the occurrence of mentioned dimensions, as shown in Tables 4.1, 4.2 and 4.3.

#### **How was Learning Manifested in the Case Under Investigation?**

In order to obtain a detailed and complete scenario of how learning has occurred in CBL, it is necessary to first look for what was actually learned. After the identification of learning domains ('what'), it is easy to understand the different modes ('how') CBL adopted for learning.

#### **Identified Learning Domains:**

The learning domains identifies what the case company has learnt, or in what area of business the company has learnt from the offshore outsourcee experience. In terms of learning domains ('what'), 13 dimensions were identified, defined and mentioned, with respective illustrative quotes listed in Table 4.1:

Table 4.1: Identified “Learning Domain”

Label	Definition	Quote Number
Setup and Start	Refers to operational and production capabilities, infrastructure, testing techniques and knowhow in a proper way.	1,2,3,4,5,6,7,8,
New Production & Manufacturing	Refers to the manufacturing, production and development of latest products, processes and services	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,46,74,75,76,77,83,84,85,86,87,88,106,107,108,139,140,141,142,145,146,147,153,156,162,163,164,166,167,168,169,170,171,172,196,198,200,213,223,224,225
Promotional Management	Refers to the developments in transferring commercial information and sample(s) to customers.	22,23,24,25,26,27,28,29,37,42,44,45,46,47,48,52,68,69,70,71,72,73,78,79,86,125,134,149,152,153,156,162,163,165,166,167,171,191,194,195,199,212,216,227
Washing and Laundry	It relates to the modern laundry developments and washing processes, latest techniques and procedures	36,37,40,42,43,44,46,67,68,69,70,71,72,73,83,86,106,141,142,143,144,147,164,172,173,178,180,196,198,207,210,223,224
Customer Relationship	Refers to interactions with existing or new customers and their orders that are totally new to the firm existing operations and or to market.	16,17,18,19,20,21,22,23,24,25,26,27,28,29,35,36,37,38,39,41,42,53,54,55,56,57,58,59,75,76,78,79,82,83,84,86,87,88,89,90,92,93,93,94,95,96,97,98,99,100,101,102,103,104,105,106,107,108,113,115,117,118,120,121,122,123,124,125,126,127,128,129,130,131,133,134,135,136,137,138,139,140,144,145,146,148,149,150,151,145,155,157,158,1559,160,161,163,165,168,169,170,172,181,182,183,184,185,193,194,197,199,201,202,203,204,205,206,209,210,211,212,225
International and Regional standards	It refers to the firm’s ability to adopt and work under recognized criteria and standards	89,90,93,94,95,97,99,100,101,102,103,142,145,146,173,198,205,228
Innovation	Refers to the creation of totally new and/ or improvement to the existing products, processes, techniques, systems, services and overall organization culture.	36,37,40,41,42,44,45,46,47,51,52,68,69,70,71,72,73,87,106,110,113,116,119,120,125,127,128,129,130,131,132,134,135,136,139,140,141,142,145,146,147,148,149,153,162,163,168,168,170,171,174,176,178,179,185,186,187,188,189,190,191,196,197,207,208,209,221,222
Branding Management	It is the ability of the firm to design, develop, manufacture, market and sells under its own name and logo in local and or international markets.	37,45,46,47,48,49,50,51,60,61,62,63,64,65,66,163,164,165,166,167,171,176,218,219,220,
Design and Patterns Developments	It refers to latest digital fashion and sewing designs from which garments are traced onto fabrics before cutting.	67,68,69,70,74,78,79,80,111,154,164,165,166,167,171,177,179,180,210,211,222
Integrated Production	It refers to the vertically in-house processes and production capabilities.	4,5,7,8,9,10,11,12,13,14,70,72,73,84,85,86,87,88,96,166,167,173,175,177,198,209,213,215,224,226
Industry Trend	It refers to changes that occur in market demand over time.	69,95,96,104,105,106,107,108,109,110,111,112,113,116,118,143,144,145,146,150,151,152,153,154,156,169,172,176,192,193,194,195,207,209,214,216,217,221,227
Product Diversification	It is defined as “an expansion into existing product(s) line of the firm”	37,53,54,55,56,57,58,59,164,166,167,
Conflict Resolution	It defined as “elimination of differences between supplier and client on product specifications, processes, prices, and delivery”.	123,124,181,182,183,184,

The identified learning domains related to acquisition and enhancement of capabilities associated with production, designing, new product development, enhancing customer relations, marketing and overall market dealings.

### Identified Learning Ways:

The learning ways relate to CBL’s different modes of learning; that is, how does CBL approach different modes of learning through their work with sourcing partners in offshore outsourcing ties? In terms of learning ways (‘how’), 21 dimensions were identified, defined and mentioned, with illustrative quotes as listed in Table 4.2:

Table 4.2: Identified “Learning Ways”

Label	Definition	Quote Number
Experts	Refers to specialists who have extensive knowledge and experience in specific textile area (i.e. design, process, production, shipment).	22,23,24,25,26,27,36,37,40,42,43,44,45,46,48,76,108,113,116,119,120,125,127,128,129,130,131,134,143,146,153,162,166,168,169,170,171,172,173,176,179,185,186,187,194,198,208,210,216,217,218,
Market Partnership	A relationship or an agreement in which two or more parties join forces to enhance services, sales and marketing activities.	67,68,69,70,71,72,73,86,163,164,167,178,185,186,187,194,196,198
Mergers & *Acquisitions (M&A)	Refers to an arrangement that is used by the focal firm to buy or combine different companies or similar entities in its business.	30,31,32,33,34,35,36,37,
Product Partnership/Sourcing-JV	A relationship or an agreement in which two or more parties agrees to contribute assets, machinery technology and services for production, manufacturing and services (design etc.)	1,2,3,4,5,6,7,8,67,68,69,70,71,72,73,86,106,119,125,141,142,143,146,147,163,164,167,171,175,177,178,185,186,187,192,194,196,198,207,210,211,224,225
Imitation and Emulation	Refers to ability of firm to copy and or alter others best and successful products and practices according to its need.	16,17,18,19,20,21,56,57,58,59,78,79,93,94,95,108,109,110,111,112,119,134,135,136,137,138,149,150,152,153,154,156,192,205,209,216,217,
Training	It is the learning and acquisition of knowledge, skills and techniques regarding specific issue from others (i.e. clients, partners, national & international bodies).	22,28,72,97,101,102,103,139,140,142,143,144,145,146,198
Customer Specification	It refers to customer description and details of specific needs which they require in handling their order.	16,17,18,19,20,21,53,54,55,56,57,58,59,83,89,90,91,92,93,94,95,96,97,98,99,100,101,102,103,104,105,106,107,108,109,110,111,112,113,114,115,116,117,118,123,124,125,126,127,128,129,130,131,132,133,134,135,136,137,138,139,140,141,142,144,145,146,147,148,149,150,151,154,163,165,167,172,179,180,181,194,205,209,225
Certification	It refers to the confirmation of certain characteristics of an entity or organizations in accordance with a set of standards granting them formal recognitions as meeting standards from recognized external institutions and bodies.	93,94,95,96,97,99,100,101,102,103,117,142,145,146,198,228
Implementation of New Machinery	Refers to acquisition, sourcing and applications of state of the art equipment, systems and processes in production.	7,8,9,10,12,13,14,15,33,34,35,36,37,38,39,40,41,42,43,44,46,74,75,76,77,78,79,83,84,85,86,87,106,107,108,113,114,115,116,120,125,127,128,129,131,133,134,135,146,162,163,166,167,168,169,170,171,172,173,179,180,185,186,187,198,200,208,210,211,214,223



<b>Label</b>	<b>Definition</b>	<b>Quote Number</b>
Vertical Production Facility	Refers to the production and related processes in a composite manner under one roof.	4,5,6,7,8,9,10,11,12,13,14,15,37,45,46,72,81,84,86,87,88,96,163,165,166,173,175,209,211,213,215,224,226
R&D and Re-engineering	Refers to creation of new and or reformulation of existing knowledge, production processes and practices.	36,37,40,41,42,43,44,45,46,47,48,50,51,52,61,67,68,69,70,71,74,78,79,88,111,119,120,127,128,129,130,131,132,149,150,154,162,165,166,167,168,169,170,171,172,173,176,179,180,190,191,194,195,197,199,201,202,203,204,206,207,210,211,212,216,221,222,
Trade Fairs and Commercial Office	Refer to ability of firm to involve and get in touch with external markets through active participation in related events and networks.	22,23,24,25,26,27,28,29,78,79,152,153,154,156,170,176,192,193,194,212,216,217,221,227
Learning by doing	Refer to learning from experience/ trial and error over time.	69,72,106,125,126,128,129,133,134,135,136,137,138,141,142,143,148,149,150,151,186,194,198,205,207,209
Sourcing of Canvas Fabric	Refer to acquisition or procurement of flat canvas fabric from open market.	37,54,55,56,57,58,59
Outlet	Refer to online or physical retail store in which the manufacturer sells their products directly to customers.	37,46,46,47,48,49,50,51,60,61,62,63,64,65,66,163,164,165,166,167,218,219,220,227
License	It refers to firm arrangement to get authorizations for the use of others innovative practices, processes and products.	104,108,109,110,111,112,113,116,171,172,
Technical Advising	It refers to firm's provision of technical recommendations and problem identifications in client designs, products and processes	145,146,155,157,158,159,160,161,181
CEO/Owner interest	It refers to top management/ owner special involvement in innovative processes and organizational change.	97,185,186,187,188,189,190
Negotiations and discount	A mutual arrangement between supplier and clients	123,124,181,182,183,184
Trade secrets protection	It defined as "firm's code of conduct in protecting client's R&D and commercial information"	121,122,123,124,197,199,201,204
Design Studio	It refers to firm's competencies in creative concepts, novel design and processes.	45,46,48,51,52,67,74,78,79,80,176,194,221,222

To obtain a coherent and logical understanding of the "how" element of learning, each identified learning domains (mentioned in Table 4.1) is combined with identified ways (mentioned in Table 4.2) in Table 4.3 to reflects how different learning domains were actually learned.

Table 4.3: Learning domains by ways they were learned

Learning Ways	Experts	Market Partnership	Merges & Acquisition (M&A)	Product Partnership /Sourcing-JV	Imitation & Emulation	Training	Customer Specification	Certification	Implementation of New Machinery	Vertical Production Facility	R&D & Re-engineering	Trade Fairs & Commercial Office	Learning by doing	Sourcing of Canvas Fabric	Outlet	License \	Technical Advises	CEO/ Owner interest	Negotiations & discount	Trade secrets protection	Design Center
Setup and Start							1,2,3,4,5,6		1,2,4,5,6												
New Production and Manufacturing	36,37,42,43,44,46,76,85,108,146,162,168,169,170,171,172,198		30,31,32,33,34,35,36,37	1,2,3,4,5,6,7,8,86,106,147,163,167,169,170,196,224,225	16,17,19,20,21,108,153,156	139,140,145,146	16,17,19,20,75,106,107,108,139,140,141,142,145,146,147		7,8,9,10,12,13,14,15,33,36,37,38,39,40,41,42,43,44,46,74,75,76,77,83,84,85,86,87,88,106,107,108,142,146,162,163,166,167,168,169,170,171,172,198,200,223	4,5,7,8,9,10,11,12,13,14,15,84,86,213	36,37,41,42,43,44,46,74,88,162,166,167,168,169,170,171,172	53	106,141,142			146					
Promotional Management	22,23,24,25,26,27,28,43,44,46,162,166,171,194,216	68,69,70,71,72,73,86,125,163,167,194		68,69,70,71,72,73,86,125,163,167	78,79,139,149,152,153,216		125,139,165,194		37,42,43,44,46,78,163,166,167,171		44,45,46,47,48,52,68,69,70,71,72,78,79,149,165,166,167,171,191,192,195,199,216	22,23,24,25,26,27,28,29,78,79,152,153,156									46,48
Washing and Laundry	36,37,40,42,43,44,46,69,70,86,143,144,173,210,224			37,67,68,69,70,71,72,73,86,142,143,144,164,178,196,198,207,210,224		72,142,143	106,141,142,144,147,172		36,37,40,42,43,44,83,86,106,172,173,180,198,210,223		36,37,40,42,43,44,46,67,86,173,180,207,210,212		69,72,106,141,142,143,207								
Customer Relationship	40,76,120,126,127,128,129,130,131,144,146,168,169,170,172,185	37,86,163,185,194		86,163,185,194,225	16,17,21,56,57,58,59,78,79,93,94,95,108,117,118,135,113,6,137,150,152,205,209		16,17,53,54,55,56,57,58,59,75,82,83,89,90,91,92,93,94,95,96,97,108,113,114,120,123,124,125,126,127,128,129,130,131,133,134,135,136,137,138,139,140,144,145,146,148,149,150,151,152,163,165,172,181,182,183,184,194,205,209	35,93,94,95,96,97,99,100,101,102,103,117,118,145	35,36,37,38,39,40,74,75,76,78,83,84,86,87,88,106,107,108,113,114,120,125,127,128,129,130,131,133,134,135,146,163,168,169,170,172,185	84,86,96	36,37,40,74,78,79,88,120,127,129,130,131,149,150,165,168,169,170,194,201,202,203,204,206,210	22,23,24,25,26,27,28,78,79,128,152,170,193,194,212	126,132,133,134,135,136,137,148,149,150,152,153,205,209,126		37	145,155,157,161,181	186	181,	121,122,123,124,197,198,201,204		
International & Regional standards				142,	205	96,101,102,103,142,143,145,146,198,	89,90,93,94,95,96,99,100,101,102,103,104,117,142,145,146,205	93,94,95,96,99,100,101,102,103,117,142,145,146,198,228	106,173,198,		173		142,198,205			145,146	97				
Learning Ways	Experts	Market Partnership	Merges & Acquisition (M&A)	Product Partnership /Sourcing-JV	Imitation & Emulation	Training	Customer Specification	Certification	Implementation of New Machinery	Vertical Production Facility	R&D & Re-engineering	Trade Fairs & Commercial Office	Learning by doing	Sourcing of Canvas Fabric	Outlet	License \	Technical Advises	CEO/ Owner interest	Negotiations & discount	Trade secrets protection	Design Center

Product Innovation	36,37,40,41,42,44,46,19,120,125,127,129,130,131,168,169,170,171,176,179,185,186,187,190,208,210			37,68,69,70,71,72,73,119,125,141,142,146,147,169,170,185,186,187,196,207,210	119,134,135,136	72,139,140	108,125,127,128,129,130,131,134,135,136,139,140,141,145,146,148,149		36,40,41,42,44,46,87,106,108,120,125,127,128,129,130,131,134,135,168,169,170,171,208,210,211	11	36,37,40,41,42,44,45,46,47,52,68,69,70,71,72,119,120,127,128,129,130,131,132,149,168,169,170,171,174,176,179,190,191,194,197,207,210,211,221,222	176	69,125,128,129,133,134,135,136,149,186,207			104,108,110,113,116,171	146	185,186,187,188,189,190			45,46,48,51,52,176,194,221,222	
Branding Management	37,45,46,48,218										37,45,46,47,48,61,163										51,52	
Design and Patterns	166,171,179,210,222,224			67,68,69,70,72,164,224			80,154,166,167,179,180		171,179,180,210,	72,165,177	67,68,69,70,72,74,78,79,111,165,166,179,222	154									67,74,78,79,80,222	
Integrated Production				4,5,7,8,70,72,73,225					7,8,9,10,12,13,14,84,167	4,5,7,8,9,10,11,12,13,14,72,81,84,85,86,87,88,166,173,175,177,209,213,214,224,226												
Industry Trend	113,116,144,169,172,216,217			143,171,207(s)	108,109,110,111,112,113,156,216,217		95,96,104,105,106,107,108,109,110,111,112,113,114,115,116,144,145,146,150,151,154,172,209	95,96,145,146	169,214,216	209	79,95,221	78,79,152,153,154,156,176,192,193,194,216,217,227				108,111,112,115,116,172	145,146					80,176,221,222
Product Diversification					56,57,58,59		53,54,55,56,57,58,59						37,54,55,56,57,58,59									
Conflict Resolution																				123,124,181,182,183,184		
# of Citations	<b>103</b>	<b>15</b>	<b>15</b>	<b>87</b>	<b>55</b>	<b>19</b>	<b>152</b>	<b>33</b>	<b>54</b>	<b>52</b>	<b>135</b>	<b>44</b>	<b>39</b>	<b>6</b>	<b>25</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>23</b>	

Interesting and logical insights can be obtained from Table 4.3 through the combined explanations of learning domains and learning ways. In the following, we shall identify ways of learning, going domain by domain, presenting three illustrative quotations behind each.

### **Setup and starts**

CBL learned about and started its new operations and start-up through investment and implementation of latest machinery and production facility.

*“... the group is among the largest and most reputed groups in Pakistan and started its operations right after the independence of Pakistan in 1947. A modern textile production setup was established in 1950. The setup started exporting the majority of its products to the USA, Europe, Japan and Middle Eastern markets. ....” (Assistant vice president, production)*

*“... we started right after the independence of Pakistan as a Crescent Textile Mill. The operation was one of the latest of the time with respect to machines and infrastructure, as we immediately took charge to exports according to USA, Europe and Japanese markets requirements. We continued a nonstop journey towards growth as we passed through several developmental stages and moderation in textiles...” (Deputy manager, R&D-Textiles)*

*“... since 1947 we started our textile manufacturing operation by establishing a modern textile mill (Crescent Textile Mill) in Faisalabad. The majority of our production was exported to Europe, USA and Japan markets as per the demand of those regions. We gradually excel our operations in textile....” (Design Director)*

The company learned and started new production, operations and exports through customer specifications.

*“... the mother company started its operations since the formation of Pakistan as Crescent Textile Mill in Faisalabad. The mill was among the latest setups in Pakistan at that time. The mill started exporting yarn and fabrics right from the start according to customer specifications, mainly to the US and European markets...” (Supply chain, manager)*

*“... Crescent group started its operations as Crescent Textile Mills (CTM) in 1950 in Faisalabad. In a short period of time the Crescent Textile Mills progressed as it started exporting the majority of its products to USA, Europe, Middle East and Japan as per customer demand...” (Senior manager, marketing)*

*“... Crescent group started its operations back in the early 50s by establishing a textile mill in Faisalabad as Crescent Textile Mills (CTM). It was a modern production facility of his time, CTM started exporting to the USA, Europe, Middle East and Japan right after its establishment. The mill was among the leading manufacturer and exporter according to the international market demand of that time...” (Senior assistant vice president, supply chain and marketing)*

### **New Production and Manufacturing**

New production and manufacturing learned from investment in the latest vertically integrated production facility.

*“... the group further expanded its textile operations in denim and garments, beside active involvement in other sectors. The new denim set was laid down in 1994 as a joint venture between Crescent Textile Mills and*

*Greenwood Mills incorporated USA as Crescent Greenwood Limited (CGL). We started and grew with them; all our production, processing and techniques are from Greenwood USA...” (Senior manager, Marketing)*

*“... In 1994, the company was established as a joint venture between Crescent Textile Mills and Greenwood Mills Incorporated USA as Crescent Greenwood Limited (CGL). This was the largest foreign investment in the Pakistani textile sector, with 34 percent ownership of Crescent Textile Mills, 32 percent ownership of Greenwood Mills Incorporated and 24 percent of general Pakistani public. The initial practices and techniques all in all were from Greenwood Mills...” (Senior assistant vice president, supply chain and marketing)*

*“...Initially the company started its operations as a joint venture (Crescent Greenwood Limited) between Crescent Textile and Greenwood Mills, USA, in 1994. This was first latest composite apparel setup in Pakistan. The purpose of the CGL was to produce quality garments under one roof to meet the international market demand...” Senior manager, Merchandizing)*

New garments manufacturing and market demanded processes were learned from investment in state-of-the-art vertical setup.

*“... this project was the largest foreign investment in the textile sector in Pakistan. Crescent Greenwood Limited (CGL) was the first fully vertical integrated plant in Pakistan and included facilities to spin, weave, finish, cut, wash and dry denim under one roof...” (Senior manager, marketing)*

*“... this was the first, largest foreign investment in the Pakistani textile sector. Crescent Greenwood Limited was the first fully vertical integrated plant in Asia to include spinning, weaving, cutting, finishing and sewing under one roof. This facility was the first of its kind in Pakistan with state-of-the-art machinery, effluent water treatment plant and its own power generation plant to meet the demand in a well-controlled environment...” (Senior assistant vice president, supply chain and marketing)*

*“... joint venture was the first largest foreign investment in the textile industry of Pakistan. Crescent Greenwood Limited (CGL) was the first fully integrated apparel plant in Pakistan that includes the latest and state-of-the-art spinning, weaving, washing, cutting and sewing units for denim garments according to the international market demands. The plant was backed up by its power generation plant and a water treatment plant which was the first of its kind in Asia...” (Assistant vice president, production)*

New techniques and insights in operations were learned from experts and through investments in R&D facilities.

*“... in 2001, we completely owned the company ... as a result of dissolution of the alliance with Greenwood. When I joined in 2005, the company was in a transition phase of adopting change and improvements in systems, equipment and operations... Investments in the latest machines, testing tools, equipment, R&D, designers and developers brought new insights into CBL operations...” (Deputy manager R&D)*

*“... in 2006, the change came in a real sense by establishing a R&D center specialized in fabric and washing developments. This center was involved in three main tasks: innovation and inspiration, product development and transition. We hired foreign designers and developers to fully utilize our newly established R&D center ...” (Assistant vice president, production)*

*“... we had made sudden and huge investments in the latest machines, equipment, designers, technicians, technology and techniques. All the three areas were done to get an edge and attract clients. Same was done in the garments area. ...” (Senior manager marketing)*

Latest production and manufacturing processes were learned from customer specifications.

*“... we get advice and help from our sourcing partners whenever a new product or unique project comes in... they give us complete direction and specifications about their products. We get testing, quality and waste control protocols through workshops and seminars from different customers at different locations to improve quality and performance...” (Senior manager, marketing)*

*“... in the start we were serving Levi's, there was an Italian customer Careera and two or three American customers like County Seed, etc. We were just duplicating and matching what they asked for at that time. This was our initial business model. Our business was based on two small and three big customers and we were doing business with certain capacity ...” (Senior manager marketing)*

*“... the trial production started in January 1995... For the first four to five years we were doing for a bunch of prime customers, at that time we started serving Levi's, there were Italian and American customers like Carrera, County Seed, etc. Our initial model was just duplicating and matching what they demanded from us...” (Assistant vice president, production)*

Latest production and manufacturing processes were learned from partnerships and joint ventures.

*“... if we look back, since 2006 we made changes in every aspect of our operations, from spinning to delivery of finished product, that enable us to have multidimensional engagements in different markets. In 2006, we started our annual inspirational collections ... we launched our own local brand, Stoneage, through exclusive outlets, which is now valuable in Gulf as well. Similarly, in 2008 we started the non-denim, that is, garments and bottoms, for some customers although it was not our main area of specialty. Further, we entered several strategic alliances with Italian, Turkish and Greek companies in washing, finishing, designs, sales and marketing to develop our business in high quality and value-added products and services...” (Deputy manager R&D)*

*“... we learned and continuously learning about latest practices and techniques regarding production, washing, finishing, CSR to improve our systems and make things more visible. It is impossible to do it alone, as we had different ties and arrangements to get the job done...” (Senior manager, marketing)*

*“... CBL is proud to have some of the world's most respected denim professionals as partners. Together with our partners, we offer our customers a truly bespoke service focusing on cutting-edge innovation, a range of price points, efficiency and a “one stop shop” approach...” (www.crescentbahuman.com)*

## **Promotional Management**

CBL became involved in different marketing and promotional arrangements to project its offerings and sales in an effective way.

Marketing and Sales offices remained vital in the formulation of marketing and sales strategies.

*“... in 1998, the Apparel Marketing and Operations Department was established to manage routine operations and to develop marketing and sales strategies. In the same year, the Apparel Marketing and Operations Office (AMOL) was established in Ireland for marketing and sales in Europe ...” (Senior manager, marketing)*

*“... in September 1998, CBL established a sales and marketing office (Apparel Marketing and Operations Limited). We took a strategic move by opening a sales and marketing office in Derry, Northern Ireland. The main aim was to focus on our sales and marketing activities in Europe...” (Assistant vice president, marketing-Europe)*

*“... in 1998 Apparel Marketing and Operations Limited (AMOL) was established to manage sales and marketing in better way. Similarly, to access international markets, we opened a sales and marketing office in Ireland. The key role of that office was to facilitate sales and marketing activities in Europe and create an expatriate team in Pakistan to handle daily operations...” (Senior assistant vice president, supply chain and marketing)*

**CBL learned and involved in promotional management through experts and investment in the latest machines.**

*“... since 2003 we changed a lot as we introduced fashioned contents products with higher value and quality. We continuously added bigger clients and brands. We brought totally new insights into our production and processing by sourcing state of the art hardware and machines. In 2006, we started high value added, specialized fabric and washing development center through acquisition, sourcing and heavy investments in the latest machinery, equipment and experts. Such investments enable us to start our biannual innovative and inspirational collections to present to different clients as a promotional engine...” (Assistant vice president, marketing-Europe)*

*“... in 2006 after all the changes in setup and the installation of highly sophisticated machinery, equipment, techniques... we hired two designers, Venche Adoora from Italy and Idreesh Munshi from the UK. For the first time in 2006 we went for hunting and trapping the customers. We started two collections every year. We did all our own research and developments, we made more than 50 fabrics every season, so new lines of fabric came in, we introduced almost 250 new fabrics...” (Senior manager, marketing)*

*“... a sudden change came when we separated from JV with Greenwood in 2001... the company started and formulated its own roadmap for change. In 2003, we started implementing changes through investing in new machines, hardware and experts in order to become involved in value-added operations and quality production. The results started coming in 2006, when we introduced our own promotional and inspirational collection through being involved with designers, developers and our newly established R&D center, for example, with specialized fabric and washing development center...” (Senior manage, merchandizing)*

**Promotional and innovative inspirational collections and offerings were learned through design/R&D center.**

*“... in 2006, we implemented the changes in a real sense as we started to specialize fabric production and washing through our newly established R&D center. We continuously acquired, sourced and invested in modern machinery, equipment, R&D and foreign experts. That was the year we successfully launched our annual inspirational collection...” Assistant vice president, marketing-Europe “... 2003 was the beginning of changes, but 2006 was the time when a real change came in after all the necessary preparations and investments. In 2006, we established a design center that comprises three main tasks: Innovation and inspiration, product development, and transition. We started our two inspirational collections annually – spring-summer and fall-winter – to attract more business...” (Design Director)*

*“... we started our two inspirational collections annually, for spring-summer and fall-winter through our R&D and design center. This shows our involvement in R&D and innovations with innovative offerings that are fine-tuned with the latest market trends...” (Senior manager, marketing)*

**Promotional management learned through an active network of international marketing and sales offices and participation in fashion/ trade shows.**

*“... our global offices help us to remain in close contact with clients and to monitor the latest market happenings. This enables us to get market insights, react in time and present our innovative offerings/collections...” (Vice president, product development)*

*“... we started producing our own inspirational collection that enables us to participate and present our products in mega-trade expos such as Denim by Premiere Vision (DPV) and Engraved - Paris. Such participation enables us to showcase our innovative products to inspire both existing and potential customers...” (Assistant vice president, marketing-Europe)*

*“... CBL’s marketing presence is strong across the world, with offices and showrooms in Europe, America and the Middle East. This helps us remain in close contact with our esteemed clientele as well as monitor regional fashion trends. Our experience in multiple regions of the world helps us shape and define our seasonal collections to better suit our customers’ ever-changing desires...” (www.crescentbahuman.com)*

In addition to R&D and innovation, constructive imitation is an efficient way learn about the latest market trends.

*“... we are continuously visiting our clients, doing comparative shopping from anywhere, participating in expos (such as DPV in France) for information and getting new ideas. We are extending these ideas and learning to take our inspirational collections to participate in international expos and future market operations...” (Senior manager, marketing)*

*“... working with international brands is a main source of getting the latest insights and happenings in markets. Our global sales and marketing teams connect us with the latest and ongoing trends in markets. Similarly, our marketing and technical officials continuously visit foreign clients and markets and buy the best brands for deep insights. Our foreign designers and developers also keep us informed about the latest trends in design and styles...” (Deputy manager, R&D-Textiles)*

*“... we do it on a continuous basis; we do comparative shopping, we go out in the industry, buy and review some best brands of the world while going out for shopping... Similarly, we attend and participate in Expos ... which help us to observe new happenings in the markets. Further, our global offices keep us updated about the latest happenings in different regions. We don’t exactly replicate the same thing. We take the main feature of a specific product and use it. From one garment that we bought in our comparative shopping, we may have to create 10 new articles by using certain valuable features. We used these ideas in our inspirational collections on regular basis as well...” (Vice president, product development)*

Alliances and joint ventures help CBL to learn and present its offerings and annual promotional collections.

*“... we made our presence in different international market segments more effectively through our global alliances with leading European manufacturers and washing houses. In 2009, we made a joint venture with a Turkish company (Crescent Turk) .... this venture allows CBL to access the Turkish and European markets in no time. This venture has its own design studio, where products are designed according to the European fashion trends. In 2010, we made a joint venture (The Denim Atelier) with Martelli Italy, one of the most reputed names in garment washing and finishing in the world. This partnership had two objectives. The first was to market together for new customers and, second to learn best practices from our partners. The alliance with Greek Hellenic Fabrics S.A as Hellenic Crescent... enables us to increase sale of our innovative product in 30 European countries by becoming more vertically integrated. These alliances enable CBL access to European, American and Middle East markets with a high content of denim products...” (Senior manager, marketing)*

*“... in 2009-2010 we started global alliances in washing, production, design, sales, and marketing. These alliances enabled us to utilize our integrated facility in a more strategic way to increase our sale by offering innovative and high-quality products and processes...” (Senior assistant vice president, supply chain and marketing)*



*“... in 2009 and 2010 we started three global alliances/partnerships in washing, production and sales/marketing with Turkish, Greek, and Italian companies to deeply penetrate in the European, American and Middle Eastern markets...” (Assistant vice president, marketing-Europe)*

## **Washing and Laundry**

Washing and laundry/processing is the main part of denim production, as different washes and finishes create value in denim apparel (that is, improve the functionality, aesthetic and other aspects).

CBL learned and became involved in modern washing through acquiring state-of-the-art laundry/processing equipment, R&D and experts.

*“... we brought new insights into our production. In 2006, we added a specialized fabric and washing development center through acquisition, sourcing, and investment in the latest machinery, equipment, experts, and R&D...” (Supply chain, manager)*

*“... we brought totally new insights into our production and processing by sourcing state-of-the-art hardware and machines... we started high value-added, specialized fabric and washing through heavy investments in the latest machinery, specialized washing facility, equipment, and experts. Such involvements enable us to start our biannual inspirational collections as a promotional engine...” (Assistant vice president, marketing-Europe)*

*“... In 2006, we started new dynamics by adding specialized fabric and washing development centers through investments in sophisticated machinery, equipment and experts...” (Senior manager, marketing)*

Innovative and latest trends in washing and laundry were learned through diverse customer’s specifications.

*“... Similarly, some customers demand very special details in fabrics and finishing as they adopted more advanced processes in their products which are uncommon in denim. For example, our main sourcing partner(s) adopted the latest production and processing techniques for sustainability. We had done an innovative project (water-less jeans) with our contract partner to save water in our production and processing by 40 percent to reduce our impact on the world’s water resources. ...” (Assistant vice president, marketing-Europe)*

*“... we receive advice and directions from our clients whenever a new or unique product is coming... recently we completed a project by using about 40–50 percent less water in washing and finishing. Levi’s directions enable us to successfully complete the project with full confidence. We improved based on such advice to save time and energy in our operations. Similarly, some of our clients stopped sand blasting for finishing because of hazardous effect on workers ... We have done the same in handling their products and very soon we will completely stop such hazardous processes in our operations...” (Senior assistant vice president, supply chain and marketing)*

*“... recently, we have done a project with Levi’s for water-less jeans, they guided us in a detailed manner. We reduced the consumption of water by 40 percent in garment production and finishing. Similarly, we are among the supplier and manufacturer of BCI from Pakistan, as our clients are leaders in initiating BCI initiatives worldwide. We stopped hazardous practices in our operations like sand blasting based on some of our clients’ advice...” (Vice president, product development)*

Latest garments washings techniques were learned through partnerships and alliances.

*“... we got training from our partners, last year a team of washing and laundry experts from Martelli (our partner) came here for one week. They taught our team how to make a nice fabric washing, how to save the chemicals cost, how to do a nice hand work on the jeans. These techniques were shared here by their team. Then our team went to Italy to visit their production site to see and practice on different machines, washing in different water and environment where the PH and temperature are different from Pakistan, so we correlated the expertise on one machine to another and washing in totally two different setups and washing environments. We learned and observed from their atmosphere ... what is happening in market demand for washings...” (Senior manager, marketing)*

*“... the alliance (the Denim Atelier) with Martelli is amazing. We got hands-on experience in the world’s latest washing and finishing techniques through training and learning on the production floor. This alliance enables us to offer the best quality and high-value products with Martelli-inspired washings and finishing at reasonable prices...” (Vice president, product development)*

*“... we have a strategic alliance with Martelli, a world-leading name in washing and finishing. This alliance enables us to offer high-quality finishing and washing in our garments. Our clients are growing due to our expertise in denim and latest vertical integrated production...” (Assistant vice president, production)*

## **Customer Relationship**

It is vital for exporting manufacturing firms to have good business ties with international customers. CBL followed the customer-centric philosophy to deeply understand and continuously match their customers’ diverse emerging needs to nourish business ties.

Good customer relation was learned and maintained through customer specifications

*“... first, the clients visit us to check the plant, infrastructure, machinery and facilities... social and ethical compliance. Once they are satisfied with our facilities and infrastructure, then they come on the business terms and conditions which mainly focus on cost, quality, supply and future action in case of any dispute. When it comes to the production floor then every customer has his own specific needs and demands according to his target market. It varies from customer to customer...” (Assistant vice president, production)*

*“... our clientele profile consists of world-leading brands and sourcing partners. They conduct business in a very responsible way. Some of them are the leaders in initiating and enforcing standards. When it comes to sourcing they only do business with partners who conduct business in their way with respect to environmental and ethical code of conduct. They are the enforcers of international and regional standards on various issues which are subject to change with time. We are complying with all standards required by our sourcing partners from the last 17 years. We are a certified company and provide certification on demand...” (Senior manager, marketing)*

*“... I will say that there are two main categories for requirements: pre-business start and post-business deal. In my experience, almost 99 percent of customers’ requirements are the same before putting any order; they are mainly looking for compliance with standards, infrastructure and R&D. Once they are satisfied from there then they look for quality, price and lead time according to their specific market needs... Generally, CBL and most producers in the world do not play with the fit of the customers. Let’s say that there is a Norwegian brand, the Norwegian body shape of a woman and man, or the average shape or structure of the body is best understood by them than anybody else. So, what we do here, we take the fit, which means the measurement chart and the generic styling of the garments from that client, whoever that client may be, we add some tweaks to that, whenever we make the presentation of the garments, we add the aesthetics...” (Vice president, product development)*

Investment in state-of-the-art machines, systems and techniques remained vital ways to get technical ability to accommodate emerging needs from customers:

*“... in 2003 lots of different changes were brought into our system, operations and tactics through the acquisition and sourcing of equipment and machines. We introduced a range of high-fashion content and products, contacting and adding bigger clients with higher point value. We started adopting new parameters in our production...”*  
(Assistant vice president, production)

*“... in 2003, the company changed a lot; we introduced high-fashion products and processes through acquisitions of the latest machines and tools that made our way to add bigger clients...”* (Supply chain manager)

*“... a new beginning came in 2003 and lots of different changes were brought in, we introduced a different range of products, highly fashion products, added bigger customers and higher value-added activities. We started with completely new parameters into our production and processing through sourcing the latest machinery and equipment...”* (Senior manager, marketing)

Customer relationship was enhanced through matching with customer specifications, involvement in R&D, and experts.

*“... we get unusual orders on regular intervals. Most customers in this industry want a one-stop shop, to buy everything from one source. But it is very hard to accommodate every aspect and order. The acceptance of such unique orders depends on the nature of the order and type of customer. If the order is from our prime customer then we discuss it, see the future prospects we accommodate it ... we evaluate it from every aspect with a team consisting of people from PPC, PD, R&D and production. We decide whether we are capable or need extra arrangements to be capable of doing such order, we always make necessary arrangements...”* (Senior manager, marketing)

*“... we handle unique and unusual orders from time to time... in most cases we accommodate our major clients/sourcing partners. First, we evaluate such order from different angles based on our technological expertise. If there is an issue that we cannot handle in an efficient way we discuss it with the clients to make necessary changes according to our capabilities. If not, then we analyze what is missing and how to deal with such unique order. We consult our foreign R&D, PD teams and developers. If necessary we upgrade our system, machinery or make investments if the order runs for long and creates business for us...”* (Senior assistant vice president, supply chain and marketing)

*“... we get customer orders/requests that are not really for CBL, but what we do depends on the value that we assert on that customers. It depends, what type of customer is he for CBL? If it is a long-term partner, we entertain that order even if it is not for CBL, somehow, we reengineer it, change it to fit our system. We do not turn away anything just like that. Especially if it is a valuable partner, first we understand it, engage our local and foreign experts for better understanding and execution, reengineer it, give them some suggestions for modifications that suit our production facility and infrastructure without making a large investment ...”* (Vice president, product development)

CBL learns and adopts successful processes and systems from others in its operations and extends them into its relations with other clients.

*“... especially, Levi’s’ concept of ‘never out of stock’ is very unique. They book fabrics and related stuff which are generic on a tentative forecast, they issue the PO today. We start cutting the next day, followed by production, processing, and we ship the product within 21–28 days. This is only possible when you have a good forecast well in advance. Based upon their store selling every week they generate SKU, they issue a PO on the next Monday, this is a fast-moving trend, this is an extremely good model to learn. We proposed to others to follow and benefit. There are some customers whose developments are very premium processes, we learned from them and started in our operations for better quality and performance...” (Assistant vice president, marketing-Europe)*

*“...the wonderful experience that we have learned is out of Levi’s. We served them over years, learned their unique systems, product developments, various developmental cycles and their way of making sure that the product is sustainable. Sustainable in a sense that it is not a threat to the ultimate consumers and related stakeholders... We applied them practically in our routine operations and for other customers to benefit from it...” (Assistant vice president, marketing-Europe)*

*“... we are producing private brands and labels for different customers and sourcing partners with different specifications, styles and designs. Working with diverse customers’ orders connects us to a rich source of market information and trends. Every order has something new for us or we improve our own practices by producing it in an alternative way...” (Senior manager, marketing)*

Customer relationship was enhanced through an active network of international marketing and sales offices and participation in trade shows and expos.

*“... we have an established global network of sales and marketing offices in the USA, UK, Ireland, Germany, Italy and UAE. Our global offices help us to remain in direct and close contact with clients and monitor their regional fashion trends to shape our seasonal collections...” (Senior assistant vice president, supply chain and marketing)*

*“... CBL’s marketing presence is strong across the world, with offices and showrooms in Europe, America and Middle East. This helps us remain in close contact with our esteemed clientele and as well as monitor regional fashion trends. Our experience in multiple regions of the world helps us shape and define our seasonal collections to better suit our customers’ ever-changing desires...” (www.crescentbahuman.com)*

*“... we started producing our own inspirational collection that enables us to participate and present our products in mega trade expos such as Denim by Premiere Vision (DPV) and Engraved - Paris. Such participation enables us to showcase our innovative products to inspire both existing and potential customers...” (Assistant vice president, marketing-Europe)*

Customer relationship was improved and strengthen through compliance with customer’s standards in addition to other specifications (business- and product-related).

*“... first, the clients visit us to check the plant, infrastructure, machinery, facilities and compliance. If they are satisfied with our facilities and infrastructure they come on the business terms and conditions ... when it comes to the production floor then every customer has his own specific needs and demands according to his target market. It varies from customer to customer and order to order...” (Assistant vice president, production)*

*“... our customers are widely spread in different markets around the world. Everyone has his own specific requirements, specifications and standards according to international and their regional specific needs. Price, quality and quick deliveries are influential factors required by the majority of clients. Even a single customer working with different market segments has different needs and requirements. Customers interested in starting business with us for the first time are very concerned with our compliances and standards regarding different CSR and ethical issues. If they are satisfied from there, they go for further developments...” (Deputy manager, R&D-Textiles)*

*“... our clientele profile consists of the world’s leading brands and sourcing partners. They conduct business in a very responsible way...when it comes to sourcing they only do business with partners who conduct business in their way.... they are the enforcers of international and regional standards... we are complying with all standards required by our sourcing partners ....” (Senior manager, marketing)*

## **International and Regional Standards**

CBL is one of the leading denim apparel producers in this region, and is committed to comply with standards.

### **International and regional standards learned through customer specifications**

*“... every customer has his own specific requirements, specifications and standards according to international and their regional specific needs... any customers interested in starting business for the first time are very concerned with the compliances and standards regarding different CSR and ethical issues. If they are satisfied from there, they go for further developments...” (Deputy manager, R&D-Textiles)*

*“... our clientele profile consists of the world’s leading brands and sourcing partners. They conduct business in a very responsible way. Some of them are the leaders and initiators in establishing standards. When it comes to sourcing ties they only do business with partners who conduct business in their way... we are complying with all standards required by our sourcing partners from the last 17 years. We are a certified company and provide certification on demand...” (Senior manager, marketing)*

*“...Customers from different regions and markets have different requirements to comply with their regional and international standards. Additionally, some customers have their own initiated ethical, social policies and standards, which we must have to comply with...” (Assistant vice president, marketing-Europe)*

### **learned through training and certifications**

*“... we got certifications and training from world-leading consultants, as we are a certified company having compliance on Levi’s® (PEs, noise monitoring, hazardous waste disposal and WWTP); Montreal Protocol Treaty (Refrigerant replacement); NEQS (air emissions and liquid effluents); IFC-International Funding Corporation (air emissions, ambient noise, fire safety monitoring, liquid effluent); World Bank (air emissions, noise, effluents, work environment); Environment Excellence Award 2010-11 – Country-wide; CSR Excellence Award 2010-2011 – Country-Wide; ISO-9001; ISO-14001; OEKO-TEX 100; SA-8000; OHSAS 18001; AEEA 2010; WRAP...” (Vice president, product development)*

*“... similarly, beside international standards every customer has his own regional requirements which we should comply with. We are among the most compliance plants in this part of the world. Since our inception, we have been very active in CSR, as we have had an effluent water treatment plant since 1995. We are a certified company, having compliance on: Levi’s® (PE’s, noise monitoring, hazardous waste disposal and WWTP); Montreal Protocol Treaty (Refrigerant replacement); NEQS (air emissions and liquid effluents); IFC-International Funding Corporation (air emissions, ambient noise, fire safety monitoring, liquid effluent); World Bank (air emissions, noise, effluents, work environment); Environment Excellence Award 2010-11 – Country-wide; CSR Excellence Award 2010-2011 – Country-wide; ISO-9001; ISO-14001; OEKO-TEX 100; SA-8000; OHSAS 18001; AEEA 2010; WRAP. We got these certifications through training from leading consultants and auditors ...” (Senior assistant vice president, supply chain and marketing)*

*“... besides infrastructural, product specifications and international requirements, every customer has its own initiated and/or regional standards and requirements in raw materials, use of chemicals, processing and product*

*handling. We are a certified company from various aspects... we have certifications from top consultants and bodies to ensure full compliance in our actions...” (Assistant vice president, production)*

## **Innovation**

CBL is amongst the leading apparel producers in Pakistan, and is involved with innovative production, washing and finishes. CBL is constantly searching new and/or improving existing operations, systems and offerings.

**Learned through R&D, experts and investments in latest equipment and testing tools**

*“... we improved and are improving on a regular basis. For example, previously we were importing a special type of corrugated cotton from Belgium, Turkey and Dubai which was very expensive due to unavailability of required quality in the local market. We brought that cotton and challenged our own spinning unit and local vendors. We provided them with specifications, they worked on that for some time, submitted several samples and finally matched with our specifications. We approved it from our quality and R&D teams and further from the respective client, after some changes. Now we are locally producing that yarn in a cost-effective way... similarly, we made improvements in our inventory management; production schedules and planning... We plan and forecast our production schedule, which we send to vendors according to our production plans...” (Supply chain manager).*

*“... the big drive today is regarding sustainability. Two years ago, I challenged my/CBL chemical suppliers and said ‘ok, we need the same kind of product which we are buying today, but they must be active to the same level in lesser water’. Then we made a change, for example if we were using 10 liters of water per kilo for a certain process, then we started six liters per kilo for the same process. So immediately we start reducing 40 percent of water we were consuming in garment finishing. Then we realized that by doing this we were also saving energy, as we do not have to heat same volume of water to a certain temperature for wet finishing. Then we challenged the suppliers for lower temperature, most of the production and process are run at 40 degrees. We raised the issue of why we run them at 40 degrees, when the temperature in this region rises to 50 degrees in the summer, the unbarred water temperature is 30 plus, so we cannot develop things in the winter months in cold water and then expect to produce it during summer at 40 degrees. We set a limit that we will do all the developments at 40 degrees. So, at the production stage, water either needs five degrees of heat or may not need any heat depending on outside conditions. This also saved us energy, and our carbon footprint is improving...” (Vice president, product development)*

*“.... We started an innovative project with Levi’s for technical textile. We invested in expansive processes but unfortunately Levi’s stopped it. We expect that it will continue by Levi’s in future. We worked on water replant, fire resistance and others finishes in garments. But now it is increasing because of the demand. For Levi’s we did a project of “Waterless Jeans”, we reduced our water consumption up to 40 percent by using unique washing and laundry processes. Now we are working with Thermo- light and Coolmax in our garments and fabrics. Things are continuously changing. For such development, you should be more vigilant and proactive...” (Assistant vice president, production)*

**Learned through constant investment in state-of-the-art machinery, equipment and customized systems**

*“... in 2003, we made several moves for a new beginning, we formulated, checked and worked on several options to bring changes in our integrated operations. We added new customers through involvement in R&D, adopted value addition in our operations, and introduced innovative products and processes. We brought new insights in our production and operations through investment and upgrades in state-of-the-art equipment, machines and techniques...” (Senior assistant vice president, supply chain and marketing)*

*“... we are more flexible and well aware of the latest trends in fashion and demands for systems and technology. We are well prepared to work with complex customers and handle their complex orders and products ... we are more strategized and rationalized with the needs of the business as of today. We are more flexible and capable to produce for any small brand or big clients, we accommodate both with full confidence. There has been a 180-degree turn (complete changes) in our infrastructure, system, thinking, strategy and management style. We are now more selective in our business to get into high-value segments...” (Assistant vice president, marketing-Europe)*

*“... the type of products that were being produced here was not different... than most of the world does and this region was already doing in huge quantities. The whole purpose of bringing me here was to innovate and inspire the customers. And I believe that we have been successful with my team. This building also came right after my joining the company. The development center downstairs is new and now this department itself has about 70 people, our product development (PD) sowing section employs 200 people, so the changes that happened from the product point of view is ongoing on a daily basis. From the machinery point of view, it is ongoing not daily, but at least annually we have improvements in equipment to be more up-to-date with the market, to be able to provide different products to the market, to be one of those companies that people recognize as a forward-moving organization...” (Vice president, product development)*

### **Innovative capabilities learned and further strengthened through strategic alliances and customer specification.**

*“... the alliance with Martelli was to go to different companies like REPLY, which is a very reputed company, we offered them all three things: we can stitch, use our own fabrics and make the garments and then Martelli can wash those garments... but if we wash it here at CBL it is still a Martelli-inspired wash in well-controlled Martelli standards at lower costs than in Italy and Romania. We offer a premium wash here at CBL. All these offers were sent to Diesel, Scotch and Soda, Energy, Reply and Sixty 60, and we have done some good business with them. In this way, the innovation through partnering idea was successful. In the past, we were only doing the basics, now we are making and prepared everything and offer to quality-conscious segments of the market. It is a matter of where you are pitching the ball and making revenue...” (Senior manager, marketing)*

*“... we had done projects with our prime customers, for example we did an innovative project on “waterless jeans” where we consumed 40 percent less water in our production and processing. This also helps us to save energy and heat costs in our production and processing. Such projects enable us to build our capabilities, competencies and innovative techniques. It gives us full confidence and makes us capable of doing such projects on our own. We also get insights from such projects for the production of quality products and annual collection for future business...” (Senior manager, marketing)*

*“... in the year 2009-2010 we started global alliances in washing, production, design, sales and marketing. These alliances enabled us to utilize our integrated facility in a more strategic way to increase our sales by offering innovative and high-quality products, better control over supply chain, develop new and nurture existing clients in international markets like the EU, US and Middle East...” (Senior assistant vice president, supply chain and marketing)*

### **Learned and involved in innovation through world’s leading fashion garments suppliers’ specifications.**

*“... such orders are vital for our learning and competence building through practically experiencing things in a real production setting ....., for example we did an innovative project on “water-less jeans” where we consumed 40 percent less water in our production and processing. This also helps us to save energy and heating costs in our production and processing. Such projects enable us to build our capabilities, competencies and innovative techniques. It gives us full confidence and makes us capable of doing such projects on our own. We also get insights*

*from such projects for the production of quality products and annual collection for future business...” (Senior manager, marketing)*

*“... it is essential from the learning and knowledge point of view. You learn a lot from such orders, due to totally new aspects and specifications in designing, production, processing and overall handling of order. I will say that it is a combination of rich experiences and learning, anyone handling it gets something. It is also a fact that initially it is challenging, but as time passes we get our hands on it. It enables us to use our expertise in more meaningful ways for our future developments...” (Assistant vice president, production)*

*“... the most important impact of these orders is to add new products in our portfolio and hands-on expertise from the design center to the production floor. It touches each and every unit of CBL with learning and experiencing new and improved things...” (Vice president, product development)*

## **Branding Management**

CBL is among the pioneer companies in Pakistan to market and sell under its own brand (name and logo) in local and regional markets (such as the Gulf).

CBL actively uses its exclusive outlets as a means to promote and sell its brand.

*“...in 2006, we started our annual inspirational collections you can see the logos and names in the gallery to show our R&D and innovative products. We have 150 active fabrics in our archive. We launched our own local brand, “Stoneage”, through exclusive outlets which is now valuable in the Gulf. ...” (Deputy manager, R&D-Textiles)*

*“... in 2006, we established a design center that serves our needs: innovation and inspiration, product development and transition for our innovative offerings as per demand. In March 2006, we launched our brand “Stoneage” locally, with five outlets across the country...” (Assistant vice president, marketing-Europe)*

*“... Stoneage is a brand identified by its progressive, cutting-edge borderline funk that has been inspired by the growing need for an urban youth trend movement. We design with an edgy creativity while focusing on modern lines and sleek fits. Stoneage has become the leader in how denim trends are dictated in Lahore and Karachi (where we have four outlets) and we are further venturing into Islamabad, Multan, Sialkot and Faisalabad...” (https://www.facebook.com/CrescentBahuman)*

Learned through involvement in R&D and from experts.

*“... we introduced our own promotional and inspirational collection through getting involved with designers, developers and our newly established R&D center (specialized fabric and washing development) ... similarly we launched our brand in local markets through a network of exclusive outlets and showrooms across the country... In 2009, Stoneage has established itself in Dubai...” (Senior manager, marketing)*

*“... we started an inspirational collection twice a year to present our innovative offering to different customers as a promotional tool... in 2006 we launched our brand (Stoneage) in local markets through exclusive outlets in Punjab, Pakistan. The brand is now expanding to other parts of Pakistan and Dubai as well...” (Deputy manager, R&D-Textiles)*

*“.... in 2006, we established a design center to handle innovation and inspiration, product development and transition that enables us to produce our annual collections. In the same year, we started our local brand, Stoneage, with five outlets across the country...” (Supply chain manager)*



## **Design and Pattern Development**

CBL provides design and pattern development services in addition to the manufacturing of private labels and brands to world-leading brands.

Learned and involved through R&D/design center and implementation of modern equipment.

*“... pattern development – the solvate and fit of the garment, we are very strong in that as well, we have the latest equipment and expertise with Gerber cutting, we are making all the Ethno marking, pattern making and can digitize. If you bring any style we can make a pattern, digitize it and feed to the system, grade it for different sizes and make the product as per demand. We have all these in-house capabilities to feed our clients...” (Senior manager, marketing)*

*“... became involved in services such as pattern development, full service pack (that is, from idea to product shipment) washing development and style developments. I believe CBL is a unique plant in Pakistan which provides commercial services of washing and style developments through its R&D, designers and mechanical arsenal to the world's leading brands and clients. We are providers of style development services to Levi's, D&G, H&M, S. Oliver, Pierre Cardin, American Eagle and others. CBL is a design center for them... they come with a sketch in mind and take the full design of the product, so they use this design somewhere else...” (Assistant vice president, marketing-Europe)*

*“...we can develop denim fabrics, make jeans with different constructions, fittings and styles. Similarly, we have wash development as I mentioned that we got very sophisticated washing and laundry machinery and techniques from Italy... we are providing developments services to Levi's, D&G, H&M, S. Oliver, Pierre Cardin, American Eagle and other elite brands on commercial basis. It is a design center for them...” (Senior manager, marketing).*

Learned from experts (developers and designers).

*“... the whole purpose of bringing me here was to innovate and inspire the customers. And I believe that we have been successful with my team. This building also came right after my joining the company. The development center downstairs is new and now this department itself has about 70 people, our product development (PD) sowing section employs 200 people, so the changes that happened from a product point of view is ongoing, on a daily basis...” (Vice president, product development)*

*“... innovation is an imperative feature of CBL that is the major source of inspiration for its customers. We have an inclusive design center that comprises fabric, garment and pattern developers who are constantly exploring innovative ideas to develop something novel and innovative...” (Company presentation)*

*“... working as a supplier to the world's leading brands and sourcing partners enhances our learning, it compels us to put our hands in innovative processes and production to perform better. Besides innovative productions over the years we also get involved in services such as pattern development, full service pack (that is, from idea to product shipment) washing development and style developments. I believe we are the unique plant in this region who provides commercial services of washing and a style development via its R&D, designers and mechanical arsenal to the world's leading brands...” (Assistant vice president, marketing-Europe)*

Learned from diverse customer specifications.

*“... working with different clients is the main source and connection to market knowledge. Generally, an order of garment consists of different tasks that are performed by different units, being an integrated facility there is something at every step, for every unit from spinning to shipment. Production and design of diverse orders is the best way to know, learn and get practical experience in performing different operations. It brought new*

*experiences, alternatives in our operations through our R&D and product development department ...” (Senior manager, merchandizing)*

*“... we signed strategic alliances with Italian, Turkish and Greek companies in washing, finishing, design, sales and marketing to develop business in high quality and value products and services. It is interesting to note that apart from production and manufacturing we also provide commercial design and pattern development services...” (Deputy manager, R&D)*

*“... we have no problems in design and production of products with any specifications and attributes... we have the competencies in denim fabric developments; besides our own R&D teams we have Italian and British designers, we can handle any sort of product design to production...” (Senior manager, marketing)*

## **Integrated Production**

CBL started its operations as an integrated production unit having facilities to spin, weave, stitch and sew garments.

Learned and involved in integrated production through investments in the latest infrastructure and vertical production facility.

*“... Crescent Greenwood Limited was the first fully vertically integrated plant in Asia to include the latest spinning, weaving, cutting, finishing and sewing under one roof...” (Senior assistant vice president, supply chain and marketing)*

*“... in textiles, we progressed to manufacturing of the world demanded denim garments through the foundation and erection of the latest integrated facility as a joint venture in 1991... Crescent Greenwood Limited (CGL) was one of the first single-site operations of finished jeans and the largest in South Asia to meet the latest demands. It also has state-of-the-art machines and equipment backed by a water treatment plant and a power generation plant in its premises...” (Deputy manager, R&D)*

*“... (CGL) was the first fully integrated apparel plant in Pakistan that included the latest and state-of-the-art spinning, weaving, washing, cutting and sewing units for denim garments according to the international market demands. The plant was backed up by its power generation plant and a water treatment plant which was the first of its kind in Asia...” (Assistant vice president, production)*

Further enhanced the learning related to integrated production through partnerships and strategic alliances.

*“... since 2009 we established alliances with leading European companies as an important strategy for growth. In 2009, a joint venture... with Turkish fabric business partner... gave us the edge to integrate partner supplies network with our vertically integrated production to facilitate sales in Turkey and Europe and assist us in designing.... Similarly, in 2010 an alliance with Greek Hellenic Fabric S.A... enabled us to increase sales and market access of our innovative products by becoming more vertically integrated. The alliance with Martelli is amazing. We got our hands on the world’s latest washing and finishing techniques through training and learning on the production floor. This alliance enables us to offer the best quality and high value products with Martelli-inspired washings and finishing at reasonable prices...” (Vice president, product development)*

*“... in the year 2009-2010 we started global alliances in washing, production, design, sales and marketing. These alliances help us to utilize our integrated facility in a more strategic way to increase our sales by offering innovative and high-quality products, better control over supply chain, develop new and nurture existing clients*

*in the international market...” (Senior assistant vice president, supply chain and marketing) “...Crescent Bahuman started a denim fabrics business with the partnership of Crescent Turk in 2002 and the relationship matured into a joint venture in 2009. Crescent Turk was formed to take advantage of core strengths of the partners in Turkey, being an established name in denim fabric sourcing and fast fashion garment suppliers, and in Pakistan being the biggest vertically integrated denim garment producer. The venture was a natural growth and proved right in the emerging business dynamics of recent years...” (http://www.crescentturk.com)*

## **Industry Trend**

CBL is open to adopting the latest developments and happenings in its operations and offerings. The company uses both internal and external sources to stay up to date with changing market trends.

Learned from diverse customer needs and specifications.

*“... we changed by adopting advanced systems, the latest production, processing techniques and equipment. Mostly clients are searching for efficiencies to cut costs, for example everyone is using online ordering systems, where they issue orders on our name, we fill their orders, give supply schedules and update their order status on a daily basis. We installed PITS and RFID systems for online production tracking to enhance visibility and clarity in our systems... customers now order in small batches with variations. This is more challenging from a production point of view...” (Assistant vice president, marketing-Europe)*

*“... change occurred overnight in production, processing, technology, CSR, application, usability, systems and others. The market is extremely demanding and fast-moving in fashion trends. To cope with such changes, we are agile and proactive in our tactics and offerings, otherwise we will be only spectators. We strategically go back and forth to get what we need in the shortest possible time and within available resources. We are wisely investing in people, machines and R&D. We pay for licenses and patents to different companies like DU PONT, INVESTA, etc. for their noble and innovative techniques to introduce them in our operations in timely manner...” (Vice president, product development)*

*“... our business mainly consists of two parts: Levi’s and non-Levi’s. Actually, our prime client, Levi’s, is very well organized and does business in the same way. They have a formal and systematic procedure for each and every aspect. For every parameter, they have value and standards that change over time. About 70 percent of customers’ requirements are the same... we have to work according to their demands and priorities to match their requirements in the best possible way. Most of them change the ordering procedures and systems to IT-based... similarly, things keep changing with respect to aesthetics and appearance. From the functionality aspect, it changed a lot with the passage of time. Customers introducing and demanding functional aspects in their orders (antimicrobial, water repellant, heat-retardant, Coolmax, heat absorbent, etc.) ... We never imagine the use of textiles in other sectors and industries apart from home and apparel... Similarly, technology, machines and know-how become obsolete with changes. These changes are so wide that it is impossible for us to capture all the aspects. We are trying to be responsive to these changes as we are improving our technological and knowledge base through investments and sourcing the latest machines, equipment and experts. We pay for licenses and patents to different companies to use their novel practices in our production and processing ...” (Assistant vice president, production)*

Learned through international marketing and sales and by participating in fashion shows and expos.

*“... CBL’s marketing presence is strong across the world, with offices and showrooms in Europe, America and the Middle East. This helps us remain in close contact with our esteemed clientele as well as monitor regional fashion trends. Our experience in multiple regions of the world helps us shape and define our seasonal collections to better suit our customers’ ever-changing desires...” (www.crescentbahuman.com)*

*“... our international offices keep us within the rhythm of the market by providing information related to design, fashion, styles and functionality of products in specific regions. We extend our production practices and annual collections based on this information and trends...” (Assistant vice president, production)*

*“... we have a global presence through our sales and marketing offices and partners, they feed us with new information and give us feedback from various parts of the world; on top of that, our marketing and production teams are continuously attending trade shows and expos to get new insights from different locations...” (Senior manager, marketing)*

### **Learned through re-engineering and emulation.**

*“... our R&D and product development teams get information from our global offices and attend business fairs to get in touch with contemporary trends. They are always on their toes to get first-hand information on the latest fashion by visiting customers, searching markets and meeting with the world’s top denim professionals to obtain their insights. All this helps to create CBL’s collection, which we present twice a year to different customers...” (Senior manager, marketing)*

*“... Our development process is driven by addressing the global market trends and producing fabrics which encompass wash flexibility and performance. We research with industry experts, attending fabric fairs worldwide and include all influences which are important to our customers...” (www.crescentbahuman.com)*

*“... we do comparative shopping, we go out in the industry, buy and review some best brands of the world while also going out for shopping maybe in San Francisco, New York, Milan, Hong Kong, Dubai, UK... on a regular basis... Similarly, we attend and participate in expos like DPV, Engraved in France, etc., which helps us to observe new happening in the markets. Our global offices keep us updated about the latest happenings in different regions. We don’t exactly replicate the same thing. We take the main feature of a specific product and use it...” (Vice president, product development)*

### **Learned from experts (top designers and developers).**

*“... our customers are international brands; they set and follow trends in the market. Customer taste and market trends are dynamic in nature, if we don’t respond in time we would have survival problems. To be reactive to changes we continuously invest in machines, R&D, equipment, testing tools and experts...” (Deputy manager, R&D-Textiles)*

*“... our R&D and product development team get information from our global offices and business fairs to understand latest trends. They are always on their toes to get first-hand information on the latest fashion trends ... and meeting with the world’s top denim professionals to get their insights. All this helps to create CBL’s collection and move with market changes over time...” (Senior manager, marketing)*

*“... CBL’s R&D team is always busy in getting and implementing new and innovative ideas .... We research with industry experts, attend fabric fairs worldwide and include all influences which are important to our customers...” (www.crescentbahuman.com)*

### **CBL brings the latest trends in its offerings through licenses and patents.**

*“... to cope with such changes, we are agile and proactive in our tactics and offerings, otherwise we will be only spectators. We strategically go back and forth to get what we need in the shortest possible time and within*

*available resources. We are wisely investing in people, machines and R&D. We pay for licenses and patents to different companies...” (Vice president, product development)*

*“... changes occurred from “Cotton to Carton”. The apparel industry is very dynamic, and denim itself is changing a lot due to high-fashion contents and demand. There are countless things, you name it, that changed and are continuously changing ... there are innovations and advances in CSR, materials, production, processing... Our clients and sourcing partners initiated changes as they are the leaders and trend-setters in the industry. Similarly, suppliers of chemicals and raw materials continuously present innovate materials and processes that change the rules of the game. Every day is a new day and something new is coming... In order to go with the wave of change we pay for license and patents... to use new ideas in our products...” (Senior manager, marketing)*

*“... to stay in the race, we are adopting the latest hardware, techniques, trends and innovations as soon as they are commercialized and available in the market through licenses, copyright acquisition and other arrangements...” (Senior assistant vice president, supply chain and marketing)*

## **Product Diversification**

CBL diversified its offering via non-denim apparel and bottoms.

Learned product diversification from customer specifications and by sourcing canvas (non-denim fabric) from local markets.

*“... we also diversified our product range in 2008 to meet some non-denim demands. What did we do and are doing? We bought canvas and flat fabrics from locally reputed firms; we cut it, sew it and wash it... We are there but it is not a big portion of our business...” (Senior manager, marketing)*

*“... in 2008, we made moves toward diversification; we added non-denims to our portfolio, but it is just a small portion of our business. We include bottoms through processing canvas sourced from local markets...” (Assistant vice president, marketing-Europe)*

*“... in 2008, we tried and succeeded in diversified offerings. We got a small order for non-denim from our client on an experimental basis. We sourced canvas from a local supplier and made the product according to our client’s specifications and directions. It went well. Since then we have added the non-denim to our portfolio, but it is just a small portion of our business. We extend it to other clients as well...” (Senior assistant vice president, supply chain and marketing)*

## **Conflict Resolution**

Creating and retaining business ties is challenging, especially in the fashion apparel sector. CBL found ways to resolve issues arising in its engagements with clients through certain arrangements that sought to establish a long and positive working relationship.

Learned about conflict resolution through negotiations and discounts.

*“...we try our best to match with our customer specifications. Sometimes certain issues arise in quality, price, specifications matching and delivery schedules, etc. We take them with an open heart and discuss it among our respective departments and customer. We always try to find new ways to resolve issues with our clients for longevity in our business. We give discounts, replace the order on a priority basis and use alternative modes of transportation in case of delays. We are working with world-class brands for the last 17 years and still it is going*

and growing. There are also some cases that the customer left us, two of them left us for not meeting their delivery schedules while others stopped working due to their state policies and duties...” (Assistant vice president, production)

“... working with a customer is like a marriage, you always have tough times, you always have deadlock and absolutely you have solutions. There are always lots of things going on, in the majority of cases we discuss, open up and share the problems with customers. It is a fact that when you share problems with customers they become part of our problem and come to a consensus. There are also incidents when the deadlock is going long that eventually turn down by customers or by us. Main challenges are price and delivery, all the discussion and deadlocks are always around these two points in our business. In such circumstance, we offer discounts on the price or we send the shipment through air instead of sea to accommodate customers’ needs. Such arrangements are important to stay in the business...” (Assistant vice president, marketing-Europe)

“... no one is perfect to work with zero defects. Garment manufacturing is a tedious job as you have to take care of hundreds of details and if you miss one then you are in trouble... Sometimes we have supply issues, in that case we ask for 10 days’ extension, sometimes the customer accepts, but sometimes they disagree and ask for a three to seven percent discount. Or we send them consignment through air instead of sea. In case of any serious issues we negotiate with an open heart and compensate customers at every cost... it creates a good image and ensures continuity of business for us...” (Senior manager, merchandizing)

## Why is The Firm learning the Way It Does?

Having identified the main learning domains through the main learning ways for learning, we also need to identify why the firms tend to learn the way it does.

## Identified Learning Reasons

The learning reasons relate to different motivations and involvement of firm in diverse set of strategies; that is, why does CBL approaches to different modes of learning and uses strategies? In terms of learning reasons (‘why’), 13 reasons have been identified, defined and mentioned, with illustrative quotes as listed in Table 4.4:

Table 4.4: Identified “Reasons for Learning”

Label	Definition	Quote Number
Improvement in Textile Production	It refers to the firm’s needs to bring up new ideas, skills, tools, machines and techniques into the existing production and products.	1,2,3,4,5,6,7,8,10,34,35,36,37,38,39,40,41,42,43,44,56,57,58,74,75,77,78,79,83,84,85,86,104,106,107,108,109,110,111,112,113,116,119,125,134,135,139,140,144,145,146,147,150,151,156,163,164,166,167,168,169,170,172,179,196,198,205
Improving Performance	It is defined as a “firm’s desire to enhance overall firm operations through involvement in latest production and processing”.	22,23,24,25,30,31,32,33,34,35,36,37,40,41,58,68,69,70,71,72,73,75,82,83,84,85,86,87,88,93,104,106,107,108,109,110,111,112,113,114,115,116,119,125,128,132,133,134,135,136,137,138,141,142,143,144,145,146,147,149,154,155,157,158,159,160,161,163,165,166,167,170,171,172,173,174,180,185,186,187,188,189,190,192,194,196,200,205,207,208,209,210,211,213,223,226
Latest Textile Processing Techniques	It refers to the “firm’s need to adopt latest practices, procedures and methods in washing, finishing and shipment”.	1,2,3,4,5,6,34,35,36,37,39,40,42,43,44,68,72,85,104,106,108,109,119,125,134,135,136,139,140,141,142,143,144,147,164,166,167,168,169,170,172,180,196,198,205,207

<b>Label</b>	<b>Definition</b>	<b>Quote Number</b>
Supply chain control	It refers to the desire of the firm to have control over the upstream value chain	7,8,9,10,11,12,13,14,15,70,81,84,96, 165, 173, 177, 209,215, 226
Latest Demand	It is defined as the “firm’s ability to meet customer needs, and market requirements and trends”	5,7,8,12,13,14,15,16,17,1,19,20,21,22,53,54,55,56,57,58,59,68,74,75,78,79,83,84,85,86,87,88,89,90,91,92,93,94,95,96,97,99,100,101,102,103,104,105,106,107,108,109,110,111,112,113,114,116,117,120,127,128,129,130,131,146,148,149,151,154,162,163,168,169,170,71,172,173,176,179,193,194,201,203,206,208,217,221,227
Ability to innovate	It is defined as the “firm’s need to produce new or update its existing products, processes, services and operations”.	40,42,44,45,46,47,51,52,67,74,78,79,93,109,110,112,119,120,125,126,127,128,129,130,131,133,134,135,136,137,138,145,146,148,149,153,156,168,169,170,171,172,175,176,179,180,185,186,187,190,194,195,197,199,207,222
International Market Presence	It refers to the firm’s desire and ability to establish connections and make its presence in foreign markets.	16,17,18,19,20,22,23,24,25,26,27,28,29,37,46,52,60,61,62,63,64,65,66,67,68,69,70,71,72,73,152,153,156,162,163,164,166,167,170,198,214,
Develop Contacts	It is defined as the “firm’s desire to establishing new business relations with potential customers and or strengthening the existing one”.	18,19,20,23,24,25,26,27,28,29,34,35,36,37,38,39,41,42,45,46,47,48,49,50,51,54,55,56,57,58,59,67,68,69,70,71,72,73,74,75,76,77,81,82,84,86,87,89,90,96,120,123,124,125,126,127,128,129,130,131,133,134,152,153,155,156,157,158,162,166,168,169,176,172,178,181,182,183,193,194,195,196,199,201,202,203,206,212,214,216,225,
Branding & Marketing	It is defined as the “firm’s need to develop, present, promote and establish its offerings under specific logo, name or trade mark in market”.	37,45,46,47,48,49,50,51,60,61,62,63,64,65,66,163,165,166,167,218,219,220
Compliance with Regulations	Refers to the firm’s need to comply with demanded international and regional standards.	88,89,90,92,93,94,95,96,97,98,99,100,101,102,103,106,117,121,122,123,124,139,141,142,144,145,173,197,198,199,204,205,207,228
Improving Product Quality	It is defined as the “firm’s need to constantly enhance its offerings and presenting high value and superior products and services”	11,36,37,38,41,67,69,70,72,73,86,111,113,116,125,143,169,173,175,185,191,196,209,213,214,223,224,
Enhance Positive Image of Firm	It refers to the firm’s desire for creation of competence and goodwill in the market.	56,57,58,59,97,101,102,103,117,123,124,142,155,157,158,159,160,161,181,182,183,184,197,202
Commercial Service	It is defined as the “firm’s need to provide services such as design, product and pattern development, business model, quality audits and supply solutions in exchange for payment”	165,166,167,179,180,210,211

In order to better understand why the company tends to learn the way it does, table 4.5 combines ways of learning with reasons for learning. Learning from experts or learning by imitation and emulation is not equally important in relation to all reasons for learning.

Table 4.5: Learning Ways by Reasons for Learning

Reasons Learning Ways	Improvement in Textile Production	Improve Performance	Latest Textile Processing Techniques	Supply Chain Control	Latest Demand	Ability to Innovate	International Market Presence	Develop New Contacts	International Branding & Marketing	Compliance with Regulations	Improving Product Quality	Enhance Positive Image of Firm	Commercial Services
Experts (Insider/Outsider)	36,37,40,42,43,44,85,11 9,163,166,169,170,179,1 98,208	22,23,24,25,36,37,40,85,10 9,113,116,128,143,144,146 ,166,171,172,173,185,186, 187,198,208,224	36,37,40,42,43,44,85,1 09,143,144,166,169,17 0,208		85,116,127 ,162,194,2 08,216,217	40,42,44,46, 119,120,126, 127,129,130, 131,146,153, 162,168,170, 171,172,176, 179,185,194	23,24,25,26,27,46, 162	26,27,36,76, 86,120,126,1 28,129,162,2 16	46,218		36,37,169,173, 224		210,224
Market Partnership/JV		70,224,226					37,67,68,69,70,71, 72,73,163,164,167 ,197	37,68,69,70, 71,72,73,170 ,178,194,196			73,224		
Mergers & Acquisitions (M&A)	34,35	30,31,32,33,34,35,37	34,35										
Product Partnership/Sourc ing-JV	1,2,3,4,5,6,7,8,37,72,86, 119,125,147,163,164,16 7,170,196,198,	68,69,70,71,21,86,119,125, 142,143,164,171,185,186,1 92,194,207,210,224	1,2,3,4,5,6,7,37,72,106, 125,141,142,143,163,1 64,167,170,178,196,19 8,207	7,8	5,7,8,68	67,119,125, 171,207		67,68,69,71,7 2,73,86,192, 194,225		141,142,197,20 7	37,67,69,70,72, 73,86,143,185, 196,224		
Imitation and Emulation	56,57,58,79,108,109,110 ,111,112,119,135,136,15 0,152,156,205	14,93,112,119,134,135,136 ,137,138,149,154,182,205, 209	108,109,110,136		16,17,18,1 9,20,21,56, 57,58,59,7 8,93,94,95, 108,109,11 0,111,112, 150,152,15 4,154,216, 217	93,149,156	17,18,19,20,	56,58,59,153 ,156,216,			209		
Training	139,140,145,146	145,146,	72,139,140,142,143,14 4,198		97,99	145	28		28	97,101,102,139 ,142,144	72,143	97,101,102	
Customer Specification	56,57,58,104,105,107,11 6,125,134,135,136,139,1 40,144,145,147,150,151, 172	115,128,133,134,135,136,1 37,138,141,142,145,146,14 7,149,205,209	58,105,109,125,134,13 5,136,139,140,141,142, 144,147,172	165	16,17,18,1 9,20,21,53, 54,55,56,5 7,58,59,75, 80,83,89,9 0,91,92,93, 94,95,96,9 7,99,100,1 01,102,103 ,104,105,1 06,107,108 ,109,110,1 11,112,113 ,114,116,1 17,127,128 ,129,130,1 31,148,149 ,150,151,1 54,163,194	93,126,127,1 28,129,130,1 31,134,136,1 45,146,148,1 49	18,19,20,21	18,19,20,54, 55,56,57,58, 59,89,90,96, 97,118,123,1 24,126,127,1 28,130,131,1 33,134,181		89,90,92,93,94, 95,96,97,98,99, 100,101,102,10 3,123,139,141, 142,145,205	181	165,167,179,180	



Certification		93			93,94,95,96,97,99,103,117,146			97		93,94,95,96,97,99,100,101,102,103,117,142,145,198,228		97,101,102,103,104,117,142	
Implementation of New Machinery	10,34,35,36,37,38,39,40,42,43,44,74,77,78,79,83,84,85,86,106,107,108,113,135,163,168,170,172,179,198	33,37,38,89,40,41,42,43,44,75,85,87,106,107,108,114,115,166,167,171,172,186,200,223	34,35,36,37,41,83,85,106,168,170,172,180,198	9,12	7,8,13,14,15,75,78,83,85,87,107,108,113,116,146,163,168,169,171,179	44,46,120,125,127,128,131,162,168,171,179	167	34,35,36,39,76,77,84,120,125,127,128,129,131,162		173,198	12,37,38,173,214,223		179,180,210,223
Vertical Production Facility	4,7,72,84	209,211,213,226	4,72	7,8,9,10,11,12,14,15,81,84,96,165,173,177,209,215,226	5,7,8,12,13,14,87,88,96	174	72	72,81,84,86,87,88,96			11,72,173,174,177		165,166,211
R&D and Re-engineering	36,37,40,41,42,43,44,74,163,166,168,169,170,172,179	68,69,72,73,132,134,154,166,168,169,170,171,172,173,207,210,211	36,37,40,41,42,43,44,172,207,221		74,78,79,171,194,203,206,216	40,41,44,45,46,47,48,51,52,67,79,119,126,127,128,130,131,159,162,167,168,169,171,176,191,194,195,197,199,207,222	52,68,69,71,72,73	37,41,42,46,67,88,120,129,162,204,208	51,201,203		36,39,70,73,173	197,202,165,179,180,210,211	165,166
Trade Fairs and Commercial Office		22,23,24,25			78,79,154,176,193,217,221,227	176,194	22,23,24,25,26,27,28,29,152,153,156	23,24,25,26,27,28,152,153,156,192,193,194,212,213					
Learning by Doing	72,106,125,129,134,135,136,198,205	69,72,125,128,129,133,134,136,138,141,142,186,198,206,209	72,106,125,134,136,141,142,143,205,207			125,126,128,129,136,137,148,186,194	69	69,128	142,207	69,125,143			
Sourcing of Canvas Fabric	56,57,58				37,54,55,56,57,58,59			37,54,55,56,57,58,59					
Outlet							60,61,62,63,64,65,163,164,166,167,170	37,45,46,47,48,49,50,51	45,46,47,48,49,50,51,60,61,62,63,64,65,163,164,165,166,167,218,219,220,227				
License	104,108,109,110,111,113,116	110,111,112,116,171	104,108,109,110,113,116		104,109,112	109,110,112,171,172					111,113,116		
Technical Advises	145,146	145,146,155,157,158,159,160,161				145,146		155,157,158		145		155,157,158,159,160,161,181	
CEO/Owner Interest		185,186,187,188,189,190				185,186,187,188,189,190				97			
Negotiations and discount								123,124,181,182,183				123,124,181,182,183,184	
Trade secrets protection										121,122,123,124,201,204		121	
Design Center					78,79,80,176,194,221	48,51,52,78,79,176,194,222	67	67,74	51,52				
# of Citations	144	169	102	21	165	115	60	123	30	57	38	32	15



Interesting insights are evident from Table 4.5, describing the identified learning reasons through specified ways:

### **Experts**

From the very start, CBL connected with designers and developers to develop innovative aspects in its operations. Such involvements are necessary to obtain the expertise required to fulfill market demands.

Learned from experts in order to enhance ability to innovate and designing capabilities.

*“... our state-of-the-art R&D and design center for fabrics and garments enhance our abilities to innovate and develop in a real production setting as per international standards... further, our foreign experts keep us updated on the latest developments on a daily basis. Additionally, our global partners and design centers in the UK and Turkey inform us about the latest and emerging trends in global markets...” (Assistant vice president, production)*

*“... we improved and are improving on a regular basis... previously we were importing a special type of corrugated cotton... we brought that cotton and challenged our own spinning unit and local experts. We provided them with specifications, they worked on that for some time, submitted several samples and finally matched the specifications... now we are locally producing that yarn in a cost-effective way...” (Supply chain manager)*

*“... in the start, we were just manufacturing and imitating whatever the customer demanded. We were doing some basic styles for three major customers and two others. We have a contract (manufacturing agreement) with prime customers like Levi's for almost 16 years... simple to complex products line was brought into this company. It was not only a desire to move forwards, it was a painful process of preparations, we engaged with foreign designers who innovated and designed our fabrics, invested heavily in R&D, latest machinery and processing the fabrics ...” (Senior manager, marketing)*

Learned from experts to improve production and employ latest textile process and production.

*“... I became a part of the newly established design and development center specialized in fabric and washing. Investments in the latest machines, testing tools, equipment, R&D, designers and developers brought new insights into CBL's operations. It enables us to offer range of highly trendy and fashion products, involved in high value-added processing and production that attract and develop business with well-known brands...” (Deputy manager, R&D-Textiles)*

*“... in 2006, we started new dynamics by adding specialized fabric development and washing development centers through heavy investments in sophisticated machinery, equipment and experts...” (Senior manager, marketing)*

*“... before, we were more rigid... now we are more systems-oriented... more flexible and well aware of the latest trends in fashion, systems and technology... From the business point of view, we are well in place to work with higher-end products ... We are more flexible and capable to produce for any small brand or for big clients, we accommodate both with full confidence. There has been a 180 degree turn (change) in our infrastructure, system, thinking, strategy and management style. We are now more selective in our business to get into the high-value segment...” (Assistant vice president, marketing-Europe)*

## Learned from experts to enhance overall performance (operations)

*“... the whole purpose of bringing me here was to innovate and inspire the customers. And I believed that we have been successful with my team.... the development center downstairs is new... so the changes that happened from the product point of view are ongoing, on a daily basis ... to able to provide different product to the market, to be one of those companies that people recognize as a forward-moving organization... we are sourcing machinery, paying for licenses, chemical research and consulting experts in a very wise way. Most of the time I am in touch with good chemical suppliers, anything that they create that is new or novel out in the market obviously, I am getting my feedback. We start developing in similar directions as we are adopting novel processes and finishes in our products through licenses. We start playing with similar products to create our own agenda, our own collections...” (Director, design)*

*“... we took a strategic move by opening a sales and marketing office in Derry, Northern Ireland. We established this office to increase our sales and marketing activities in Europe and to create an expatriate team in Pakistan to manage the operations and train the local management ...” (Assistant vice president, marketing-Europe)*

*“... CBL is proud to have some of the world’s most respected denim professionals as partners. Together with our partners we offer our customers a truly bespoke service focusing on cutting-edge innovation, a range of price points, efficiency and a one-stop shop approach... our alliance member is Crescent Turk, located in Turkey...” (www.crescentbahuman.com)*

## Learned from experts to meet latest demand for the latest products and processes.

*“... since 2011 we have increased our production capacities and capabilities to meet the raising demands from our clients in a vertical manner. We have the right technology, mindset and art of converting and transforming inputs into finished products according to the market trends ...” (Assistant vice president, marketing-Europe)*

*“... our customers are international brands; they set and follow trends in the market. Customer taste and market trends are dynamic in nature... To be reactive to changes we continuously invest in machines, R&D, equipment, testing tools and experts...” (Deputy Manager R&D-Textiles)*

## Market Partnership

### Learned through partnerships and strategic alliances to develop contacts and enhance sales in international markets.

*“... in 2009-2010 we made strategic alliances with the best European companies in washing, design, sales and marketing... These global alliances made us actively present in Europe, America and Middle East with high-quality offerings. We have a design studio and a center in Turkey and in the UK to inspire customers in those markets...” (Assistant vice president, production)*

*“... we made our presence in different international market segments more effective through our global alliances with leading European manufacturers and washing houses. The joint venture with a Turkish company (Crescent Turk) enabled us to access the Turkish and European markets. The joint venture (The Denim Atelier) with an Italian company (Martelli) ... was twofold: first, to market together for new customers and to learn the best washing and laundry practices ... Similarly, the alliance with Hellenic Crescent enabled us to increase the sales of our innovative products by becoming more vertically integrated. These alliances expand CBL’s access to the European, American and Middle Eastern markets with high value-added denim products, processes and services...” (Senior manager, marketing)*

*“... in the year 2009-2010 we started global alliances in washing, production, design, sales and marketing. These alliances enabled us to utilize our integrated facility in a more strategic way to enhance our sales by offering innovative and high-quality products, better control over supply chain, develop new and nurture existing clients in the international market...” (Senior assistant vice president, supply chain and marketing)*

## **Mergers and Acquisition**

Crescent group acquired the company Crescent Greenwood Limited (CGL) because of termination of the joint venture with Greenwood Incorporated.

Learned through mergers and acquisition in order to enhance overall performance.

*“... after the termination of JV with Greenwood Mills a new company, completely owned by Crescent group – Crescent Bahuman Limited (CBL) – was established with new directions and strategies...” (Senior manager, marketing)*

*“... in 2001 a completely new company, Crescent Bahuman Limited (CBL), was established as a result of the JV's termination with Greenwood Mills. That was the time for "do or die", and the company took steps towards change...” (Assistant vice president, marketing-Europe)* *“... in the year 2001 Crescent Bahuman Limited (CBL) was established as a result of the termination of a joint venture. 2003 brought a new era of changes; we introduced a range of highly fashion products, started developing new and bigger customers and higher value-added activities. We brought new insights into our manufacturing and processing lines through investments in up-gradation and acquisition of state-of-the-art equipment, machines and techniques...” (Director Design)*

## **Product Partnership**

CBL actively participated in alliances with sourcing partners/customers, suppliers and world-leading companies in design, washing and production to improve the quality of its production, washing and products.

Learned through partnerships to improve production and employ latest textile processes and production techniques.

*“... after the independence of the Pakistan we started our textile manufacturing operations by establishing a modern textile mill as Crescent Textile Mill in Faisalabad... We gradually excelled our operations in textiles, besides diversified sectors. In 1994, the foundation of the present company (CBL) was laid down as a joint venture between Greenwood Mills Incorporated, USA, and Crescent Textile Mills as Crescent Greenwood Limited (CGL)... Under this joint venture CGL was established as the latest composite vertical plant ... to meet the latest demands...” (Director, Design)*

*“... since 2009 we have adopted an intensive growth strategy through strategic ties with leading European companies. We established a joint venture with our Turkish fabric business partner. It gives us an edge to integrate partner supplies network with our vertically integrated production to facilitate sales in Turkey and Europe, and .... Crescent Turk has its own design studio, which helps to inspire customers in this part of the world ... A joint venture with a Greek Hellenic Fabric S.A... enables us to increase sales and market access of our innovative products by becoming more vertically integrated. The alliance with Martelli is amazing. We got hands-on experience in the world's latest washing and finishing techniques through training and learning on the production*

*floor. This alliance enables us to offer the best quality and high-value products with Martelli-inspired washings and finishing at reasonable prices....” (Vice President Product Development)*

*“... such orders are vital for our learning and competence-building, through practically experiencing things in a real production setting. These orders shake us equipment- machinery- and expertise-wise. We had done projects with our prime customers; for example, we did an innovative project on “waterless jeans” ... consumed 40 percent less water in our production and processing. This also helps us to save energy and heating costs in our production and processing. Such projects enable us to build our capabilities, competencies and innovative techniques. It gives us full confidence and makes us capable of doing such projects by ourselves...” (Senior manager, marketing)*

**Learned through partnerships to enhance overall firm performance and develop contacts.**

*“... we made our presence in different international market segments more effective through our global alliances with leading European manufacturers and washing houses... to market together to new customers... learn the best washing and laundry practices.... increase sales... accesses to European, American and Middle East markets... for high-quality and high-performance products...” (Senior manager, marketing)*

*“... we are investing in equipment and machines to increase our production capacity and capabilities. We set a new strategy for marketing to grab more customers like Esprit, Scotch & Soda, etc. We have a strategic alliance with Martelli, the world’s leading name in washing and finishing. This JV enables us to offer high-quality finishing and washings in our garments. Our clients are growing due to our expertise in denim and latest vertically integrated production ...” (Assistant vice president, production)*

*“... the big drive today is regarding sustainability. Two years ago, I challenged my chemical suppliers and said ‘ok, we need the same kind of product which we are buying today, but they must be active to the same level in lesser water’. Then we made a change, for example if we were using 10 liters of water per kilo for a certain process, then we reduced it to six liters per kilo for the same process. So immediately we started reducing 40 percent of the water that we were consuming in garments finishing. Then we realized that by doing this we were also saving energy, as we do not have to heat up the same volume of water to a certain temperature for wet finishing. Then we challenged the suppliers for lower temperatures; most of the production and process are run at 40 degrees. We raised the issue of why we run them at 40 degrees, when the temperature in this region rises to 50 degrees in the summer, the unbarred water temperature is 30 plus, so we cannot develop things in the winter months in cold water and then expect to produce it during summer at 40 degrees. We set a limit that we will do all the developments at 40 degrees. So, at the production stage water either needs five degrees of heat or may not need any heat depending on the outside conditions. This is also saving us energy and our carbon footprint is improving...” (Director, design)*

**Learned through partnerships and alliances to improve product and service quality.**

*“... alliance with Martelli was to go to different companies... we offered them all three things: we can stitch and use our own fabrics, make the garments and then Martelli can wash those garments. If we go for the Martelli washing, in Italy or Romania, it is quite expensive, but if we wash them here at CBL it is still Martelli-inspired, washed in well-controlled Martelli standards at a lower cost than in Italy and Romania... All these offers were sent to Diesel, Scotch and Soda, Energy, Reply and 60, and we did some good business with them... now we offer for the higher and quality-conscious segments of the market. It is a matter of where you are pitching the ball and making revenue...” (Senior manager, marketing)*

*“... similarly, strategic approaches towards design, production, sales, marketing, customers’ engagements and global alliances enhance our abilities to be in high-quality and high-price segment that make us different from other suppliers and producers in this region...” (Assistant vice president, marketing-Europe)*

*“... in 2009-2010 our global alliances with leading European companies in washing, design, production, sales and marketing enabled us to present ourselves strategically in the high-value segment of international markets ...” (Deputy Manager R&D-Textiles)*

## **Imitation and Emulation**

CBL adopts successful market products and processes to improve its existing operations and respond to the emerging market needs. Similarly, CBL obtains market information on a continuous basis in order to align its offerings to international demands in an agile way.

Learned through imitation and emulation to develop contacts, meet latest demand and improve textile production.

*“... we buy and review some of the best brands of the world while going out shopping, maybe in San Francisco, New York, Milan, Hong Kong, Dubai, UK ... similarly, we attend and participate in expos... that helps us to observe new happening in the markets. Our global offices keep us updated about the latest happenings in different regions. We don't replicate exactly the same thing. We take the main feature of a specific product and use it. From one garment that we bought in our comparative shopping, we may have to create 10 new articles by using certain valuable features... to attract clients...” (Vice president, product development)*

*“... we are producing private brands and labels for different customers and sourcing partners with different specifications, styles and designs. Working with diverse customers' orders connects us to a rich source of market information and trends. Every order has something new for us or we improve our own practices by producing it in an alternative way...” (Senior manager, marketing)*

*“... we are continuously visiting our clients, doing comparative shopping from anywhere, participating in expos (like DPV in France) for information and getting ideas. We extend these ideas and learning to our inspirational collections and future offerings...” (Senior manager, marketing)*

Learned through imitation and emulation to improve overall firm performance.

*“... generally, CBL and most producers in the world do not play with the fit of the customers... So, what we do here, we take the fit, which means the measurement chart and the generic styling of the garments from that client, whoever that client may be, we add some tweaks to that, whenever we make the presentation of the garments, we add the aesthetics ...” (Vice president, product development)*

*“... the most important impact of these orders is to add new products in our portfolio and hands-on expertise from the design center to the production floor. It touches each unit of CBL with learning and experiencing new and improved things...” (Vice president, product development)*

*“... especially Levi's' concept of 'never out of stock' is very unique, for example, they book fabrics and related stuff which are generic on a tentative forecast, they issue the PO today. We start cutting the next day, followed by production, processing and ship the product within 21-28 days. This is only possible when you have a good forecast well in advance. Based upon their store selling every week they generate Stock Keeping Unit (SKU) and based upon SKU they issue a purchase order (PO) on next Monday; this is a fast-moving trend, this is an extremely good model to learn. We copy this best practice and propose for others to follow and benefit from it ...” (Assistant vice president, marketing-Europe)*

Learned through imitation and emulation/re-engineering to enhance ability to innovate and meet latest demand.

*“...our development process is driven by addressing the global market trends, producing fabrics which address the global market trends and producing fabrics which encompass wash flexibility and performance. We research with industry experts, attending fabric fairs worldwide and including all influences which are important to our customers...” (www.crescentbahuman.com)*

*“... our R&D team ... are always on their toes to get first-hand information on the latest fashion by visiting customers, searching markets and meeting with the world’s top denim professionals by getting their insights. All this helps to make CBL’s collection and move with market changes over time...” (Vice president, product development)*

*“... in 1996, we started doing business with Levi’s. At that time, Levi’s was doing only three styles (product styles) and five, washes less than 10 combinations, which was very limited business. We were following and copying customers, whatever they demanded. We realized that this is not our bread and butter; we seriously started thinking about the change in our business model and strategy...” (Assistant vice president, marketing-Europe)*

## **Training**

Training is vital in learning, developing and executing the latest operations.

Learned through training to comply with standards, improve textile production and processing.

*“... we receive guidelines from time to time ... There are always manufacturing specifications .... We receive guidelines of compliance from a garment finishing point of view, so we are always upgrading our chemicals, eco-tech, carbon-free colors and dyes, REACH, WRAP, Norwegian standards, etc., different standards you have to achieve. We got the latest washing and laundry techniques through training and visits from our alliance partner, Martelli. Recently, we did a project with Levi Strauss for waterless jeans, they guided us in a detailed manner. We started with about 40 percent reduction in the amount of water that we were consuming in garment production and finishing. Similarly, we are among the supplier and manufacturer of BCI from Pakistan, as our clients are leaders in initiating BCI initiatives worldwide. We stopped hazardous practices in our operations like sand blasting on some of our clients’ advising on their products...” (Assistant vice president, production)*

*“... we had training from our partners; last year a team of washing and laundry experts from Martelli... They taught our team how to make a nice fabric washing, how to save on the chemicals’ cost, how to do a nice ample introduction and hand work on the jeans. These techniques were shared here by their team. Then our team went to Italy to visit their production site to see and practice on different machines, washing in different water and environment where the PH and temperature ... We learned and observed from their atmosphere...” (Senior manager, marketing)*

*“... whenever a new customer or a new order enters, they provide full details about quality, check, manuals and specific requirements... In garments and apparel, customers give us specific training from time to time; for example, Adidas trained our planning, production and quality people about the latest techniques in handling their orders and maintaining quality. Similarly, Levi’s prevents us from using sand blasting on their jeans for finishing purposes. Similarly, we run a project for Levi’s, ‘waterless jeans’ where they guide us and advise us about different techniques and processes to use almost 40 percent less water... Last year we had six experts from Martelli to train our washing and laundry team here...” (Assistant vice president, production)*



Learned through training in order to complies with customer's regional and specific standards.

*"... we are certified and the most compliant plant in this region... Our operations, dealings, customer profile and certifications are the proof our compliance. We look at business beyond profit, as our top management is extremely concerned about CSR and compliance. It creates good will and satisfaction for us. We got certifications and training from world-leading consultants, and we are a certified company having compliance on Levi's (PE's, noise monitoring, hazardous waste disposal & WWTP); NEQS (air emissions and liquid effluents); IFC-International Funding Corporation (air emissions, ambient noise, fire safety monitoring, liquid effluent); World Bank (air emissions, noise, effluents, work environment); ISO-9001; ISO-14001; OEKO-TEX 100; SA-8000; OSHA-18001; AEEA 2010; WRAP..." (Vice president human resources and shared Services)*

*"... we are among the most compliant plants in this part of the world... we are a certified company having compliance on Levi's (PE's, noise monitoring, hazardous waste disposal & WWTP); NEQS (air emissions and liquid effluents); IFC-International Funding Corporation (air emissions, ambient noise, fire safety monitoring, liquid effluent); World Bank (air emissions, noise, effluents, work environment); ISO-9001; ISO-14001; OEKO-TEX 100; SA-8000; OHSAS 18001; AEEA 2010; WRAP. We acquired and implemented certifications through training from leading consultants and auditors to best serve our stakeholders beyond business..." (Senior assistant vice president, supply chain and marketing)*

*"... besides infrastructural, product specifications and international requirements, every customer has its own initiated and/or regional standards and requirements in materials, use of chemicals, processing and product handling. We are a certified company ... We got certifications from top consultants and bodies to ensure full compliance in our actions ..." (Assistant vice president, production)*

## **Customer Specification**

Conforming to diverse customer specifications is most important way for CBL to stay involved in the latest textile production and processing, develop ties, meet the latest demands for quality products in a legitimate way and show its presence in international markets.

Learned from customer specifications in order to retain relations with the existing clients and to develop new ties with the same or new clients.

*"... in 2007-2008, we got an opportunity to complete a small order from one of our clients in non-denim for bottoms on a trial basis. We successfully matched with the specifications... It was the first time we had done something out of denim. What we did, we sourced canvas fabric from a local producer, processed and sew it. Since then we are doing a small portion of non-denim (bottoms business). This enriched our product portfolio; enabled us to develop clients in this segment..." (Assistant vice president, production)*

*"... every customer has its own needs and demands according to his market/segment's need. In some cases, we referred to the nominated sources of the customers. The customers nominated different materials and suppliers from where we have to pick those materials... scattered around the world. Generally, customers nominated special types of cotton, accessories like buttons, zips, vendor marks, price tags, packing and special printings, etc. In chemicals, they do not have many nominations, but they have different standards and certifications that your chemical should meet and up to specific standards. We select chemical suppliers who comply with standards. Working and sourcing with supplies from these nominated sources open new ways to develop contacts..." (Supply chain manager).*

*“... no one compromise on standards, if you do, you are out of the scene. Our customers are market leaders in initiating different standards... Being a supplier to them, we should be more vigilant and proactive. We are certified and the most compliant plant in this region.... Our operations, dealings, customer profile and certifications are the proof our standards...” (Director R&D)*

### **Learned from customer specifications to enhance the ability to innovate.**

*“... we get customer orders/requests which are not really for CBL, ... It depends on what type of customer he is for CBL. If it is a long-term partner, we entertain that order even if it is not for CBL, but somehow, we reengineer it, change it to fit our system. We do not turn away anything just like that. Especially if it is a valuable partner, first we understand it, engage our local and foreign experts for better understanding and execution, reengineer it, give them some suggestions for modifications that suit our production facility and infrastructure without making a large investment ...” (Vice president, product development)*

*“... we are receiving unique and unusual orders on a continuous basis. Mostly, clients prefer a one-stop shop in order to minimize transaction cost, maintain quality and use an already-established relationship with a certain supplier... we only accommodate our prime clients for such orders. ... a team consisting of men from marketing, R&D, PD, production, quality and processing evaluates orders from each and every aspect. We also check the future continuity of business for such orders ...” (Assistant vice president, marketing-Europe)*

*“... it is a very interesting thing for us, we really wish to have it, develop it, and execute it. We get totally new or the latest features and handy experiences from such orders on the production floor. We have a very structured procedure for it, the order is discussed in a team consisting of experts from different departments. We evaluate the order; check the possibilities and ways for execution. If we feel confidence to meet it we go further, otherwise we ask for changes according to our capabilities. If the customer is a major client and has the possibility to carry out the order in the future we even go for investments in equipment and machines. When needed, we consult foreign designers and developers for further help...” (Deputy manager, R&D-Textiles)*

### **Customer specifications are the best way to know about and comply with international and regional standards.**

*“... we receive guidelines from time to time about the manufacturing specifications. There are always manufacturing specifications of what kind of stitching they require, what kind of seam details they require, do they require this kind of stitch or that kind of stitch. We also receive guidelines of compliance from a garment finishing point of view, so we are always upgrading our chemicals, finishes, eco-tech, carbon-free colours and dyes, REACH, WRAP...” (Vice president, product development)*

*“... they send us full specifications from design, testing, processing and production, they conduct compliance training workshops and seminars regarding how to control the quality, reduce wastes, improve washing and laundry... they mainly focus on quality ... Some customers are the partners of BCI, they guide us to get involved and become a supplier of BCI initiatives. Some customers start “waterless Jeans” initiate and stop sand blasting in their jeans for finishing purposes so they give us guidance in those areas...” (Deputy manager, R&D)*

*“... every customer has its own initiated and/or regional standards and requirements in raw materials, use of chemicals, processing and product handling. We are a certified company ... and do business as per demanded standards. We got certifications from top consultants and bodies to ensure full compliance in our actions...” (Assistant vice president, production)*

### **Learned from customer specifications in order to improve product quality, enhance ability to innovate and develop contacts.**

*“.... whenever a new customer or a new order enters, they provide full details about quality, check, manuals and specific requirements related to that order. In garments and apparel customers give us specific training from time*

*to time... Adidas trained our planning, production and quality people about the latest techniques to handle their orders and improve quality. Similarly, we run a project for Levi's, 'waterless jeans', where they guide us ... different techniques and processes to use almost 40 percent less water in production. ...* (Assistant vice president, production)

*"... we got an opportunity to complete a small order from one of our clients in non-denim.... We successfully matched the specifications... It was the first time we had done something outside of denim... we sourced canvas fabric from a local producer, processed and sewed it. Since then we are doing a small portion of non-denim... it enabled us to develop clients in this segment..."* (Assistant vice president, production)

*"... there are always manufacturing specifications ... We also receive guidelines of compliance from a garment finishing point of view, so we are always upgrading our chemicals... different standards you have to achieve. We got the latest washing and laundry techniques through training and visits from our alliance partner Martelli. Recently, we did a project with Levi Strauss for waterless jeans, they guided us in a detailed manner ... Similarly, we are among the supplier and manufacturer of BCI from Pakistan, as our clients demand us for doing so..."* (Vice president, product development)

## Learned from customer specifications in order to improve overall firm performance.

*"... such orders are very important for learning and capabilities enhancement... our major clients are market leaders and their unique/new orders are trendsetters in the industry. In handling, unique/new orders we get hands-on experience on the production floor, acquire tactics, expertise, equipment and testing tools to handle it. Such orders move us with the pace of change and connect us with the future..."* (Senior assistant vice president, supply chain and marketing)

*"... learn a lot from such orders, due to totally new aspects and specifications in designing, production, processing and overall handling of order. I will say that it is a combination of learning, anyone handling it gets something... initially it is challenging, but as time passes we get our hands on it. It enables us to use our expertise in a more meaningful way for our future developments..."* (Assistant vice president, production)

*"... the Levi's concept of 'never out of stock' is very unique; for example, they book fabrics and related stuff which are generic on a tentative forecast, they issue the PO today. We start cutting the next day, followed by production and processing and we ship the product within 21-28 days. This is only possible when you have a good forecast well in advance... we propose for others to follow this concept and benefit from it. There are some customers whose developments are very premium, we learned from them and started in our operations for better quality and performance..."* (Assistant vice president, marketing-Europe)

## Certification

Certification enhance the ability to comply with internationally recognized criteria and meet the latest demand.

*"... our customers comply with various international and regional standards in their products, as suppliers we have to comply ... Our suppliers from whom we source our supplies should comply with those standards... For example, some of our customers are members of BCI, in order to meet their demand and comply with their standards we are members of BCI and should acquire cotton from those fields or suppliers who are growing cotton according to BCI's philosophy..."* (Supply chain manager)

*"... our clientele profile consists of the world's leading brands and sourcing partners. They conduct business in a very responsible way. Some of them are the leaders and initiators in establishing and enforcing standards ... they only do business with partners who conduct business in their way... we are complying with all standards required*

*by our sourcing partners from the last 17 years. We are a certified company and provide certifications on demand...*” (Senior manager, marketing)

*“... we are certified and the most compliant plant in this region. Our operations, dealings, customer profile and certifications are the proof our standards. We look at business beyond profit-making ... it creates goodwill and satisfaction for us. We got certifications and training from world-leading consultants...”* (Vice president, product development)

Certification enhance the ability to comply with standards, enhance positive image of the firm and meet the latest demand.

*“... we are among the most compliant plant in this part of the world. Since our inception, we are very active in CSR, as we have had an effluent water treatment plant since 1995. We are a certified company ... got these certifications through training from leading consultants and auditors to best serve our stakeholders... reflects our responsible behavior that creates a positive image for us ...”* (Senior assistant vice president, supply chain and marketing)

*“... we are a certified company from various aspects of production and business as per demanded standards. We got certifications from top consultants and bodies to ensure full compliance in our actions. This shows our commitment to the environment, CSR and betterment for stakeholders. Such activities create trust among our stakeholders...”* (Assistant vice president, production)

*“... every client and brand is concerned and strictly complies with international standards. If they have doubts about any issues they stop working.... Besides international standards, our sourcing partners also require from their suppliers to follow their initiated standards... we are always ready to get any new certificates on demand. We got certifications through training and continuous auditing from leading consultants in different areas. This shows our respect for our stakeholders and our responsible way of doing business...”* (Senior manager, merchandizing)

## **Implementation of New Machinery**

The acquisition and investment in the latest machinery, equipment and systems is a prerequisite to stay involved in market-demanded products and processes.

Implementation of new machinery enhances learning about the improvement in production, employ latest textile processing and production, and to decrease the technology gap in producing high-quality textiles.

*“... 2003 brought a new era of changes; we introduced a range of highly fashion products, started developing new and bigger customers and higher value-added activities. We brought new insights into our manufacturing and processing lines through investment, upgrades and acquisition of state-of-the-art equipment, machines and techniques...”* (Director, design)

*“... if you really want to stick to the international market, you have to be proactive ... we acquired ... highly sophisticated machines from Italy and Spain. It gives a very special finishing to the fabric, then we saw there is an innovation of over-dyeing, we add a new part to our machines (a PADDER) to upgrade it for effective dyeing. We noticed that Lycra is being used more and will be more used in the future, then we invested in machines like Stanter. Then a time came when new trends were introduced in coating and finishing, we went for a foam coating system which is the last advancement in coating. Then new trends came in fabric cleaning, we heavily invested in Senging machines. We are planning to invest in knife-coating as well, due to demand. From time to time we change*

*ourselves accordingly. Similarly, in chemicals and dyes there are innovations, now there is demand for other colors (black, beige, mixture of black and blue, etc.) than indigo (blue). We established our specialized fabric development and washing center, backed by foreign designers and developers...” (Assistant vice president, production)*

*“... similarly, we have washing developments as I mentioned that we got very sophisticated washing and laundry machinery and techniques from Italy. Particularly, I would mention that we are providing washing and developments services to Levi’s, D&G, H&M, S. Oliver, Pierre Cardin, American Eagle and other elite brands, they are paying us for that...” (Senior manager, marketing)*

**Need based investments in the latest machinery, systems, testing tools and equipment enhanced the overall performance.**

*“... change is multidimensional and dynamic in apparel. It starts from cotton seeds to recycling of used denim. It is hard to focus on one aspect of change. Change occurs overnight in production, processing, technology, CSR, application, usability and systems and others, you name it.... To cope with such changes, we are agile and proactive in our tactics and offerings, otherwise we will be only a spectator. We strategically go back and forth to get what we need in the shortest possible time within available resources. We are wisely investing in people, machines and R&D...” (Vice president, product development)*

*“... nowadays, the whole ordering procedure is system- and IT-based. Mostly customers send us electronic orders, they have their own website and software, they place a purchase order (PO) on their websites, they give us access to certain areas with a specific login name and password, we login and check the PO issued on our name with all details and specifications... Similarly, we updated their order status online on a daily basis; all communications, feedbacks are system-oriented as we exchange information through the latest IT packages and software. We updated our ordering system by installing and investing in PITS and RFID for online production and tracking to improve our operations...” (Senior manager, merchandizing)*

*“... every day there is something new, changes happening in ordering procedures, product specifications, systems, technology and alternative use of textile products, etc. Besides specification and technology, our main clients and sourcing partners have well-established IT systems and infrastructure; they are improving on a continuous basis. In order to handle daily operations effectively, we are using SAP, Oracle and other systems like PITS and RFID in production, tracking and shipment. Now it is becoming a more system-oriented thing. We updated our order and production status, shipment procedures and processes system based on standards. An online data tracking system is more important now... clients order in small batches and more varieties for very short time depend on seasonal trends. So, we are more agile in our operations than before through the use of technology...” (Senior assistant vice president, supply chain and marketing)*

**Investments in state-of-the-art machinery and equipment enhances the ability to meet the latest demands.**

*“... initially, the company started its operations as a joint venture... this was the first latest composite apparel manufacturing setup in Pakistan. The purpose of the CGL was to produce quality garments under one roof to meet international market demands...” (Senior manager, merchandizing)*

*“... our major client advises and guides us to produce denim through an innovative way ... We successfully completed such projects with the help of our client... further, we invested in people and machines and upgraded our capabilities to meet such demand ...” (Senior manager, merchandizing)*

*“... in order to handle daily operations effectively, we are using SAP, Oracle and other systems like PITS and RFID in production, tracking and shipment... we updated our order and production status, shipment procedures and processes system based on standards. An online data tracking system is more important now. It is evolving with the use of technology ...” (Senior assistant vice president, supply chain and marketing)*

Learned through investments in the latest hardware and equipment to meet the latest demand and develop contacts.

*“... orders from different aspects enhance our expertise and technological base. If there is an issue which we cannot handle in an efficient way, we discuss it with the clients to make the necessary changes according to our capabilities. If not, then we analyze what is missing and how to deal with such unique order. We consult our foreign R&D, PD teams and developers. If necessary we upgrade our systems, machines or make investments if the order runs for long and creates business for us...” (Senior assistant vice president, supply chain and marketing)*

*“... we get unique orders which we have never handled before; we always take challenges and go through. Before taking such orders, we consult with all concerned departments. We check the possibility of production with every department... decide to accept or reject such orders. If we need further help in design or construction, we consult our British and Italian experts. If there is a need for equipment and machinery we invest, but that depends on the continuity of business...” (Senior manager, merchandizing)*

*“... in 2006, after all installations of highly sophisticated machines, equipment, techniques, professionals and changes in the overall setup, we hired two experts and designers ... from Italy and the UK. For the first time in 2006 we went hunting and trapping customers. We started two collections every year... We did all our own research and developments, we made more than 50 fabrics every season, so new lines of fabric came in, we introduced almost 250 fabrics through our own R&D and PD to attract clients ...” (Senior manager, marketing)*

## **Vertical Production Facility**

Vertical production facility enhances the learning and capabilities to control over supply chain and improve product quality.

*“... this project was the largest foreign investment in the textile sector in Pakistan. The Crescent Greenwood Limited (CGL) was the first fully vertically integrated plant in Pakistan, including facilities to spin, weave finish, cut, wash and dry denim under one roof for control and better quality...” (Senior manager, marketing)*

*“... since 2009 we have offered full services from cotton to carton (product design, pattern development to finished products and doorstep delivery) through our latest vertically integrated production facility. Our integrated production enables us to control the demanded quality at every production stage and reduces lead-time ...” (Senior manager, marketing)*

*“...CBL is- South East Asia’s largest and Pakistan’s first vertically integrated plant. Where ‘Cotton to Carton’ operations translate into seamless processing of raw cotton into finished superior quality jeans wear...” (https://www.facebook.com/CrescentBahumanLtd?fref=ts)*

Vertical production facility enhances the learning and capabilities to confidently meet the demand for the latest product and processes.

*“... we progressed to the -demanded denim garments through the foundation and erection of the latest integrated facility as a joint venture in 1991. This joint venture... was the largest foreign investment in the textiles sector in Pakistan... and one of the first single-site operations of finished jeans and largest in South Asia to meet the latest demands. It has also state-of-the-art machines and equipment backed by water treatment and a power generation plant in its premises...” (Deputy manager, R&D-Textiles)*

*“... the facility is equipped with the latest equipment and machinery, from spinning to finished products; garment manufacturing ... to catering to customers’ needs under one roof...” (Assistant vice president, marketing-Europe)*

*“... mostly, buyers prefer integrated production facilities, as they want one-stop shop products with consistent quality, complying with international standards and uninterrupted delivery. Those buyers also committed with the stores and customers, if he is not sure about the company’s strengths – R&D, production capacity and capability, technology and infrastructure – how will he provide quality offerings to others?” (Senior manager, merchandizing)*

**Vertical production facility enhances the learning and capabilities to meet latest demand, improve product quality and develop contacts.**

*“... we are adding new clients and/or we get more quantity and new projects from our existing clients on a continuous basis. Our customer/order base is increasing; we have about 80 percent of business with world-leading and prime clients. Since 2011 we have increased our production and operational capabilities by introducing state-of-the-art machines and equipment to meet the increasing demand and to have flexibility for adding more customers. Besides the availability of raw materials and high-tech, vertical operations make us attractive for customers to have a one-stop shop with persistent quality and short lead time...” (Vice president, product development)*

*“... we are investing in equipment and machines to increase our production capacity and capabilities. We set a new strategy for marketing to have more customers like Esprit, Scotch & Soda, etc. We have a strategic alliance with Martelli, a world-leading name in washing and finishing... to offer high-quality finishing and washings in our garments. Our clients are growing due to our expertise in denim and our latest vertically integrated production facility...” (Assistant vice president, production)*

*“... CBL has two main types of clients (long-term sourcing partners and seasonal partners). Both keep changing their orders on seasonal and market fashion needs; that is, spring-summer, fall-winter and in-between. From March to July we have certain styles, say 20 styles; similarly, from July onwards we have new styles and requirements from different clients. Some customers have two while other have three seasons in one year; they keep changing their style, fabric, finishing, washing and other specifications. Overall the number of our foreign clients or the number of existing customers’ order increased in the last five years. I will say it is all due to our integrated production facility and expertise in Denim through R&D and innovative operations according to international standards ...” (Senior manager, merchandizing)*

**Vertical production facility and design center enhances the learning and capabilities to provide design and pattern development services to customers.**

*“... besides the manufacturing of world-class brands and labels, we are now offering a complete design service ... to any client through our vertical production facility. We are a design center for them, as we provide them with R&D and development services on a commercial basis...” (Senior assistant vice president, supply chain and marketing)*

*“... since 2006 we started producing our own annual inspirational collection to inspire and attract clients through innovative and trend-setter products. In the same year, Stoneage was launched and expanded to Dubai through exclusive outlets in 2009. In 2008, we started producing non-denim bottoms that enrich our product range. We are providing product development, pattern development and washing services to elite brands through our vertical production setup...” (Assistant vice president, production)*

*“... I will explain it with respect to customers’ services engagement rather than market. We are contract and private label manufacturer and supplier to world-leading brands. Beside customer demanded specifications ... we add aesthetics to their products. We developed our own fabrics and styles in garments for our collections; the customer does on-spot shopping. We also sell under our own brand in local and Middle East markets through*

*exclusive outlets. We also provide design and pattern development services, from idea to full implementation ...”*  
(Design Director)

## **R&D and Reverse engineering (RE)**

CBL engaged in R&D and Re-engineering (RE) as a main way to create new and/or reformulate existing knowledge, production process and practices.

Learned through R&D and Re-engineering in order to enhance the ability to innovate, meet latest demand, develop contacts and international market presence.

*“... the change came in a real sense by establishing an R&D center specialized in fabric and washing developments. This center is involved in three main tasks: innovation and inspiration, product development and transition. We hired foreign designers and developers to fully utilize our newly established R&D center. In 2006, we were able to start our annual collections which we present to customers to promote our innovative products. In the same year, another milestone was achieved through the launch of our brand (Stoneage) in the local market, with a network of exclusive outlets across the country...”* (Assistant vice president, production)

*“... after all installation of highly sophisticated machines, equipment, techniques, professionals and changes in our setup and infrastructures we hired two experts and designers ... for the first time, in 2006, we went hunting for and trapping customers. We started two collections every year ... and did our own research and developments; we made more than 50 fabrics every season, so new lines of fabric came in, we introduced almost 250 fabrics through our own R&D and PD to attract clients...”* (Senior manager, marketing)

*“... established a design center in the UK and a studio in Turkey in order to explore new ideas to develop something novel as per the need of customers based in those markets...”* (Vice president, product development)

Learned through R&D to improve production and employ latest techniques in textile processing and production.

*“... investments in the latest machines, testing tools, equipment, R&D, designers and developers brought new insights into CBL’s operations. It enables us to offer a range of highly trendy and fashion products, get involved in high value-added processing and production that attract and develop business with well-known brands...”*  
(Deputy manager, R&D-Textiles)

*“... we started specialized fabric production and washing through our newly established R&D center. We continuously invested in modern machinery, equipment, R&D and acquired foreign experts... we successfully launched our annual collection and local brand...”* (Senior assistant vice president, supply chain and marketing)

*“... 2006 was the year when we really changed our systems and operations towards high-end products and value-added activities through R&D and our design center. We moved up and down in the value chain by creating more value in our offerings. Since then we started producing our own annual collection to attract clients through innovative offerings. In the same year Stoneage was launched and expanded to Dubai through exclusive outlets in 2009. In 2008, we started producing non-denim bottoms that enrich our product range...”* (Assistant vice president, production)

Learned through R&D to involve in value-added operations and enhances overall firm performance.



*“... before, we were more rigid and producing basic products, now we are more systems-oriented ... we are more flexible and well aware of the lasted trends in fashion and demands ... we are well prepared to work with complex customers and handle their complex orders through our involvement in R&D and designing ... We are more strategized and rationalized with the needs of the business as of today... there has been a 180-degree turn (change)in our infrastructure, system, thinking, strategy and management style. We are now more selective in our business to get into the high-value segment...” (Assistant vice president, marketing-Europe))*

*“... previously, we were limited to certain clients and operations. But things changed very rapidly since 2003-2006; now we are more open and receptive to changes. We improved our infrastructure, systems, processes, established specialized fabrics and washing R&D center and hired foreign consultants. We started our own inspirational collections and brands that crossed borders in 2009. We made rational choices and strategic decisions to stick with R&D and innovation instead of producing and imitating low quality and price products... we went for high-quality and innovative offering by targeting elite brands and high-price segments through R&D and global alliances...” (Senior assistant vice president, supply chain and marketing)*

*“... The whole purpose of bringing me here was to innovate and inspire the customers. And I believe that we have been successful with my team. This building also came right after my joining the company. The development center downstairs is new and now this department itself has about 70 people, our product development (PD) sowing section employs 200 people, so the changes that happened from a product point of view is ongoing, on daily basis. From the machinery point of view, it is ongoing ... at least annually we have improvement in equipment to be more up-to-date with the market, ... be one of those companies that people recognize as forward-moving. For this purpose, we are sourcing machinery, paying for licenses, chemical research and consulting experts in a very wise way. Most of the time I am in touch with good chemical suppliers, anything that they create new or novel out in the market obviously, I am getting my feedback. We started developing in similar directions as we are adopting novel processes and finishes in our products through licenses. We started playing with similar products to create our own agenda, our own collections...” (Design Director)*

**Learned through R&D and Re-engineering in order to enhance ability to innovate, develop contacts and meet the latest demand.**

*“... when I joined in 2005, the company was in a transition phase of change and improvements in systems, equipment and operations. I became a part of the newly established design and development center specialized in fabric and washing. Investments in the latest machines, testing tools, equipment, R&D, designers and developers brought new insights into CBL's operations. It enables us to offer a range of highly trendy and fashioned products, involved in high value-added processes and production that attract well-known brands...” (Deputy manager, R&D-Textiles)*

*“... we improved our research by acquiring and sourcing the latest equipment, machines, testing tools and experts. We established a separate specialized fabric and washing development center through which we started latest finishes and washes to produce high-quality products to meet higher-end demands. Similarly, we improved our infrastructure and systems as per international standards in production, order handling, feedbacks, tracking products and CSR. We are working on Standard Minute Value to improve production time and reduce lead time to market in our integrated operations...” (Deputy manager, R&D-Textiles)*

*“... a new beginning came in 2003 and lots of different changes were brought in; we introduced a different range of products, highly fashion products, added bigger customers and higher value-added activities. We completely started with new parameters ... through investing in R&D, latest machinery and equipment...” (Senior manager, marketing)*

**Learned through R&D and Re-engineering to enhance ability to innovate and positive image of being technically sound supplier.**

*“... it has a very positive effect on our relations with international clients; it creates goodwill and a sense of trustworthiness among our customers. Such arrangements are sources of customer attraction and signal to potential ones...” (Director, design)*

*“... we are not a threat to anybody like stealing clients’ ideas, business secrets; we are not going in that direction, since we are serving them with our inspirational collections which are compatible or in some cases stronger than their R&D. I mentioned that customers come here and select from our collection and some of them even buy on the spot...” (Senior manager, marketing)*

*“... we have the competencies in denim fabric developments, beside our own R&D teams we have Italian and British designers, and we can handle any sort of product design to production... our technical expertise is valued by our customers...” (Senior manager, marketing)*

## **Trade Fair and Commercial Office**

Learned through international offices and participation in trade fairs to meet latest demand and develop direct contacts in international market.

*“... our global offices keep us updated about the latest happenings in different regions. We don’t replicate exactly the same thing ...” (Vice president, product development)*

*“... our international offices keep us with the rhythm of the market by providing information related to design, fashion, styles and functionality of products in specific regions. We extend our production practices and annual collections based on this information and trends...” (Assistant vice president, production)*

*“...CBL’s marketing presence is strong across the world, with offices and showrooms across Europe, America and Middle East. This helps us to remain in close contact with our esteemed clientele as well as monitor regional fashion trends. Our experience in multiple regions of the world helps us shape and define our seasonal collections to better suit our customers’ ever-changing desires...” (www.crescentbahuman.com)*

Learned through international offices and participation in trade fairs to make presence in international market.

*“... we started producing our own inspirational collection that enables us to participate and present our products in mega trade expos such as Denim by Premiere Vision (DPV) and Engraved - Paris. Such participation enables us to showcase our innovative products to inspire both existing and potential customers...” (Assistant vice president, marketing-Europe)*

*“... our development process is driven by addressing the global market trends and producing fabrics which encompass wash flexibility and performance. We research with industry experts, attend fabric fairs worldwide and include all influences which are important to our customers...” (www.crescentbahuman.com)*

*“... our marketing and production teams are continuously attending trade shows and expos to get new insights from different regions...” (Senior manager, marketing)*

## **Learning by Doing**

Learning by doing enhances experiential learning in order to improve overall performance and operations.

*“... we love to have unique and unusual orders for learning, experiencing ... the team, consisting of different departments, decides whether we accept a specific order or not. If yes, how we will meet that, can we do it with the existing resources or do we need upgrading/investments... there are several stages of trial and error and continuous processes of edition in the original product for approval of the sample. I still remember there was one Turkish customer who gave us very unusual order, we called it “JUNGLE”, back in 2005. We had a bitter experience from that order, because of the very special and different yarn; we tried and produced 20,000 meters of fabrics of that order, which we stopped afterward. That was a bitter experience and a lesson for us that any order or product which does not suit you, you should not accept it...” (Assistant vice president, production)*

*“... it is very important for us to experience unusual/latest things. For example, we completed some unique projects for our sourcing partner that increased our competence and expertise in the production of the latest processes. We are the first in this region to get involved in such innovative processes and products; it enhanced our capabilities to extend our production in new directions...” (Vice president, product development)*

*“... such orders are vital for our learning and competence-building through practically experiencing things in a real production setting. These orders shake us equipment- machinery- and expertise-wise. We have done projects with our prime customers; for example, we did an innovative project on “waterless jeans” where we consumed 40 percent less water in our production and processing. This also helps us to save energy and heating costs in our production and processing. Such projects enable us to build our capabilities, competencies and innovative techniques. It gives us full confidence and makes us capable of doing such projects by ourselves...” (Senior manager, marketing)*

*“... the wonderful experience that we have learned is out of Levi’s. We served them over the years, learned their unique systems, product developments, various developmental cycles and their way of making sure that the product is sustainable. Sustainable in a sense that it is not a threat to the ultimate consumer and related stakeholders... we applied them practically in our routine operations and for other customers to be benefit from it...” (Assistant vice president, marketing-Europe)*

**Learning by doing enhances experiential learning to improve textile production, processing techniques and overall performance.**

*“... we learned and are learning about the latest practices and techniques regarding production, washing, finishing and CSR to improve our whole composite system and make things more visible. It is impossible to do it alone, and we had different ties and arrangements to get the job done...” (Senior manager, marketing)*

*“... we are a private brand and label manufacturer and exporters to world-class brands in four continents. Working with world-class brands and clients is a rich and continuous source of business and of learning of the latest techniques, knowhow, technology, processes and trends in international market. Fulfilling a mixture of innovative orders is the best way of learning by doing, which help us to explore new and alternative ideas, processes, and technologies...” (Assistant vice president, production)*

*“... mostly we learned on ground lessons (on the production floor) from the system of our company, or from the feedback of the customers. We started making our own ways of working. Sometimes we get a complete direction from the customers about the specifications and details when a new product is coming in the market or when they are going for a unique treatment or process ... you are driven the way your customer wants to drive...” (Assistant vice president, marketing-Europe)*

## **Sourcing Canvas**

Sourcing of canvas enhances the ability to meet latest demand and develop contacts in non-denim.

*“... we also diversified our product range in 2008 to meet some non-denim demands. What did we do and are doing? We source canvas and flat fabrics from local reputed firms, we cut it, sew it and wash it, as we have the capability of washing flat fabrics ... we are there but this is not a big portion of our business ...” (Senior manager, marketing)*

*“... we successfully produced non-denim garments for one of our customers on a trial basis. We sourced the canvas fabric locally and completed the order as per customer requirements. Since 2008, we are also doing non-denim as a small portion of our supplies line. We developed new customers in this category as well...” (Design Director)*

*“... In 2007-2008, we got an opportunity to complete a small order from one of our client in non-denim... It was the first time we had done something outside of denim. What we did, we sourced canvas fabric from a local producer, processed and sewed it. Since then we are doing a small portion of non-denim... this enriched our product portfolio; enabled us to develop clients in this segment...” (Assistant vice president, production)*

## **Outlet**

Exclusive outlets and showrooms enhances learning and capabilities to develop contacts and, marketing and branding in local market.

*“... in 2006, we introduced our own promotional and inspirational collection through experts and our newly established R&D center ... In the same year, we achieved another milestone to launch our brand in local markets through a network of exclusive outlets across the country...” (Senior manager, marketing)*

*“... in 2006, we established a design center and hired foreign experts.... Started with two collections annually (spring-summer and fall-winter) to attract more business. In the same year, we launched our brand, Stoneage, in local markets through exclusive outlets in major cities...” (Design Director)*

*“... in 2006, we launched our local brand, Stoneage, in major cities across the country... a network of outlets handles the sales and marketing...” (Senior assistant vice president, supply chain and marketing)*

Exclusive outlets and showrooms enhances learning and capabilities to develop contacts and, marketing and branding in local international/ regional market.

*“... in 2009, Stoneage, made its way into the international market by launching its first outlet in Dubai, followed by another one this year in the same city. From the Stoneage perspective, we are planning to expand it to India, the UK and some other countries as well ...” (Assistant vice president, marketing-Europe)*

*“... in 2009, we launched Stoneage in Dubai by opening an outlet, followed by another outlet in 2010. We are under a process of expansion; as we are also planning to expand it to Asian and European markets ...” (Senior assistant vice president, supply chain and marketing)*

*“... we improved our infrastructure, systems processes, established specialized fabrics and washing R&D center and hired foreign consultants. We started our own inspirational collections and brands that crossed borders in 2009 ...” (Senior assistant vice president, supply chain and marketing)*

## License

Learned through license in order to enhance ability to innovate, improve textile production and processing.

*“... changes are initiated by leading brands, manufacturers of machinery through innovative products, processes and applications according to market needs. These changes make the industry on the move. Similarly, the suppliers are also making innovative products and inputs accordingly which we further use in our processing and production. Changes occur at every level of the industry. Most innovations are carried out at the international level. The local industry acquires or purchases license or patents ... in order to use it in production and processes to meet demands ...” (Supply chain manager)*

*“... to cope with such changes, we are agile and proactive in our tactics and offerings, otherwise we will be only spectators. We strategically go back and forth to get what you need in the shortest possible time and within available resources. We are wisely investing in people, machines and R&D. We pay for licenses and patents to different companies like DU PONT, INVESTA, etc. for their novel and innovative techniques to get them timely in our operations...” (Vice president, product development)*

*“...We purchase licenses and pay for the patents to different firms for using their latest innovations and technologies ...” (Senior manager, marketing)*

Learned through license in order to enhance ability to innovate and improve product quality.

*“... in order to stay in the race, we are adopting the latest hardware, techniques, trends and innovations as soon as they are commercialized and available in the market through licenses, copyrights acquisition and other arrangements. This is all because of the local industry’s conventional practices despite mature infrastructure ...” (Senior assistant vice president, supply chain and marketing)*

*“... in order to be reactive to changes we continuously invest in machines, R&D, equipment, testing tools and experts. Similarly, we are paying for licenses and patents for the adaptation of other’s innovation in our processing and production according to international standards...” (Deputy manager, R&D-Textiles)*

*“... the changes occurred rapidly over time. We never imagined the use of textiles in other sectors and industries apart from home and apparel ... these changes are so wide that it is impossible for us to capture all the aspects. We are trying to be responsive to these changes as we are improving our technological and knowledge base through investments and sourcing the latest machines, equipment and experts. We pay for licenses and patents to get innovative practices in our offerings according to world-demanded standards ...” (Assistant vice president, production)*

## Technical Advice

The provision of technical advices enhances the overall firm performance and positive image of the firm (as being technically competent supplier).

*“... we always mention inherited problems in the order/product, design, stitching or finishing etc., and communicate well before and during production. The majority of orders are improved, as we suggest alternative ways to make the production processes easy, cost-effective and to improve aesthetics. Mostly, problems arise in fabric production and stitching. Such advice creates an image of being a technically sound supplier...” (Assistant vice president, marketing-Europe)*

*“... R&D is playing a very important role here; it is our main responsibility to point out such issues well in time, as it has a significant impact on the business. First, we evaluate the order from every aspect, and after our green signal, we produce a prototype for approval. In due process, we count both positive and negative aspects of the product through a series of tests and checks. If we find something problematic we inform the customer and advise him about necessary changes. Such arrangement is very helpful to reduce headaches on the production floor... Even in production, we definitely stop the production and inform the customer through the proper channel in no time that this is the problem and setback in your order and you will be absolutely embarrassed in the market. We also suggest the alternatives...” (Deputy manager, R&D-Textiles)*

*“... in apparel, about every order is changed in one way or another. As we get an order we evaluate it and start a sample as per specifications. We suggest changes in order to make it suitable and easy for production. In due processes or even in the full-fledged production stage if we notice something that will affect clients after launching the product in markets we stop it, inform them immediately with possible alternatives. This avoids problems in production and creates goodwill for us in the customer’s mind that they are working with a technically sound supplier. It also makes our life easy...” (Assistant vice president, production)*

In addition to customer’s technical advice and assistance in a variety of areas such as workshops and seminars on training for compliance regarding how to control quality, reduce waste, improve washing, laundry techniques and more, they also provide technical advice about certain issues raised by CBL, which also helps in getting alternative insights in their order execution and future learning the company.

### **CEO /Owner’s Interest/Top Management Orientation**

The CEO orientation and personal interest enhances the ability to innovate (improvement and organizational change) and overall firm performance.

*“... our company strategy, entrepreneur interest and readiness to change are motivating factors that enhance our ability to adopt new modes and operations. Similarly, strategic approaches towards design, production, sales, marketing, customers’ engagements and global alliances enhance our ability to be in high-quality and high-price segments that make us different from others... in this region...” (Assistant vice president, marketing-Europe)*

*“...our top executives’ vision, special interest and company proactive strategy were driving factors towards progress and change...” (Senior manager, marketing)*

*“... this is all about the CEO/owner’s drive, which is phenomenal. They take special interest in every matter... they brought a totally new culture, systems and people into this company. Being backed by an entrepreneurial boost and our open-door philosophy made it easy for us to adopt change on a continuous basis. In order to capture the high-point segment we continuously changed, improved our systems and infrastructure to best serve the needs of our customers...” (Senior assistant vice president, supply chain and marketing)*

*“.... an open organization atmosphere and encouragement from top management is a motivating factor for change and innovation...” (Deputy manager, R&D-Textiles)*

## **Negotiation and Discounts**

Negotiation and discounts enhance the capabilities to develop contacts (resolve any issue in fulfilling orders) and enhance positive image of the firm.

*“... there are certain issues on which customers have conflicts with us... sometimes the delivery is delayed. Some customers understand and cooperate, while others don't ... in such cases we ship the consignment through air instead of sea or give them a five to seven percent discount to accommodate their losses incurred by late delivery ... if there are serious issues regarding product quality or deviations from customers' specifications we go for negotiations to sort out the matter in the best possible way. Such arrangements reflect our good practices and care for clients to create a good image among our clients and continuity of business...” (Senior manager, marketing)*

*“... working with a customer is like a marriage, you always have a tough time, you always have deadlock and absolutely you have solutions. There are always lots of things going on, in the majority of cases we discuss, open up and share the problems with customers ... there are also incidents when the deadlock is going so long that eventually we turn [the deal] down... in such circumstance we offer discounts on the price or we send the shipment through air instead of sea to accommodate customers. Such arrangements are important to stay in the business and create a nice projection for us...” (Assistant vice president, marketing-Europe)*

*“...look on our product line we have to produce lots of varieties and qualities. Some are basic, generic, others are technical and complex, and some are a mixture. Definitely you will never have a smooth relationship in this industry ... we have ups and downs and this is the part of our daily production routine ... in case of any problems we discuss with the concerned client in a very open way and try to find every possible solution. Sometime things are out of control, still we don't lose any opportunity to resolve, sometimes we pay a penalty in the shape of discounts or use alternative shipping modes, etc. Our major customers and contract partners have been working with us for the last 17 years and still they are working with us, which is a proof of our good customer relationship ...” (Senior assistant vice president, supply chain and marketing)*

## **Trade Secret Protection**

Trade secret protection enhances the capabilities to comply with regulations (protection intellectual property rights etc.).

*“... we have a very open, true and transparent relationship with our customers. We have the philosophy of not hiding anything from our customers and stakeholders. We are the most compliant plant in this region. Our system, procedure and actions are quite clear to everyone. We never divulge any customer, R&D, business information and secrets...” (Assistant vice president, marketing-Europe)*

*“... we have a nice working and business engagement with our customers. We take care of our customers from every aspect and try to keep them over time. Some of the bestselling garments of key accounts are produced in CBL and have been in CBL for the last 10–15 years. We have a good working understating of resolving issues with an open and honest way. We value customers and keep their business secrets with full trust and confidence ...” (Vice president, product development)*

*“... we clearly highlighted to our main sourcing partners that this is just our own small project and this is not 100 percent Denim-related. Denim is just 10 percent of our sale under Stoneage; we also sell T-shirts, denim shirts, shoes and much more under this brand name. There is no such issue especially with our customers R&D, business secrets from our brand...” (Senior assistant vice president, supply chain and marketing)*

## **Design Center**

The design centers (local and international) enhances the ability to innovate and meet the latest demand.

*“... our state-of-the-art R&D and design center for fabrics and garments enhances our abilities to innovate and develop in a real production setting as per international demand ... in addition, our global partners and design centers in the UK and Turkey inform us about the latest and emerging trends in global markets...” (Assistant vice president, production)*

*“... innovation is an imperative feature of CBL that is the major source of inspiration for its customers. We have an inclusive design center that comprises fabric, garment and pattern developers who are constantly exploring new ideas to develop something novel and innovative...” (Company presentation)*

*“... we have a state-of-the-art R&D and design center for fabrics and garments which carries out three main functions: Innovation and Inspiration... Product Development... and Transition... We hired Italian and British designers and developers that keep us updated about the latest market developments. Similarly, our JV partners, global sales and marketing offices and design centers in the UK and Turkey inform us about the latest and emerging trends in global markets ...” (Senior manager, marketing)*

*“... in 2006, we established a design center that serves our needs: innovation and inspiration, product development and transition for our innovative offerings as per demand...” (Assistant vice president, marketing-Europe)*

### **4.1.3 Derived Loop Model from Case Study**

A tentative research model (Figure 3) was presented in chapter 3, linking the experiential learning processes in offshore outsourcees to stages of movement in the value chain and internationalization. In Figure 4.1, findings from the case study of the Crescent Bahuman Limited (CBL) company are applied to the same basic model, linking the identified learning domains, ways and reasons with respective developments. It is important to note that certain learning domains may cause multiple movements that further enhance a firm's development. Similarly, the cross-case findings (chapter 5) portray varieties of progressions and stage sequences, based on different case histories in terms of learning domains, ways of learning and reasons for learning. In relation to overall learning and development, the case displays different ways and strategies to take on exploitation, exploration or both (that is, ambidextrous) routes in its learning and development, as shown in Figure 4.1.

Initially, the mother company of Crescent Bahuman Limited (CBL) started its operations in 1950 as Crescent Textile Mills. The Crescent Textile Mills (CTM) started exporting the majority of its products right after it started operating, exporting to the USA, Europe, Middle East and Japan. The Crescent Group further expanded its



operations in textiles and started Shams Textile Mills Limited (STML) in 1968, which was primarily involved in manufacturing and trading high-quality yarn. CTM and STML were involved in the manufacturing and sales of fabrics and yarn in local and foreign markets according to their demanded specifications; these involvements link the Crescent group (CBL's mother group) directly to the "Experimental Outsourcee" status in figure 4.1

Crescent Textile Mills expanded its operations in denim due to high demand for denim apparels in international markets. In 1991, Crescent Textile Mills joined hands with American-based Greenwood Mills Incorporated (GMI). As a result, a new fully vertically integrated denim garment production facility – Crescent Greenwood Limited (CGL) – was established through investments in a state-of-the-art setup. Production started in 1995, along with exportation to the US as well as some sales of yarn in the local market. In 1998, CGL established Apparel Marketing and Operation Limited (AMOL), with offices in Pakistan and Ireland to expand its sales and marketing operations to regions other than the US. The new setup and production (denim yarn, fabric and garments capabilities) moved CGL from "Experimental Outsourcee" to "Active Outsourcee".

In 2001, the joint venture with Greenwood Mill was terminated, and resulted in the establishment of a new company: Crescent Bahuman Limited (CBL). The separation from Greenwood Mill Incorporated was a trigger for change, and the newly established CBL reformulated its future course of action based on its infrastructure and expertise from the joint venture with GMI. In 2003, CBL changed its operations and offerings through forward thinking and involvement in value addition.

In 2006, CBL established a specialized, state-of-the-art fabric and washing development center through heavy investments in the latest labs, equipment and machines. The Design Center is responsible for creating inspirational innovations in fabrics and washing, and carries out day-to-day developments, applying necessary adjustments and ensuring compliance for production. The center also transfers approved finishes and techniques, and provides training of methodologies in a real production setting. In the same year, CBL acquired the service of local and foreign designers and developers. CBL was involved in R&D and innovation, and successfully launched its biannual inspirational collection for the first time as a promotional tool to attract clients. Similarly, a new line of innovative fabrics with various construction and specifications was developed and offered to customers on a seasonal basis.

CBL accelerated the wave of change and further invested in advanced laundry and washing technology in 2006. This investment brought the latest developments and modern washing techniques for high-quality garments to CBL's operations. Additionally, CBL started to provide design and pattern development services besides manufacturing of private brand and label (OEM & ODM) services to world-leading brands.

In the meantime, CBL established a network of sales and marketing offices in the USA, UK, Ireland, Germany, Italy and the UAE to extensively project its offerings, get in touch with the latest happenings in those regions, and explore new segments and markets. These involvements helped CBL to link with "Explorer". Moved from AO to Explorer.

After all these investments, R&D and innovations, CBL moved further downstream to discover new avenues in the retail business besides manufacturing in local market. The company launched a local brand in denim jeans and other fashion clothes through exclusive outlets in major cities in Pakistan. The case company's involvement in retail business and local brand moved CBL back to "Active Outsourcee", as it focused on local market beside international markets.

Similarly, CBL strictly focused on R&D, inspirational innovations, new product and design developments, and engaged with experts to offer innovative products and services according to international standards. CBL made strategic moves and solidly started to focus on international markets and on relations with big players by offering them high-quality and premium-priced innovative products and services. These activities helped CBL to constantly attract and expand its customer base, both in number of clientele and in obtaining more complex and iconic products from world-leading brands (such as Levi's). These engagements partially moved the company from "Active Outsourcee" to "Partner" to a certain extent (considered as a partial movement).

In 2008, CBL diversified its product offering by adding non-denim and bottoms (pants and trousers) successfully, further developing ties in these segments.

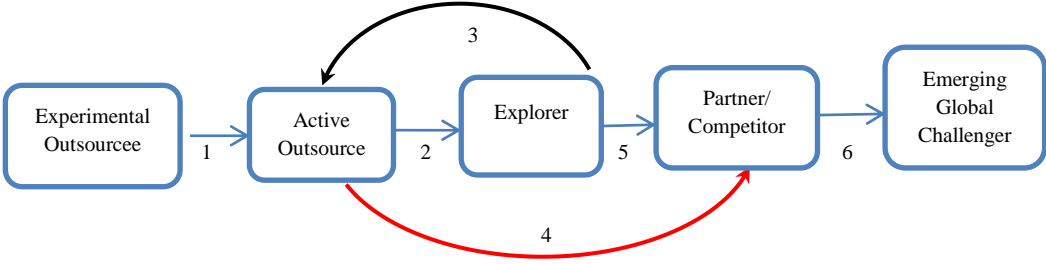
Working on manufacturing private brands/labels to the world's leading brands helped CBL to further adopt the latest techniques and processes in its operations. CBL started reaching elite brands and their competitors through upward market trends and by offering premium quality products and services. As a result, CBL partnered with leading European companies and names in washing, marketing, design and sales. In 2009, CBL

made a joint venture with its partner Crescent Turk; this joint venture provided growth in business and proved right in the emerging market dynamics through its dynamic design center. In 2010, CBL made a special alliance with a renowned Italian fashion washing name, Martelli (Denim Atelier). The main purpose of this joint venture was to market together and learn the best washing practices. CBL benefitted from the latest washing techniques and training from Martelli at its production floor facilities in Italy as well as at the company's own facilities in Pakistan. Similarly, the second fold of the alliance with Martelli was to market to big players, offering them stitching and washing (that is, CBL would use its own fabrics to make and wash the garments, with Martelli controlling standards at lower cost than in Italy). These offers were sent to leading companies like Diesel, Scotch and Soda, Energy, Reply and Sixty, resulting in good business. Similarly, an alliance (Hellenic Crescent) with a Greek denim manufacturer, Hellenic Fabrics, resulted in increasing sales through a vertically integrated facility. The Hellenic Crescent helped CBL to target new markets segments by offering a full package of innovative products. CBL successfully implemented the innovation through alliance and partnering with sale growth and new ties in international market. For example, it established design studios in the UK and Turkey to meet its ambition for innovation design and development of fashion-conscious customers. In 2011, CBL invested in the latest fabric (15 million meters per annum) and garments (nine million garments per annum) production facilities to expand and modernize its operations. This helped CBL to meet the international demand for variety and depth in quality fabrics and modern garments. These capabilities and expertise further enhanced CBL's ability to offer design and pattern development services to world-leading clients; in these deals, customers receive the sketches/designs and patterns from CBL and utilize them somewhere else.

In addition to production, CBL also focused on backup systems and operations for better performance. CBL is the first Pakistani textile company to have Six Sigma training in various functional areas (15 employees trained as black belts). Similarly, CBL invested in the latest testing tools, labs, I.T and Tracking systems (PITS & RFID) for the effective handling and in-time delivery of innovative orders across the globe. Such engagements are the motivating force for CBL's movement from "Explorer" to "Partner/Competitors". It is important to note that the partner is also in the local market as the company competing with big brands such as Levi's, Diesel in local market ([www.fibre2fashion.com/news/apparel-news/newsdetails.aspx?news\\_id=117325](http://www.fibre2fashion.com/news/apparel-news/newsdetails.aspx?news_id=117325)).

CBL moved down in international retail business as it launched its brand, Stoneage, in the UAE through an exclusive outlet in 2009, followed by another in 2010. This was the beginning of a new era in marketing and branding at an international level. This involvement resulted in CBL movement from “Partner/Competitor” to “Emerging Global Challenger”.

Figure 4.1: The Loop Model



The loop model shows CBL’s movement towards different developmental steps. CBL mostly remained at “Explorer” and “Partner” due to its aggressive involvement in innovative manufacturing (OEM) and design services (ODM) to world-leading brands as a hallmark of developing-economy firms. A link towards “Emerging Global Challenger” is also evident through its involvement in international marketing and sales under the company’s own brands (OBM) in the UAE.

The summary of overall developments with respect to the identified learning domains across the cases is mentioned in Table 4.6.

Table 4.6: Developments with respect to main learning domains

No.	Development	Learning Domain
1	Experimental Outsourcee to Active Outsourcee	New production & manufacturing, Customer relationship, International and regional standards, Integrated production
2	Active Outsourcee to Explorer	New production & manufacturing, Promotional management, Washing and laundry, Innovation, Design and patterns developments
3	Explorer to Active Outsourcee	Innovation, Branding management (in local market)
4	Active Outsourcee to Partner	Promotional management, Washing and laundry, Customer relationship, International and regional standards, Design and patterns developments, Integrated production, Conflict resolution
5	Explorer to Partner	New production & manufacturing, Promotional management, Washing and laundry, Customer relationship, Innovation, Design and patterns developments
6	Partner to Emerging Global Challenger	Innovation, Branding management (in international market)

Overall, the above model displays CBL’s developments in the value chain. CBL (that is, CTM, the mother company) started as a textile mill “Outsourcee” from the very beginning, then moved to “Active Outsourcee” to solidly focus on denim garments through a joint venture with an American company and heavy investment in a denim manufacturing facility. The joint venture (CGML) didn’t focus on local markets at first, but moved towards it later as CBL. The company continued its movement towards the “Explorer” and “Partner/Competitor” developments through active involvement in R&D, marketing, latest manufacturing, washing and inspirational collections. CBL developed into “Emerging Global Challenger” through the marketing and sales achieved under its own brand in the UAE. An interesting development was observed as CBL started selling under its own brand in local markets, which caused the company to move back to “Active Outsourcee”.

**4.1.4 Evaluation Fit Between Suggested Loop Model and Case Realities**

In order to evaluate the fit between the original conceptual and the case based derived loop models from the case, the case realities are compared to the conceptual model to assess whether certain developments were predicted by original model, not predicted or emerged from the case. Each development seen in the case is further explained in Table 4.7:

Table 4:7. Fit between suggested model and case realities

Model	Case	Description
Traditional Actor to Experimental Outsourcee	Does not fit	There is no evidence of the TA in this case. Because the company started as an international company from its inception, therefore, the said movement from TA to EO mentioned in the original model does not fit the case.
Experimental Outsourcee to Active Outsourcee	Partially Fit	The company started new production and operations through joint venture and invested in new machines to produce and sale denim garments (only in international market), denim fabrics and yarns in both local and international markets. Therefore, the movement from EO to AO is partially fit with the case, because in garments, the company exported approximately all its production. This was due to the fact that there was no demand for denim and denim garments in the local market at that time, and the export was more attractive and profitable than local sale and market engagements. Therefore, the link to Active Outsourcee is missing when it comes to denim garments sales in local market.
Experimental Outsourcee to Explorer	Does not fit	There is no evidence of the said movement in this case. Because the company is at the early phase and progressed in a more linear manner to the explorer stage, as the said movement requires more resources, capabilities and investments related to production, R&D and innovative offerings, which were hard for the case company.

Active Outsourcee to Explorer	Fit	The case company reformulate its strategy towards change, as it further invested in specialized production, washing, R&D, sales and marketing facilities and acquire experts, to offer a range of innovative products, quality processes and services to explore new segments in international, regional markets.
Active Outsourcee to Partner	Fit	The case company invested in new machines, systems, experts and local R&D facilities to offer latest products and services according to international standards and demand, and to accommodate leading brands such as (Levi's)
Active outsourcee to Emerging Global Challenger	Does not fit	There is no evidence of the said movement in this case. Because the movement from AO to EGC needs overall competencies and excellence in production, systems, innovation, marketing and brandings and international marketing infra structure. Building such overall advanced capabilities and downstream operations in the start were not predicted in the case, therefore, the said movement from AO to EGC mentioned in the original model does not fit the case.
Explorer to Partner	Fit	The company invested in latest production, experts, washing, R&D, systems and designing facilities to further modernized its garments production facilities and expand its capabilities and capacities. In addition, the case company made several strategic alliances enhances the innovative and marketing abilities to offer high quality products, processes and services (OEM, ODM, OBM) in different product ranges to meet international demand, develop contacts.
Explorer to Emerging Global Challenger	Does not fit	There is no evidence of the said movement in this case. Because the case company did not get the necessary competences and marketing and branding infra structure to market and sales under its own brand in international market.
Partner to Emerging Global Challenger	Fit	The movement from EXP to EGC is evident. Because of the case company active involvement in R&D, experts, marketing and sale activities under own brand name in different product categories in international market.
	Explorer to Active Outsourcee Emerging pattern	Emerging pattern, where the case company went step back. The movement from EXP to AO is emerged as the result of case company active involvement in R&D, experts, marketing and sale activities under own brand name in different product categories in local market.

Having compared the case realities and conceptual model, out of nine, four movements were not identified, four were identified, while one was partially identified. In addition, one movement was emerged from the case realities. The presence of movement from “Traditional Actor” to “Experimental Outsourcee” was not predicted as of the conceptual model; due to the involvement case firm in international operations and exports since its inception. Similarly, three developments (Experimental Outsourcee to Explorer, Active outsourcee to Emerging Global Challenger, and Explorer to Emerging Global Challenger) did not identified as claimed in the conceptual model. Because the case company does not acquire the required capabilities and competences (related to production, advance systems, R&D, international marketing and branding) that were necessary for the said developments.

Four developments (“Active Outsourcee to Explorer”, “Active Outsourcee to Partner”, “Explorer to Partner” and “Partner to Emerging Global Challenger”) were matched and identified as claimed in the conceptual model. While the presence of “Experimental Outsourcee to Active Outsourcee” was partially predicted. It is due to integrated nature

of case firm's operations and production (yarn, fabrics and garments), where it sold and marketed yarn and fabrics in local and international markets simultaneously identified the said development, while in case of garments, it exported its total production due to limited local market demand and/or high market demand in international market for denim garments, hence not identified the said development.

Interestingly, the development from "Explorer to Active Outsourcee" was emerged from the case, because of the case firm involvement in selling and marketing garments in local market under its own brand.

#### **4.1.5 Conclusions/Answers to Research Questions**

In order to answer the two main research questions and obtain a detailed view of the learning impacts, each individual development is discussed with respect to the main learning domains, ways, and reasons for learning. It is hard to reach a complete understanding of the ways (the 'how') and the reasons (the 'why') without knowing and explaining the main learning domains (the 'what'). In total six developments movements were identified in the case company, CBL, as detailed below:

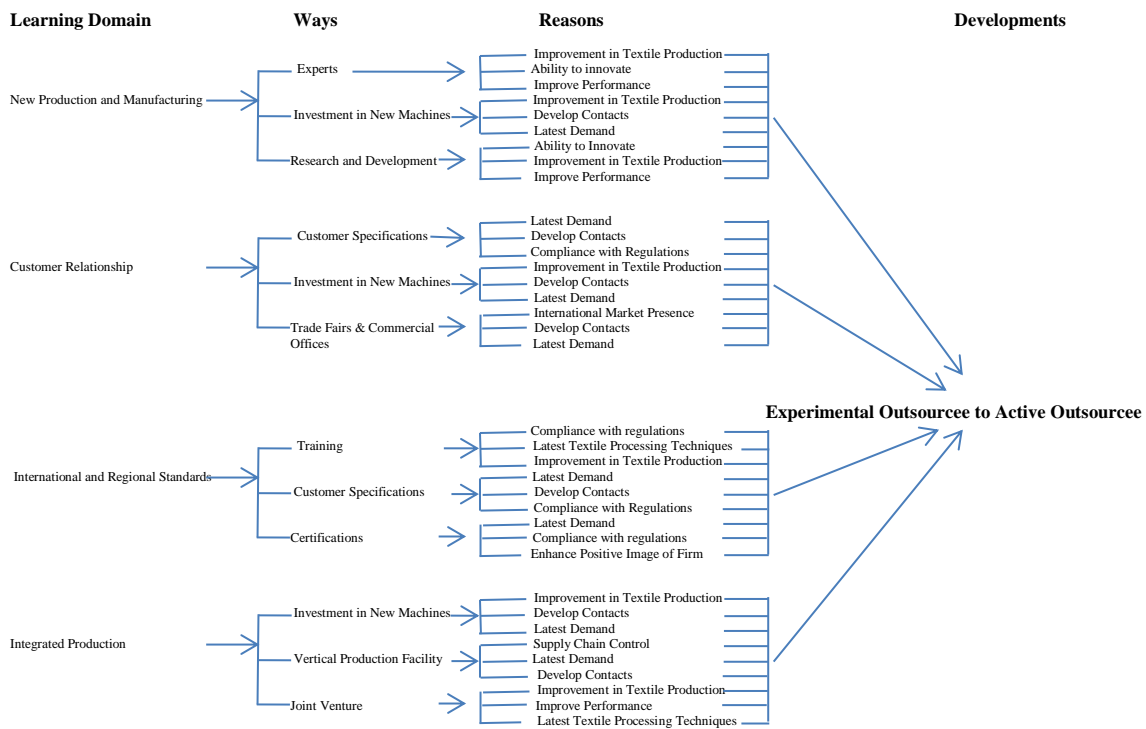
##### **4.1.5.1 Experimental Outsourcee to Active Outsourcee (EO to AO)**

Development from EO to AO was identified in CBL. This development is characterized by the main learning related to new production and manufacturing in an integrated way and customer relation in international markets through investments in new machines, vertical production facility, joint venture and customer specifications. The case company involved in mentioned learnings and ways to improve textile production, meet latest demand and develop contacts in international market.

However, certain reasons are associated with particular learning and characterized by specific learning ways, for instance, the supply chain control and latest processing techniques are associated with integrated production through vertical production facility and joint venture.

The summary of the development from EO to AO with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.1.1- Experimental Outsourcee to Active Outsourcee



#### 4.1.5.2 Active Outsourcee to Explorer (AO to EXP)

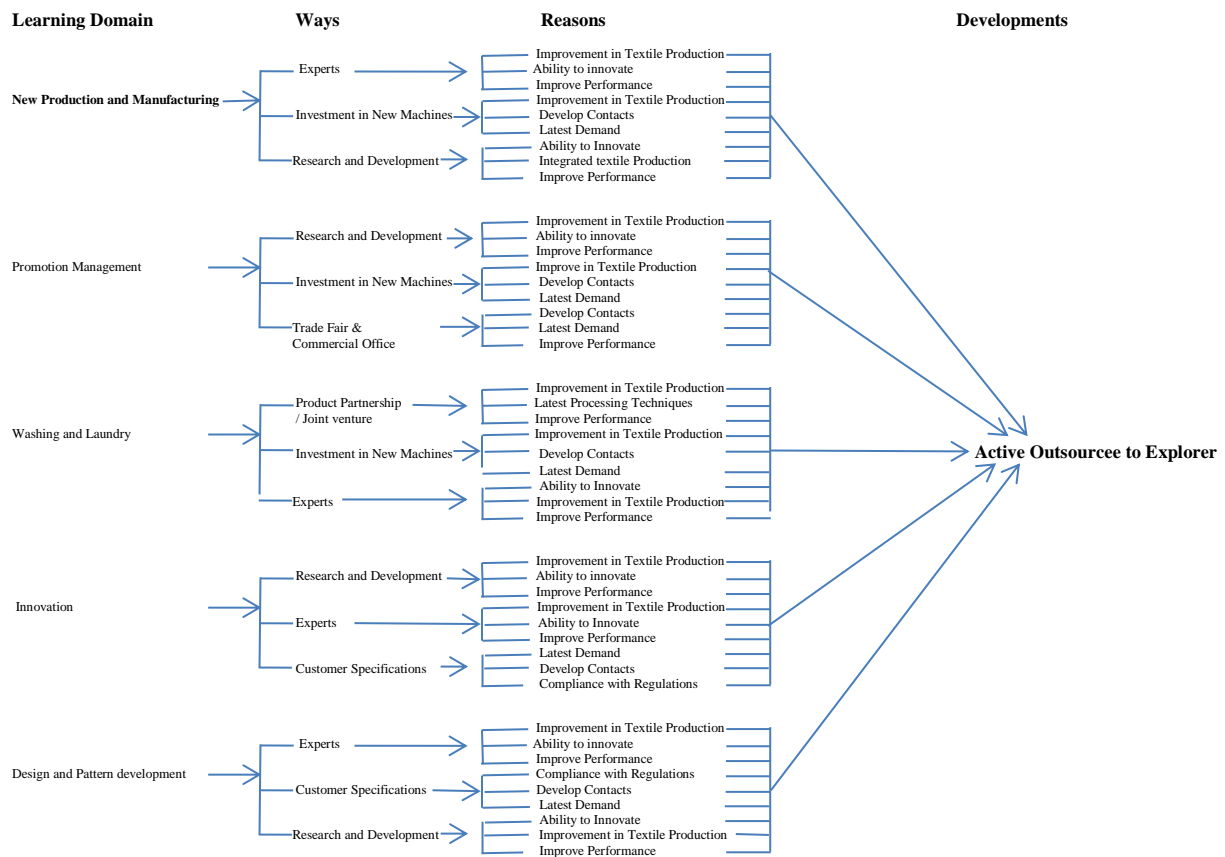
This development is characterized by the main learning related to new production and manufacturing, washing, innovative and promotional offerings and designing through investments in new machines, experts, R&D and reverse-engineering and customer specifications. The main reasons to involved in mentioned learning domains and ways were to improve textile production, ability to innovate, meet latest demand and develop contacts in international market.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the latest processing techniques and improve performance (related to product in this stage) are associated with washing and laundry through joint venture and experts.

The summary of the development from AO to EXP with respect to main findings related to learning domains, ways and reasons is highlighted in graph



Figure 4.1.2- Active Outsourcee to Explorer



#### 4.1.5.3 Explorer to Active Outsourcee (EXP to AO)

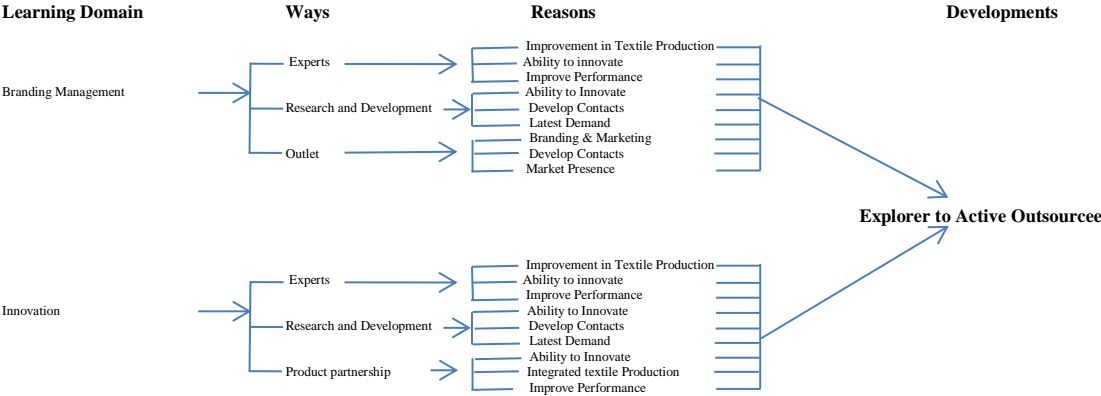
This development in emerged from the case as backward movement. This development is characterized by the main learning related to innovation and branding manage net through experts, R&D and reverse-engineering and outlets (offline and online).

The main reasons for becoming involved with the above-mentioned learning domains and ways were to improve textile production, ability to innovate (own products and brand), meet latest demand and develop contacts (retail business) and branding and marketing in local market.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the branding and marketing, develop contacts and market presence are associated with branding manage net through experts, R&D and outlet.

The summary of the development from EXP to AO with respect to main findings related to learning domains, ways and reasons is highlighted in graph

Figure 4.1.3- Explorer to Active Outsourcee



**4.1.5.4 Active Outsourcee to Partner (AO to PART)**

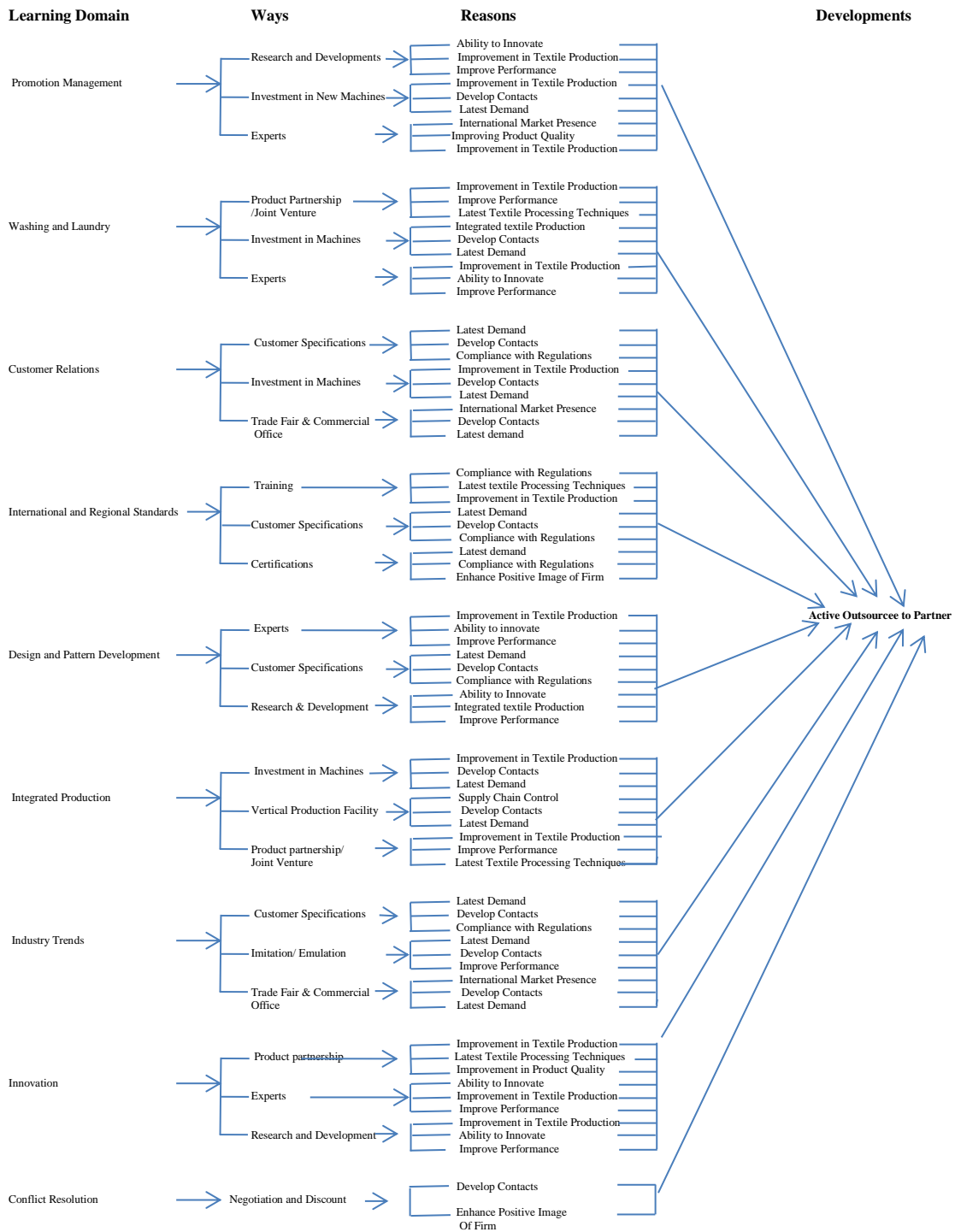
This development is characterized by the main learning related to integrated production, washing, innovation, promotion management, customer relation, international standards and designing and pattern development through investments in new machines, experts, R&D/reverse-engineering, industry trend, customer specifications, product partnership and trade fair and commercial offices.

The main reasons to involved in mentioned learning domains and ways were to improve textile production and processing’s, ability to innovate, meet latest demand and develop contacts and international market presence.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, latest demand, develop contacts and international market presence are associated with industry trends through customer specification, R&D and reverse engineering and trade fair & commercial office.

The summary of the development from AO to EXP with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.1.4: Active Outsourced to Partner



#### 4.1.5.5 Explorer to Partner (EXP to PART)

This development is characterized by the main learning related to new production and

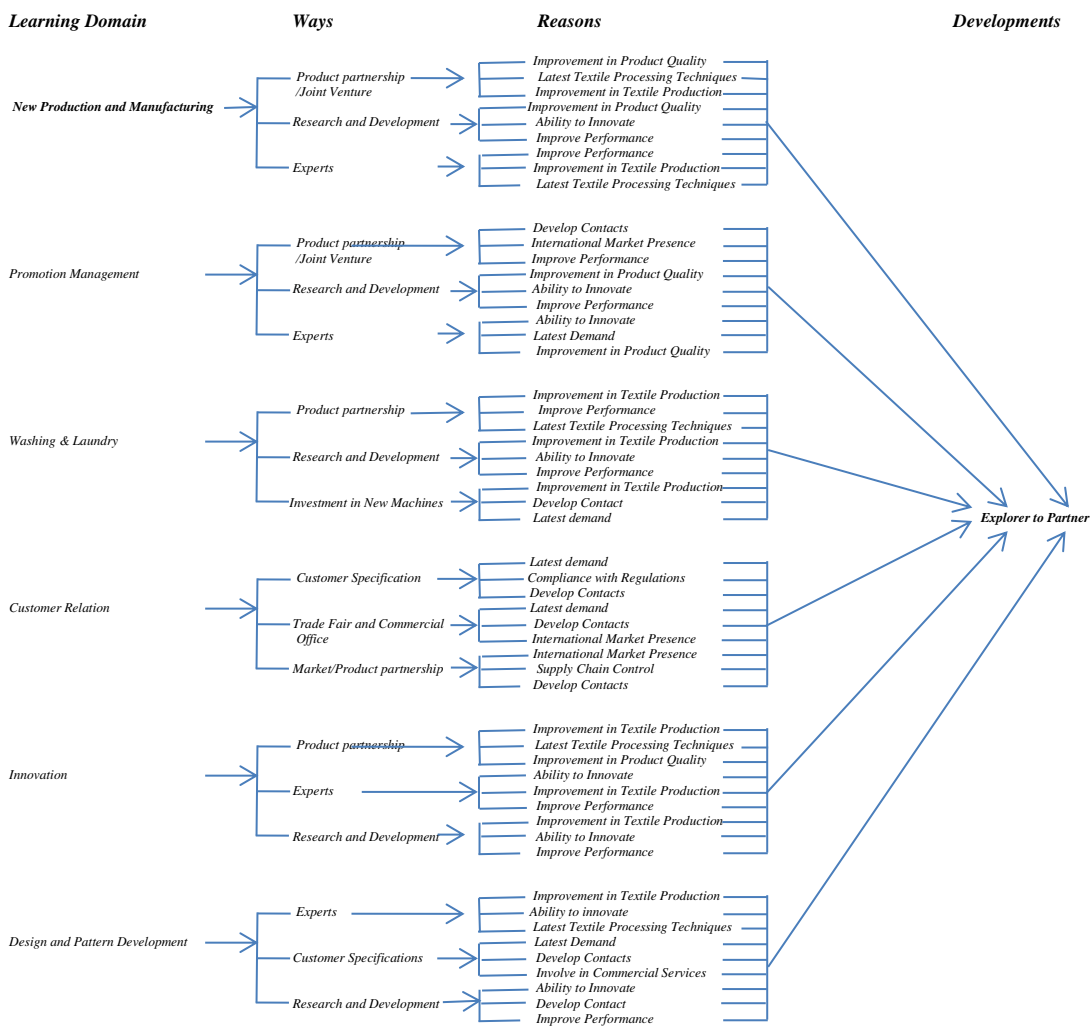
nufacturing, washing, promotion management, customer relation, innovation and design & pattern development through joint venture, R&D and experts.

The main reasons to involved in mentioned learning domains and ways were to improve textile production and processing, ability to innovate, meet latest demand, develop contacts and improve product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, ability to innovate, develop contacts and involvement in commercial services are associated with designing and pattern development through experts, customer specification, and R&D.

The summary of the development from EXP to PART with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.1.5: Explorer to Partner



#### 4.1.5.6 Partner to Emerging Global Challenger (PAR to EGC)

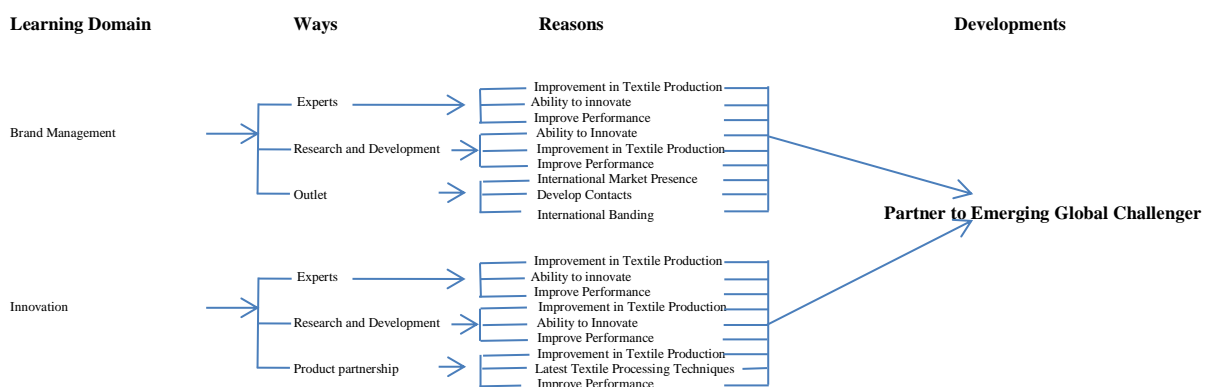
This development is characterized by the main learning related to innovation and branding manage net through experts, R&D, product partnership/JV and outlets (offline and online).

The main reasons to involved in mentioned learning domains and ways were to improve textile production, ability to innovate (own products and brand), meet latest demand and develop contacts (retail business) and branding and marketing in international market.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the branding and marketing, develop contacts and market presence are associated with branding manage net through experts, R&D and outlet.

The summary of the development from PART to AO with respect to main findings related to learning domains, ways and reasons is highlighted in graph

Figure 4.1.6: Partner to Emerging Global Challenger



Overall the case firms reveal six development trajectories (Figure 4.1.1-4.1.6). Each development characterized by learning processes covering concrete domains, which are learned for specific reasons ways. It was observed that case firm predominantly concentrated on three stages namely “Active Outsourcee”, “Explorer”, and “Partner” due its quest for building capabilities in latest production, innovative processes and value-added services to move in value chain and/ or expands its operations in international market. In addition, the development to “Emerging Global Challenger” is evident through learning and building capabilities in new product design, product development, production, and marketing and sales under own brands.

It is important to note that the learning in the context of this study “learning in offshore outsourcing ties” is not only associated with learning from the outsourcer (i.e. taking over specific knowledge, capability, direct instructions and specifications), but the strategic orientation of the outsourcee (case firm) as well. Hence, the main experiential learning seems to be resulted from interactions with outsourcers, other market actors and strategic steps taken by the case firm.

#### 4.1.7 Case Database Sources

1. Interview with Senior Assistant Vice President, Supply Chain and Marketing
2. Interview with Assistant Vice President, Production
3. Interview with Vice President Product Development and R&D
4. Interview with Senior Marketing Manager
5. Interview with Assistant Vice President, Marketing-Europe
6. Interview with Senior Manager Merchandizing
7. Interview with Manager Supply Chain
8. Interview with Deputy Manager R&D
9. Company Presentations
10. <http://www.crescentbahuman.com/>
11. <http://www.scribd.com/doc/47990678/Crescent-Bahuman-Limited>
12. [http://www.textileworldasia.com/Issues/2012/July-August-September/Features/Pakistan\\_Faces\\_Challenges](http://www.textileworldasia.com/Issues/2012/July-August-September/Features/Pakistan_Faces_Challenges)
13. <http://textileinformationpk.blogspot.no/2009/10/six-sigma.html>
14. <http://www.crescentturk.com/>
15. <http://www.levistrauss.com/sustainability/innovative-practices/planet/water/>
16. [http://www.fibre2fashion.com/news/garment-company-news/newsdetails.aspx?news\\_id=84099](http://www.fibre2fashion.com/news/garment-company-news/newsdetails.aspx?news_id=84099)
17. <https://www.facebook.com/CrescentBahumanLtd?fref=ts>
18. <https://www.facebook.com/photo.php?fbid=494481057277286&set=a.494480557277336.115389.279960962062631&type=1&theater>
19. <https://www.facebook.com/CrescentBahuman>
20. <http://www.fashioncentral.pk/pakistani/designers/40-stoneage/about/>
21. <http://crescentbahuman.com/certificate.swf>
22. [http://trade.ec.europa.eu/doclib/docs/2014/january/tradoc\\_152057.pdf](http://trade.ec.europa.eu/doclib/docs/2014/january/tradoc_152057.pdf)
23. Interview with Vice president human resources and shared services
24. <http://documents.worldbank.org/curated/en/644941468767404219/text/multi-page.txt>
25. <https://www.miga.org/pages/projects/project.aspx?pid=74>
26. Multinational Investment Guarantee Agency (MIGA) World Bank Group for Crescent Greenwood Limited, Pakistan.
27. <http://www.sportswear-international.com/news/stories/Crescent-Bahuman-taps-denim-expert-Giovanni-Petrin-10437>





## **Chapter 5: Cross-Case Analysis**

This research adopted a multiple case study approach to generate a descriptive and explanatory understanding of the link between offshoring ties and the supplier's (DES's) learning, enhancing innovative capability and development. The main objective of the current chapter is to present the cross-case analysis of all four cases presented and described in Chapter 4. First, the findings from the individual case studies are reflected on the conceptual lens as described in Chapter 3. Reflecting on different dimensions of the conceptual lens, framework displays are included to summarize the main findings from the case studies. The similarities and differences across cases are then identified in order to develop an interpretive understanding of the phenomenon and its focal aspects. Furthermore, interrelationships between learning ways, learning domains, and reasons representing their combined impact on the innovative capabilities, movements along the value chain, and developments. Accordingly, all these are investigated as part of the cross-case analysis.

The findings will then be discussed further in Chapter 6, where conceptual and theoretical aspects will be further refined by challenging and enfolding emergent themes with the existing strand of literature.

### **5.1 Overview**

The current study covers four cases, as shown in Table 5.1. The selected cases represent firms from the apparel and home textile sectors in the textile industry in Pakistan. Two cases (CI & CIII) are from apparel (denim), one case (CIV) from apparel (knitted), and one (CII) from home textiles. The selected cases are from the same industry but in different sub-sectors, showing variety and diversity. All cases serve international clientele and are well-established business with more than 20 years' experience.

Table 5.1: Case overview

Case	Acronym	Area of Specialization	HQ Location	Type of Engagement	Firm age at the time of Interview	Main Region/Markets
CBL	CI	Apparel (Denim)	Lahore, Pakistan	OEM, OBM, OBM, R&D Centre,	22 Years	Europe, US, Gulf & local
GTML	CII	Home Textile	Faisalabad, Pakistan	OEM, OBM, OBM, Lead Supplier	22 Years	Europe, Asia, Gulf & local
AZ9	CIII	Apparel (Denim)	Lahore, Pakistan	OEM, OBM, OBM, Lead Supplier, Chemical and fabrics Testing center	22Years	Europe, US, Turkey, Asia
MTM	CIV	Apparel (Knitted)	Lahore, Pakistan	OEM, OBM, OBM, Lead Supplier	32 Years	US and Europe, Gulf

### 5.1.1 Learning Domains

These domains are the main learning areas by the case companies over time while engaged in outsourcing relations. These are learned either by the sub-unit(s) or by the case company as a whole. Table 5.2 displays the identified learning domains and the numbers of citations from each case referring to them, and percentage of references concerning each domain out of the total references for the same case.

Table 5.2: Learning domains across cases

Cases Learning Domains	CI		CII		CIII		CIV	
	Citation	%	Citation	%	Citation	%	Citation	%
Setup and Start	8	2%	8	3%	8	3%	13	4%
New Production & Manufacturing	76	15%	52	16%	40	14%	39	12%
Promotional Management	44	9%	27	9%	35	12%	12	4%
Washing and Laundry	33	7%	23	7%	17	6%	5	2%
Customer Relationship	122	24%	71	22%	35	12%	85	26%
International and Regional Standards	18	4%	9	3%	9	3%	18	6%
Innovation	68	14%	30	9%	41	14%	38	12%
Branding Management	25	5%	16	5%	30	11%	30	9%
Design and Patterns Developments	21	4%	10	3%	18	6%	11	3%
Integrated Production	30	6%	15	5%	23	8%	25	8%
Industry Trend	39	8%	38	12%	24	8%	28	9%
Contingent Production	0	0%	0	0%	0	0%	11	3%
Conflict Resolution	6	1%	6	2%	4	1%	6	2%
Product Diversification	11	2%	12	4%	0	0%	0	0%
<b>Total</b>	<b>501</b>	<b>100%</b>	<b>317</b>	<b>100%</b>	<b>284</b>	<b>100%</b>	<b>321</b>	<b>100%</b>

## 5.1.2 Learning Ways

These are the main modes and channels used by the case companies in the acquisition of knowledge about a specific aspect/area. These ways are related to acquisition as well as dissemination of knowledge across the case firms. Table 5.3 shows the identified learning ways adopted by the case companies and the number of citations from each case referring to them, and percentage of references concerning each way out of the total references for the same case.

Table 5.3: Learning ways across cases

Cases Learning Ways	CI		CII		CIII		CIV	
	Citation	%	Citation	%	Citation	%	Citation	%
Experts (Insider/Outsider)	51	9%	33	9%	27	10%	30	8%
Product Partnership/External Ties	43	7%	9	2%	23	9%	13	3%
Imitation and Emulation	37	6%	22	6%	8	3%	19	5%
Training	15	3%	6	2%	14	5%	7	2%
Customer Specification	84	15%	57	15%	33	12%	71	18%
Certification	16	3%	16	4%	8	3%	13	3%
Implementation of New Machinery & Systems	71	12%	87	23%	34	13%	63	16%
Vertical Production Facility	33	6%	16	4%	14	5%	27	7%
R&D and Re-engineering	67	12%	41	11%	32	12%	40	10%
Trade Fairs and Commercial Office	24	4%	14	4%	13	5%	17	4%
Learning by Doing	26	4%	12	3%	10	4%	17	4%
License	10	2%	14	4%	5	2%	8	2%
Design Studio	14	2%	15	4%	X	0%	11	3%
Technical Advises	9	2%	6	2%	5	2%	7	2%
CEO/Owner Interest	7	1%	4	1%	5	2%	8	2%
Negotiations and Discount	6	1%	6	2%	4	2%	7	2%
Trade secrets protection	8	1%	3	1%	3	1%	5	1%
Offshore Manufacturing Facility	X	0%	X	0%	X	0%	12	0%
Direct to Store	X	0%	X	0%	X	0%	15	4%
Sale Agent	X	0%	9	2%	X	0%	X	0%
Buying House	X	0%	5	1%	X	0%	X	0%
Market Partnership/JV	18	3%	X	0%	9	3%	X	0%
Mergers & Acquisitions (M&A)	8	1%	X	0%	24	9%	X	0%
Sourcing of Canvas Fabric	7	1%	X	0%	0	0%	X	0%
Outlet	24	4%	X	0%	0	0%	X	0%
<b>Total</b>	<b>578</b>	<b>100%</b>	<b>374</b>	<b>100%</b>	<b>266</b>	<b>100%</b>	<b>390</b>	<b>100%</b>

### 5.1.3 Learning Reasons

Learning reasons are the main motivations for why the case companies learned specific domain(s) through specific channel and way(s). These reasons are related to both up- and down-stream movement in value chains across the cases. Table 5.4 signifies the main reasons for being involved in different learning through various modes and the number of citations from each case referring to them, and percentage of references concerning each reason out of the total references for the same case.

Table 5.4: Learning reasons across cases

Cases \ Learning Reasons	CI		CII		CIII		CIV	
	Citation	%	Citation	%	Citation	%	Citation	%
Improvement in Textile Production	67	11%	26	6%	32	9%	35	8%
Improving Performance	96	16%	46	11%	39	11%	60	14%
Latest Textile Processing Techniques	46	7%	38	9%	23	7%	28	7%
Supply chain control	19	3%	16	4%	11	3%	26	6%
Latest Demand	89	14%	70	17%	42	12%	63	15%
Ability to innovate	56	9%	19	5%	33	10%	32	7%
International Market Presence	41	7%	22	5%	18	5%	31	7%
Develop Contacts	91	15%	71	18%	72	21%	68	16%
Branding & Marketing	22	4%	8	2%	14	4%	6	1%
Compliance with Regulations	34	5%	20	5%	14	4%	26	6%
Improving Product Quality	27	4%	53	13%	27	8%	36	8%
Enhance Positive Image of Firm	24	4%	7	2%	12	3%	13	3%
Commercial Service	7	1%	7	2%	7	2%	5	1%
<b>Total</b>	<b>619</b>	<b>100%</b>	<b>403</b>	<b>100%</b>	<b>318</b>	<b>100%</b>	<b>429</b>	<b>100%</b>

## **5.2 How Do Firms Learn Through Their Work with Offshore Outsourcing?**

This section demonstrates the main ways for learning a specific domain. Table 5.3 below shows the main learning modes the case companies used to get certain capability and acquire specific knowledge.

Across all analysed cases, 14 learning domains and 25 learning ways are identified in total (see Table 5.5). In order to get a real picture, each identified learning domain is analysed with respect to the main ways in which it is learned across cases. Learning ways are the main modes and means that the case firms adopted and used to achieve a specific end; that is, the learning domain. Of the 14 identified learning domains, 11 common (see Table 5.5) and three unique learning domains are identified, with all cross case tabulated 25 learning with the ways. In the current section, each domain and the main ways through which it is learned will be presented across cases to conceptually refine and identify interesting tendencies.

Table 5.5: Learning domain by learning ways across cases

Domain \ Learning Ways	Setup & Start	New Production & Manufacturing	Promotional Management	Washing & Laundry	Customer Relationship	International & Regional standards	Innovation	Branding Management	Design and Patterns	Integrated Production	Industry Trend	Contingent Production	Product Diversification	Conflict Resolution
Experts	CIII	CI,CH, CIII, CIV	CI,CH, CIII, CIV	CI	CI,CH, CIII, CIV		CI,CH, CIII, CIV	CI,CH, CIV	CI,CH, CIII, CIV	CIII	CI,CH, CIII, CIV		CH	
Buying House	CII													
Market Partnership			CI		CI, CH,		CIII	CI, CH,						
Mergers & Acquisitions	CI, CIII	CI			CIII		CIII	CIII		CIII				
Product Partnership/ External Ties	CIII	CI,CH, CIII, CIV	CI	CI, CIII, CIV	CI,CH, CIV		CI,CH, CIII, CIV		CI, CH	CI,CIII	CI,CH, CIV		CI	
Imitation and Emulation	CIV	CI,CH, CIII, CIV	CI,CH, CIII, CIV		CI,CH, CIV		CI,CH, CIII, CIV				CI,CH, CIII, CIV		CI	
Training		CI,CH, CIII, CIV		CI, CIII, CIV	CIII	CI,CH, CIII, CIV	CI				CI,CH, CIII, CIV			
Customer Specification	CI	CI,CH, CIII, CIV	CI, CIV	CI,CH,CIII, CIV	CI,CH, CIII, CIV	CI,CH, CIII, CIV	CI,CH, CIII, CIV		CI,CH, CIII, CIV	CH, CIII, CIV	CI,CH, CIII, CIV		CI	
Certification		CH		CH	CI,CH	CI,CH, CIII, CIV	CH				CI,CH			
Implementation of New Machinery	CI,CH,CIV	CI,CH, CIII, CIV	CI,CH	CH, CIII, CIV	CI,CH, CIII, CIV	CI	CI,CH, CIII, CIV	CH,CIV	CI,CH, CIV	CI,CH, CIII, CIV	CI,CH, CIII, CIV		CI,CH	
Vertical Production Facility		CI,CH, CIV			CI,CH, CIV			CH,CIV	CI,CH, CIV	CI,CH, CIII, CIV				
R&D and Re-engineering		CI,CH, CIII, CIV	CI,CH, CIII, CIV	CI, CIV	CI,CH, CIII, CIV		CI,CH, CIII, CIV	CI,CH, CIV	CI,CH, CIII, CIV	CIII,	CH, CIII,CIV		CI,CH	
Trade Fairs and Commercial Office			CI,CH,CIII, CIV		CI,CH, CIII, CIV		CIV		CIII		CI,CH, CIII, CIV			
Learning by doing		CI,CH, CIII, CIV	CIV	CI, CIII, CIV	CI,CH, CIII	CI	CI,CH, CIII, CIV				CIV			
Sourcing of Canvas Fabric													CI	
Sales Agent					CH			CH					CH	
License				CH			CI,CH, CIII, CIV				CI,CH, CIII, CIV			
Design Studio		CH	CH,CIV		CH		CI,CH, CIV	CH,CIV	CI,CH,CIII, CIV	CH,CIII	CI,CH, CIV		CH,CIII	
Technical Advises					CI,CH, CIII, CIV									
CEO/Owner Interest							CI,CH, CIV							
Negotiations and discount					CI,CH, CIII,CIV									CI,CH, CIII, CIV
Trade secrets protection					CI,CH, CIII, CIV									

Offshore Manufacturing Facility					CIV								CIV	CIV	
Direct to Store					CIV		CIV								
Outlet								CI							

The cross-case analysis shows that certain leaning domains are case specific, which is not contributing to the overall qualitative results as a whole these are “Contingent Production” showing in Case CIV, therefore, it is deleted from the analysis. Similarly, there are certain learning ways that are case specific and do not contribute to the overall result are deleted from the analysis namely “Buying house”. Furthermore, the cross-case analysis identified that certain learning ways are quite close to others and hence merged into one, such as “ Technical advice” merged with “Customers specification” become “Customer specifications” , “ Sourcing of canvas fabrics” merged with “Learning by doing” become “Learning by doing”, and “Direct to store” merged with “Implementation of new machines” becomes “Implementation of new machines systems” and “Offshore manufacturing” merged with “Vertical production facility” becomes “Vertical production facility”.

Table 5.6: Frequent learning domain by learning ways across cases

Learning Ways \ Domain	Setup & Start	New Production & Manufacturing	Promotional Management	Washing & Laundry	Customer Relationship	International & Regional standards	Innovation	Branding Management	Design and Patterns	Integrated Production	Industry Trend	Product Diversification	Conflict Resolution
Experts	CIII	CI,CII, CIII, CIV	CI,CII, CIII, CIV	CI	CI,CII, CIII, CIV		CI,CII, CIII, CIV	CI,CII, CIV	CI,CII, CIII, CIV	CIII	CI,CII, CIII, CIV	CI	
Buying House	CII												
Market Partnership			CI		CI ,CII,		CIII	CI ,CII,					
Mergers & Acquisitions	CI ,CIII	CI			CIII		CIII	CIII		CIII			
Product Partnership/ External Ties	CIII	CI,CII, CIII, CIV	CI	CI, CIII, CIV	CI,CII, CIV		CI,CII, CIII, CIV		CI, CH	CI,CIII	CI,CII, CIV	CI	
Imitation and Emulation	CIV	CI,CII, CIII, CIV	CI,CII, CIII, CIV		CI,CII, CIV		CI,CII, CIII, CIV				CI,CII, CIII, CIV	CI	
Training		CI,CII, CIII, CIV		CI, CIII, CIV	CIII	CI,CII, CIII, CIV	CI				CI,CII, CIII, CIV		
Customer Specification	CI	CI,CII, CIII, CIV	CI, CIV	CI,CII,CIII CIV	CI,CII, CIII, CIV	CI,CII, CIII, CIV	CI,CII, CIII, CIV		CI,CII, CIII, CIV	CII, CIII, CIV	CI,CII, CIII, CIV	CI	
Certification		CI		CI	CI,CH	CI,CII, CIII, CIV	CI				CI,CII		
Implementation of New Machinery & Systems	CI,CII,CIV	CI,CII, CIII, CIV	CI,CII	CII, CIII, CIV	CI,CII, CIII, CIV	CI	CI,CII, CIII, CIV	CII,CIV	CI,CII, CIV	CI,CII, CIII, CIV	CI,CII, CIII, CIV	CI,CII,	
Vertical Production Facility		CI,CII, CIV			CI,CII, CIV			CII,CIV	CI,CII, CIV	CI,CII, CIII, CIV		CIV	
R&D and Re-engineering		CI,CII, CIII, CIV	CI,CII, CIII, CIV	CI, CIV	CI,CII, CIII, CIV		CI,CII, CIII, CIV	CI,CII, CIV	CI,CII, CIII, CIV	CIII,	CII, CIII,CIV	CI,CII	
Trade Fairs and Commercial Office			CI,CII,CIII, CIV		CI,CII, CIII, CIV		CIV		CIII		CI,CII, CIII, CIV		
Learning by doing		CI,CII, CIII, CIV	CIV	CI, CIII, CIV	CI,CII, CIII	CI	CI,CII, CIII, CIV				CIV	CI	
Sales Agent					CII			CII				CII	
License				CII			CI,CII, CIII, CIV				CI,CII, CIII, CIV		
Design Studio		CII	CII,CIV		CII		CI,CII, CIV	CII,CIV	CI,CII,CIII, CIV	CI	CI,CII, CIV	CII,CIII	
CEO/Owner Interest							CI,CII, CIV						
Negotiations and discount					CI,CII, CIII,CIV								CI,CII, CIII, CIV
Trade secrets protection					CI,CII, CIII, CIV								
Outlet								CI					



In the following section, a closer examination is provided onto learning domains, and the main ways for learning them across cases. Main learning ways are those with most frequent references in the data, as a further step towards data reduction.

### 5.2.1 Setup and Start

The cross-case analysis summarized in Table 5.7.1 highlights seven main ways that the case firms use to start their latest operations. However, the cross-case analysis mentioned investments and installation of the latest machines as the most common way used by the case firms to involve in new offerings and operations (start-ups).

The cross-case analysis indicates that all case firms started their operations by investing and procuring the latest machines and systems. However, the case firms took different approaches in the acquisition of machines, tools, equipment and systems according to their needs and strategic orientations at the time of start-up. For instance, case CII started its operations as a buying house. After some time, CII invested in a stitching unit to become involved in the stitching of finished products on their own. This involvement in downstream production opposed the conventional production starting from spinning, as noticed in other cases. Contrary to CII, other cases CIII and CIV started their operations as spinning units.

The cross-case analysis guides us towards certain unique ways associated with specific case firms. For instance, CIII adopted M&A as the main way, as CIII merged with its Italian customers. The merger enhanced CIII's capabilities to become involved in value-added operations and offerings. Similarly, CI was initially involved in the production and exports of textile and fabrics. A joint venture with an American denim producer enhanced CI's capabilities to become involved in Denim apparel production, OEM, ODM services and exports.

The cross-case analysis indicates the repeated acquisition of the latest machines, equipment, and technology to bridge the knowledge gap and involved (start) in modern operations.

*"...Masood Textile Mills was incorporated in 1984 as a public limited company. We started with four spinning mills and yarn manufacturing. We produce yarn and conventional fiber to meet local market demand. We were doing what most other companies were doing in this region over the years..." (Senior manager, marketing and merchandizing-USA) CIV*

“...the company started its operations as a commercial exporter under the name of Gohar Textile office for its UK-based sister company Sartex in 1990. At that time, we were only commercial exporters or a buying house for international customers as we were taking orders from foreign customers in different products categories of home textiles. We purchase yarn, weave it, process it, and stitch it at our partners’ or outsourcees’ locations, dispatch, and export the products according to customers’ requirements...” (Manager, sales and marketing planning) CII

“...In 1993, a complete new strategic move was carried out by moving directly upstream by establishing a stitching unit with the name of Gohar International in Faisalabad. The manufacturing was limited to the stitching of quality home textiles through investment in modern equipment...” (Manager, sales and marketing planning) CII

“... An open yarn manufacturing was started in 1972 by setting a spinning unit under Nafees Cotton Mill, to start a yarn and textile business...” (Marketing, manager- USA; Manager, sales and marketing (brands)) CIII

“...Crescent group started its operations back in the early '50s by establishing a textile mill in Faisalabad as Crescent Textile Mills (CTM). It was a modern production facility of its time ....” (Senior assistant vice president, supply chain and marketing) CI

“...the mill was among the latest setups in Pakistan at that time. The mill started exporting yarn and fabrics right from the start according to customer specifications, mainly to US and European markets...” (Supply chain manager) CI

Table 5.7.1: Setup and start

Cases Ways	Cases				Manifestations			
	CI	CII	CIII	CIV	CI	CII	CIII	CIV
Imitation				3	NA	NA-	NA	Bringing others/ market successful aspects with some changes in offerings
Implementatio n of New Machines and system	5	5	4	6	Invested in new textile mill.	Invested in basic stitching unit	Invested in basic yarn manufacturing facility	Investments in a small spinning and yarn manufacturing unit
Buying House		5			NA	Started it operations as commercial office and a buying house	NA	NA
Experts			4		NA	NA	Yarn developer enhance the production of new and specialized yarn	NA
M&A			5		NA	NA	Enhances production capabilities through acquisition in USA	NA
Product partnership			7		NA	NA	Alliance in Mexico for specialized yarn and textiles	NA
Customer Specification	4	3			Customer specification remained vital	Fulfill what was demanded	NA	NA

## 5.2.2 New Production and Manufacturing

The cross-case analysis summarized in Table 5.7.2 highlights four common ways to be involved in new production and manufacturing: implementation of new machines, customer specifications, experts, and product partnerships.

The cross-case analysis indicates that investing in new and latest machines, systems, equipment, and labs is the main way to become involved in the latest production and processes. Furthermore, the analysis revealed that case firms sourced and acquired the latest hardware from Western countries that enhanced their direct involvement in internationally demanded processes and offerings. For instance, CI and CII upgraded their entire weaving facilities.

Similarly, the cross-case analysis indicates that all four case firms are working as OEM, ODM, and OBM providers to the world-leading brands and partners from Western countries. The requirements and specifications of these partners are instrumental for the case firms in the production of new products, services, and processes.

The partners' diverse market and regional requirements enables the case firms to integrate in new product development (NPD) and learn unique and innovative aspects. However, the case firms' integration into NPD by the customers and or their level of customer specifications adoption leads to varying value propositions.

Furthermore, the cross-case findings indicate that all case firms engage with designers, developers, and textile experts on an on-going basis to mitigate the competency gap in producing market-demanded products, innovative processes, and services. In addition, the cross-case analyses connect the acquisition of experts with the case firms' design teams in the provision of new ideas, the development of future product concepts, upgrading existing products and processes, or producing novelties through their technical acumen (Haeussler, Patzelt, & Zahra, 2012). For instance, CI and CIV have full-time foreign designers and developers on their payroll.

Similarly, the cross-case findings highlight the active involvement of case firms in both strategic and needs-based partnerships with customers and suppliers in order to gain access to skills and resources that are necessary for new production, processes and services. Further, it is evident from the cross-case analysis that each case firm has different strategic objectives for establishing such ties. For instance, cases CI and CIII have specialized alliances with leading Italian washing houses to get the latest

processing and washing techniques for high-quality products and processes. Similarly, CI has ties with leading European partners in marketing, washing, designing, and sales to improve its production and processes and develop new business.

An interesting aspect that has emerged from the cross-case findings is that certain arm's length supply ties with suppliers also leads to new production and manufacturing. For example, with the help of a chemical supplier, CII developed the capability to develop "First Green Finishing" in its offerings in the region. Similarly, CIII jointly produced exclusive/patented chemicals with its German chemical supplier with unique colour shades and rinses for its exclusive innovative denim fabrics.

*"...in 1995, we started fashion-oriented knitted garments development on a small scale for local market sales. In the same year, we made our first export to UK-based brand Jockey; we supplied underwear briefs. We kept moving on as we started formal garments export to USA in 1997. That was a point of departure towards value addition. We invested in the latest machines to improve our infrastructure and production capabilities. We developed our R&D and industrial engineering departments. Similarly, we established a local design studio followed by two design studios in the USA, hired foreign designers and developers to develop the latest garments and design according to international demand..." (Director Marketing, Senior manager, merchandizing) CIV*

*"...joint venture was the first largest foreign investment in Pakistan's textile industry. Crescent Greenwood Limited (CGL) was the first fully integrated apparel plant in Pakistan and includes the latest state-of-the-art spinning, weaving, washing, cutting, and sewing units for denim garments according to the international market demands. The plant was backed up by its power generation plant and a water treatment plant, which was first of its kind in Asia...." (Assistant vice president, production) CI*

*"... In 1995, the company started its latest spinning and denim fabric production in collaboration of Italian partners Legler SPA and exported Denim garments ..." (General manager, Garments division) CIII*

*"...We continued our production endeavor by investing in setting up a state-of-the-art weaving plant in 1997 as Gohar Weaving Mill. This investment enabled us to produce high-quality and value-added fabrics of different types to meet our in-house and international demand..." (Export Officer) CII*

**Table 5.7.2: New production and manufacturing**

Cases \ Reasons	Cases				Manifestations			
	CI	CII	CIII	CIV	CI	CII	CIII	CIV
Experts	17	13	6	8	Remain vital in new offering and market demanded designs, products and processes	To get involved in innovative product, processes and latest designs	To design and develop new fabrics, finishes, processes and products	To present new and improve existing offerings as per international demand
Product Partnership/ External Ties	18	3	11	6	Enhancing the production, washing and processing in high value-added segments in an integrated manner	Enhance operations through close ties with UK based affiliate and other market actors	Product Partnership with Italian company, special ties in washing and close connections with chemicals suppliers enhance new offerings, washings	Ties with suppliers, customers and major market players enhances the production
Customer Specification	15	16	10	20	Customers specifications remained influential for engagement in latest	Matching with customer requirements are direct way to involved in latest products,	Customer demand and latest market trends remained vital in developing new products and process of international standards	Diversified customer requirements remain vital in inducing latest manufacturing

					manufacturing and operations	processes and services		techniques and practices
Implementation of New Machinery	46	39	21	29	Need base investments are vital for enhancing capabilities & capacities for latest demanded product, processes and services	Investment and acquisition of latest weaving, stitching, design and finishing facilities leads to new offerings	Investment in sophisticated spinning, weaving, processing and labs enhances the involvement in new offerings and processes	Investment in modern hardware, equipment and tools are the precondition for latest product and processes

### 5.2.3 Promotional Management

The cross-case analysis summarized in Table 5.7.3 highlights the main findings related to the common ways of becoming involved in promotional activities, including R&D and re-engineering, trade fairs and commercial office, experts, and emulation/imitation.

All case firms showed active involvement in promotional activities. It is normal in this industry for the producer to first develop something new and unique to present to the market as a seasonal collection. If the clients show interest in the offered products and service, this means that producers will receive orders in the next season. All the case firms develop and present their seasonal collections as a promotional tool, to varying degrees depending on their product categories and market segments. For instance, CIII offers four seasonal collections in a year, while the rest of the case firms are involved in biannual collections.

The cross-case findings suggest a combination of R&D and RE as the dominant modes to constantly improve existing and/or produce new innovative products, processes, and services as a response to changing market needs. The cross-case analysis further highlights the idea that involvement of case firms in R&D is limited to product development, transition, and inspiration. The findings converge on the dominant role of reverse engineering (RE), and emulation in producing unique offerings. Therefore, all the case firms involved in these alternative modes to have spill over of private knowledge from market winning products, processes, and ideas. This has enabled them to enhance their capability to absorb relevant technology and knowledge in the shortest possible time at a lower cost. Hence, they offer new products, innovative designs and washings as seasonal collections in a cost-effective manner.

The cross-case findings consistently show the establishment of international sales and marketing offices as a vital way to involve in the promotional management. This provides a platform for the case firms to have direct a contact with the clients and sourcing partners to receive constant market updates. Through commercial offices, the

firms are directly involved with their clients in designing customized offerings and marketing campaigns in their respective regions. In addition, the international commercial offices scan and pass on the latest market happenings in their regions for future offerings. Similarly, the cross-case findings show that active participation of case firms in trade shows is the main way to showcase their innovative offerings in establishing business (Chongwatpol, 2015) and learning about recent advances for their future developments.

In terms of engagement with experts, it is evident from the case studies that all the case firms engaged with designers and developers to induce unique and innovative aspects and processes in their offerings. All case firms acquired the services and support of textile experts and specialists to reduce their inherited knowledge gap (Simon, 1991) for innovative products and processes. However, every case firm has a different arrangement to engage with experts. As mentioned above, CI, CIII and CIV have fulltime designers and developers on their payroll, while CII receive continuous support from foreign experts.

*“...In 2006, after all installations of highly sophisticated infrastructure and overall changes in our setup, we hired two experts/designers from Italy and UK. For the first time, in 2006, we went for hunting and developing customers. We started two collections every year. We did our own entire R&D; we develop more than 50 fabrics every season, so new lines of fabric came in and we introduced almost 250 new fabrics...” (Senior manager, marketing) CI*

*“.... For a collection, we definitely need inspiration..., it can be from anywhere, from nature, our daily life, sourcing partners and customers, brands, designers, competitors, foreign visits /conferences and expos. Sometimes we exactly copy the same thing with changes... and develop something different for our collection. ....” (General manager, operations & product development-Denim division) CIII*

*“...we present our own registered designs and fabrics as a marketing engine to inspire and develop new clients. We visit our customers and participate in exhibitions and trade expos like Heimtex, Moscow Textile Fair, Indo-Pak Fashion Street-India, Life Style Pakistan-India, and Trade Development Authority of Pakistan (TDAP), etc. ... help us to present our concept(s) and keep us in touch with market trends in developing our products ...” (Marketing, manager) CII*

*“...we developed our own designs according to the recent market trends as a promotional tool to present our innovative concept... every season (i.e., Spring–Summer and Autumn–Winter) on a continuous basis... We present our seasonal ideas with different combination of fabric, design, colors to different customers through our international marketing and sales offices. For the last couple of years, we are regularly participating in international expos such as ITMA, Shanghai Tex, TDAP, International Textile Machinery Exhibition etc. ....” (Senior manager, merchandizing) CIV*

Table 5.7.3 Promotional management

Cases Reasons	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Experts	15	11	9	6	Vital in presenting innovative ideas and samples as promotional collections.	Develop new product, processes and services concepts for promotional purposes	Drive new ideas and concept as a promotional tool	Influential in new start, design and develop new products, processes and finishes as promotional collection
Imitation and Emulation	7	12	3	2	Adopt and implement other's aspects and features in offerings and operations	Incorporate market's successful products aspects to develop his own	Copy certain aspects of popular products, processes and services and modify per his needs	Incorporate other's ideas and certain successful aspects into its own operations and offerings
R&D and Re-engineering	23	18	13	5	Disassembling other's products into observable technological units and improve it for its own purpose	Dismantle market winning products to innovate own	Break down specific product or processes into meaningful parts to develop own	Develop new and or dismantle other's successful product and processes to develop and innovative its own
Trade Fairs and Commercial Office	13	13	3	5	Main source to showcase its own innovative offerings. Get information related to latest industry trends	Platform to present its own offering and collections, know about latest market happenings	Rich source to promote offering, gain latest market and industry trends for future use	Present innovative offerings and get new ideas for the future use

## 5.2.4 Washing and Laundry/Processing

The cross-case analysis summarized in Table 5.7.4 highlights the common ways to become involved in the latest washing and processing techniques, including- product partnerships, customer specifications, and acquisition of machines.

The cross-case findings indicate that washing, processing, and laundry are integral parts of apparel, home textiles, and Denim in particular. The cross-case analyses indicate that case firms' involvement in the latest washing and processing techniques improves the value, aesthetics, and functionality of their offerings. The cross-case analysis showed that the case firms have ties and special engagements with world-leading washing houses and chemical suppliers. These ties enable the firms to adopt modern laundry development and implement the latest washing, finishing, and processing techniques in their operations. For instance, CI, CII, and CIII approached chemical suppliers for help and guidance in the use of alternative dyes, rinse, and colour shades for unique finishing. Similarly, CI and CIII are actively engaged with leading Italian washing houses (Martelli and Tonello) to learn about and use value-added treatments and the latest

washing and laundry techniques in their production. This enhanced their ability to improve their product aesthetic for high-end offerings.

With respect to customer specification, it is obvious from the cross-case analysis that customers transmit detailed lists of their specifications whenever they place an order. The customer specifications clearly describe each and every requirement regarding design, type of yarn, type of fabric, washing and finishing, stitching, quality and dispatch, etc. These specifications and requirements remain the main source of learning about advanced technology, international market preferences, new product developments, R&D (Ernst, 2000) latest finishes, washings, and so on. For example, CI completed an innovative project of “water-less jeans” with its prime customer, where CI was able to reduce water consumption by 40 percent in its washing and laundries. This enhances CI’s washing and laundry capabilities to run such projects in future with confidence.

Similarly, the cross-case analysis showed that the case firms actively invested and acquired state-of-the-art processing and washing equipment to upgrade their washing on continuous basis. The acquisition of the latest machines and processes were the basis for the case firms to narrow down the technology gap to a certain extent and use the necessary capabilities to respond to the changing needs for the latest washing and processing techniques. The analysis showed that CII invested in a complete processing mill in 2013.

In addition to the above-mentioned ways, all the case firms are paying for patents and licenses to world-leading suppliers for the use of their innovative treatments, finishes, and chemicals in their processing and washings.

*“...when talking about the expertise related to textile wet processing, we have the largest and most sophisticated dyeing and washing facilities in Asia here at Masood. We have expertise in handling garments dyeing, spray, washes, special effects, and other treatments. Similarly, the chemical companies over here have expertise in those areas; they train their people in foreign countries, where they learned and then came here to market their products, so they provide free expertise in that area. Whenever we have a problem in this area (wet processing), the first action is to call the chemical companies for specific remedies and expertise. We have the latest in-house washing and laundry facilities, with a reverse-osmosis plant for quality garment dyeing, spray, washes, special effects, and treatments. ....” (Manager technical, R&D and product development) CIV*

*“...some brands and customers need extra treatments in their products for better value through improvement in aesthetic, functionality and quality. They go for advanced finishes, dyes and processing such as Plain Dyed, Normal Finish, Easy-care Finish, Non-Iron Finish, Anti-Allergy Ultra-Fresh Finish, Nano-tex, Wrinkle-free Finish, Sanforising, fire-retardant, anti-mice, water-proof, Mercerizing, and Stain-Resistant. We are competently applying such finishes as we have invested in state-of-the-art processing mills and paying for the license and patents to the innovators and suppliers of such finishes for the use in our production.....” (Marketing manager) CII*



“...We also get a lot help from our Italian partners and our suppliers, especially in dying, laundry, designs, and finishing. A team from an Italian partner, Tonello SRL (a special agreement in garment washing) visited us here to train and advises our laundry and washing team about the latest techniques in garments washing...” (General manager, Garments division) CIII

“...We received training from our partners; last year a team of washing and laundry experts from Martelli (our partner) came here for one week. They taught our team how to make a nice fabric washing, how to save chemical costs, how to introduce nice wash and hand-work on the jeans. These techniques were shared here by their team. Then our team went to Italy to visit their production site to see and practice on different machines, washing in different water and an environment where the PH and temperature is different from Pakistan, so we correlated the expertise on one machine to another and washed in totally two different setups and washing environments. We learned and observed from their atmosphere .... observed what is happening in market demand washes...” (Senior manager, marketing) CI

Table 5.7.4 Washing and laundry/processing

Cases Ways	CI	CII	CIII	CI V	Manifestations			
					CI	CII	CIII	CIV
Product Partnership	19	3	10	4	Strategic tie with a leading Italian washing house enhances innovative capabilities in washing and laundry techniques	Ties with chemical suppliers for tailor made finishes, chemicals and dyes	Alliance with Italian garments finisher and special ties with German chemical and dyes producers	Special ties with chemical suppliers for the customized chemicals, dyes and finishes for latest processing
Training	3	3	3	2	Training from Italian partner and lead customers (Levi's) to incorporate latest trends in washings and to offer quality washes and treatments	Support from UK based affiliate, customers, suppliers and market actors in different areas	Help from alliance partners in garments finishes, washing, dying and drying. Advises and help in chemical testing from German chemical suppliers	Get help, and advises in washings and finishes
Customer Specification	6	14	5	5	To learn and introduce innovative washing, finishing's and laundry such as water less jeans per demand.	Incorporate extra treatments in offerings as per demand	Get involve in innovative finishes and dyes.	Learn about customized needs for sophisticated aspects in knitting, washings and finishes
Implementation of New Machinery and System	15	16	6	5	Continuous upgradation and investment in latest technology and modern washing techniques.	Investment in state of the art processing mill.	Investment and acquisition of latest washing and laundry facilities from Italy.	Introduce new and latest finishes, dying, washing and laundry facilities and techniques

## 5.2.5 International and Regional Standards

The cross-case analysis summarized in Table 5.7.5 highlights three common ways of learning and adopting international and/or customer-specific regional standards. These are customer specifications, certification, and training.

The cross-case analysis revealed that all case firms work under international and regional standards according to market requirements. However, some case firms are

more proactive than others when it comes to compliance. These standards legitimize the operations of the case firms and gain acceptance of their offerings in the international market.

The cross-case analysis indicates that the case firms are working as suppliers of ODM, OEM, and OBM to the world-leading brands and clients. These customers are market leaders, initiators, and trend-setters of internationally recognized operations and activities. They only work with suppliers who have a similar philosophy. As suppliers, the case firms work with customers from different parts of the world with diverse needs and standards in every aspect of business. The cross-case analysis narrates that customer specifications are the main driving force for knowing and enforcing mechanisms in compliance with standards (such as international, regional, and customer-specific standards).

In addition to customer specifications, the cross-case findings indicate that training and certification are the main modes to learn and execute international standards in their operations to be trusted in their business activities. It is evident that all case firms comply with demanding standards through training and certification in various areas from world-leading consultancies and accreditation bodies. It is interesting to note that some case firms are more proactive in getting certification and compliance with standards. For example, CI, voluntarily got the SA-8000 for Social Accountability and ISO 14001 Environmental Management System to show care and respect for environment, society and workforce. Similarly, CI is a supplier and manufacturer of the Better Cotton Initiative (BCI) from Pakistan.

*“...we comply fully with all international and customer-specific regional standards. We have received certifications and training from various leading accreditation bodies and consultants, such as NSI, RAB (US-based), UKAS (UK-based), DAR/TAG (German-based), Control Union Certification (Netherlands), etc. This shows our direct and indirect commitment to various environmental and ethical regional and international standards. It creates a positive image for our activities in a responsible and accountable way and serves as a signal for our future business developments. The company is certified from various aspects that have various certifications: ISO-9002, WRAP (Worldwide Responsible Apparel Production) ISO-14001, SA-8000, REACH, GOTS, Organic Cotton-Certified, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA-certified (ASA). ...” (Director Marketing) CIV*

*“... In order to work with international clients, we should have to comply with their regional standards as well. We acquired certifications and training from leading accreditation bodies and consultants. We are certified by ISO-9001, Global Organic Textile Standards, REACH, GOTS, OEKO TEX-100, Green Living Europe, Cotton USA-certified (ASA) ...” (Export officer) CII*

*“...company is fully compliant with international and customer’s specific regional standards. We received certifications and training from various leading bodies and consultants from various parts of the world....” (Marketing, manager- USA; Manager, sales and marketing (brands) CIII*

“... besides infrastructural, product specifications, and international requirements, every customer has its own initiated and or regional standards and requirements in raw materials, use of chemicals, processing, and products handling. We are a certified company from different aspects of production and business as per demanded standards. We have received certification from top consultancies and bodies to ensure full compliance in our actions...” (Assistant vice president, production) CI

Table 5.7.5: International and regional standards

Cases Reasons	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Training	9	5	7	3	Training and continuous audit from top experts and consultants	Training and audit from top professionals and organizations	Training from various leading bodies and consultants from various parts of the world	Training and guidance from leading consultants and bodies to meet the standards
Customer Specification	17	9	4	15	Customer needs for ethical and regulatory guidelines are compelling force to know and implement standards	Customer’s specific, regional and international obligation remains influential	Know about standards and various legal requirements through customer’s specifications	In addition to international, regional and customer specific legal and ethical requirements are vital for latest operations and offerings
Certification	15	7	8	11	Authorization from top consultants and bodies to ensure full compliance in operations and actions as per criterion	Accreditation from leading accreditation bodies and consultants	Approval and guarantee from leading authorities	Recognition from related world leading bodies

### 5.2.6 Customer Relationship Management (CRM)

The cross-case analysis summarized in Table 5.7.6 highlights four common ways of learning about different aspects to enhance a firm’s relationship in a market. These are customer specifications, implementation of new machines/systems, R&D/RE, and trade fairs and commercial offices.

The cross-case findings indicate a customer-centric philosophy in all case firms as a strategic orientation to engage with customers. All four case firms are export-centric and consider long-term relations as the main way for the continuous flow of business (that is, the manufacturing of OEM, ODM, and OBM). The findings indicate the existence of ample strategic response of the case firms for acquiring, retaining, and partnering with specific customers to create value. However, the strategic response of the case firms is context-specific and tailor-made (based on the market segment, customer, product category, etc.) to differentiate themselves or assert more value in a customized way.

It is evident from the cross-case analysis that customer specifications are dynamic in nature due to seasonality, shifts in technology, and market/segment preferences. To align with the changing needs of the world markets, the case firms constantly invest in sophisticated systems and R&D/re-engineering to deliver relevant products, processes, and services to accommodate emerging trends. Further, the findings reveal the case firm's holistic approach, with customer-centered operations focus on operational, analytical, and relational aspects. This enhances their ability to match with existing demands and connect them with the future trends to retain existing ties and nurture new ones.

The cross-case analysis further revealed the important role of the firm's international marketing and sales offices in customer relationships. These offices help the case companies to establish direct contact with clients and reduce the communication gaps while reacting in a timely manner to the varying needs and complaints of the specific clients in a specific region. Similarly, the international offices located in different regions help the respective firms keep in touch with the latest happenings in the market. These offices pass on vital market information that is necessary for the renewal and upgrading of case firms' operations and offerings. Additionally, the cross-case findings mention the importance of commercial offices in designing customized sales and marketing activities in their respective region to nurture existing ties and explore new ones.

Finally, the case findings reveal that the firms are also active in other relational aspects such as advices regarding technical aspects of orders, discounts, and confidentiality of clients' trade secrets and information. This helps the case firms to learn about different dimensions and occurrences arising in dynamic relations with customers. Furthermore, the involvement of case firms in such practices creates trust (competence and goodwill trust) among clients (Barber, 1983). Competence trust is the degree to which the case firms possess technical capabilities to produce and supply according to the required specifications. Goodwill trust is an appropriate practice that relates to case firms' respect and care in protecting their customers' intellectual property rights (IPR) and trade secrets and information. Thus, the trust both competence and goodwill positively moderates relation between customers' specifications and CRM learning.

*"...our core business is exporting, as we are exporting 100 percent of our capacity to the US, Europe, Asia, and Oceania. In order to grow in our core business and respond to the changing demand in time, we started our R&D and Industrial Engineering departments and established design studios in New York, Los Angeles, and Pakistan. We are running offshore production facilities in Jordan and Bangladesh to serve our clients in a cost-efficient and*

*agile manner. Similarly, we established our international sales and marketing offices in order to have close and direct contact with our clients and get the latest fashion trends from the region in which they are working ...” (Senior manager, marketing and merchandizing- USA) CIV*

*“...we have about 70 percent increases in our foreign clients over the last 5–7 years. Earlier our business and exports were EU-centric, specifically to the UK market. Now we have expanded our operations to the Far East, the Middle East, North America, South Asia, South Africa, and a small portion to South American markets, in both finished home textiles products and fabrics (processed and greige fabrics). We are constantly investing in the latest machines, men, design studios, and R&D to cater for the increasing demand for the latest home fashion textiles and emerging market needs. Additionally, our sales and marketing offices in Pakistan, the UK, and Germany enable us to project our products to existing clients and explore new markets segments and customers for our quality and customized products ranging from fabric to home fashion textiles ...” (Manager, sales and marketing planning) CII*

*“...Our product line is driven from the front end of the market by constant collaboration with our customers, and keeping a ‘finger on the pulse’ of what is happening with the cutting edge in the marketplace in the countries renowned for developments with denim. Our multi-cultural commercial offices in Italy, USA, Sweden, and Turkey are able to provide services from trend analysis to sales support and product design and development...” (Company presentation) CIII*

*“...we handle unique and unusual orders from time to time. We do specific and unique designs and styles as required by clients. In most cases, we accommodate our major clients/sourcing partners. First, we evaluate such orders from different aspects based on our expertise and technological base. If there is an issue that we cannot handle in an efficient way, we discuss it with the clients to make necessary changes according to our capabilities. If not, we then analyze what is missing and how to deal with such unique order. We consult our foreign R&D, PD teams, and developers. If necessary, we upgrade our system, machine or make some investment if the order runs for long and creates business for us...” (Senior assistant vice president, supply chain and marketing) CI*

**Table 5.7.6: Customer relations management (CRM)**

Cases Reasons	Cases				Manifestations			
	CI	CII	CIII	CIV	CI	CII	CIII	CIV
Customer Specification	59	49	24	62	Customer centric operations and offerings	Cater the emerging need and innovative specifications in demanded products, processes and services	Customer driven operations and offerings	Respond to the diversified and changing demand
Implementation of New Machines	37	33	25	39	Strategic investment in sophisticated machines, equipment, innovative processes, washings and systems to effectively cater the market emerging needs.	Constant investment in latest machines, washing, finishes and systems	Acquisition of sophisticated machines, men, processes and system to better serve the clients	Acquisition and investment in the latest machines, processes and operations
R&D and Re-engineering	25	23	15	17	Involve in research and related activities to incorporate innovative aspects	Search for innovative ways to induce latest aspects and dimensions	Involve in innovative and research related activities	Searching innovative ways to suit best with the latest marker trends

Trade Fairs and Commercial Office	15	9	13	17	To enhance existing and promote new relations in the market.	Showcase offerings, maintain and further enhance relation with exiting and or new sourcing partners and clients	Promote offering, acquire market information, establish direct contact with clients for better working relations	Close and direct contact with clients for effective business ties
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### 5.2.7 Innovation

The cross-case analysis summarized in Table 5.7.7 highlights four common ways for innovation: R&D/RE, customer specifications, implementation of new machines/systems, and experts in order to innovate products, processes, business model and firm-level changes.

The cross-case analysis revealed repeated instances of the case firms being involved in innovation and or upgrading existing products, processes, and services in both a reactive and proactive manner.

The cross-case findings suggest that the innovation is multi-faceted. It is not only restricted to the firm's own initiatives in offering new and/or upgraded products, processes, and system (promotional collections, etc.), but it also includes the demand for unique and innovative products, processes, and systems from diverse customers. Being suppliers of unique and innovative OEM, ODM, and OBM, the case firms are indirectly involved in innovation. Furthermore, the innovation applies equally to new products, processes, systems and business model.

The cross-case findings consistently connect the case firms' innovative abilities (that is, their ability to produce new and/or upgrade existing products, processes, and services) with R&D and RE. As mentioned above, the case firms innovate and update incrementally on a regular basis in a proactive and reactive manner in response to market needs and technological shifts. All cases established local R&D (except CII) backed by foreign R&D, product development (PD), and design units. The case findings indicate re-engineering and reverse engineering as the main mode with which to innovate incrementally or update existing product, processes, and operations, as their R&D is limited to product development, transition, and innovations/inspirations (promotional collection). This may be the reason for their slack resources and lack of R&D capabilities. Therefore, the case firms involved in RE have spill over of private

knowledge from market-winning products, processes, and customer ideas. This permitted them to enhance their capabilities to absorb relevant technology and knowledge in the shortest possible time at a low cost. Thus, they quickly leveraged market-winning products, ideas, and processes to fine-tune their offerings and processes in a dynamic manner.

Interesting aspects of innovation emerge as the cross-case findings mention diverse customer specifications and requirements as the main carriers of the latest technology, foreign market knowledge, new product aspects, R&D, and emerging dimensions. These specifications integrate the case firms into new product development, design, product concept, R&D, and other value-added operations (Petersen et al., 2005). Furthermore, the cross-case analysis indicates that, in addition to routine orders, the case firms also receive unique orders which are totally new to them or to the market. Execution of such orders and specifications enhances their innovative abilities and learning new aspects that they never experienced before (for example, CI's water-less jeans production and CII's First Green Finishing).

Furthermore, investments in the acquisition of sophisticated machinery, equipment, processes, and systems fortifies the companies' innovative capabilities and offerings. The case findings suggest that acquisition of modern technologies is the main way to narrow the technology gap and arm the firms with the necessary capabilities to engage in innovative operations. Case firms upgrade their technological capabilities on a preferential basis to have flexibility in accommodating innovative aspects in their products, processes, varieties, and speed to market (Brown & Eisenhardt, 1997; Ulaga, 2003) in an integrated manner.

Similarly, the cross-case findings indicate that all case studies or their specific unit(s) actively engage in the acquisition of experts to update and align their existing operations and offerings with rapidly changing market needs in an agile manner. The case studies show a strong inclination towards hiring or acquiring services of foreign designers and developers to gain direct access to technical knowhow, innovative production, market and industry trends, speedy supply chains, etc. Also, the cross findings reveal that in addition to case firm's involvement in internal product development (PD) and R&D, and design studies all case firms are assisted by foreign designers and developers, to address unique/novel aspects in orders (OEM, ODM, and OBM) from leading clients and sourcing partners, and to induce unique and innovative aspects and processes in their offerings as promotional collections. Furthermore, the cross-case findings did not

limit the role of experts, designers, and developers to production. They are equally engaged with experts in other areas and services, such as ordering systems, back tracking/RDIF, supply chains, etc. For instance, CI established a unique supply model (DTS) through the help of US-based IT specialists to successfully serve its US-based customers on lean production philosophy, which was previously impossible from this region.

Furthermore, the cross-case findings further indicate that regular ties with other market actors are as important as strategic alliances (evident especially in CII and CIV). Such external need base ties are influential in getting the necessary inputs, resources, and expertise to upgrade their product lines, develop their own designs, brands/promotional collection, marketing capabilities, latest processes and finishes, and improve overall performance.

*“...in addition to investments in machines and equipment, we hired foreign designers and developers and established industrial engineering and R&D units. These help us to explore innovative processes and product development. We have a design studio in New York and Los Angeles that keep us up with the latest trends in fads and fashion of customers in the US region. Such arrangements enable us to be ahead of many in the field ...”*  
(Director Marketing; Senior manager, merchandizing) CIV

*“...we got an order from one of my Bulgarian clients for a ‘Green First Finish’, which was a totally new concept for us, as we never done such a finish before. I asked the client to provide me with detailed specifications; they educated me about this special finish. We evaluate it for possible solution and execution; we spent almost 15 days and at last we broke the code. We got one source from Karachi; that is, a supplier importing such chemicals from France. We got the chemicals from that supplier, applied it and successfully developed the sample fabric ... We got the logo and certification that we are producers of Green First Finish. Now we can confidently develop and produce Green First Finish products ...”* (Marketing, manager) CII

*“...we welcome variety and uniqueness in orders as we are always doing new and different things. We address and evaluate such orders in a very detailed and structured way. Our evaluation team checks the possibilities of every single detail with our advanced research cell for fashion and functional fabrics (Blue Attitude Division; BAD) and Robust Art Division (RAD) ... we also consult our Italian designers and German consultants ...we generally develop a prototype and send it to the customer for review...”* (General manager, Garments division) CIII

*“...we are improving on regular basis. For example, we previously imported a special type of corrugated cotton from Belgium, Turkey, and Dubai, which was very expensive due to the unavailability of the required quality in the local market (i.e., it was not produced in Pakistan). We brought that cotton and challenged our own spinning unit and local vendors. We provide them with the specifications; they work on that for some time, submitted several samples, and finally matched with our specifications. We approved it from our quality and R&D teams and further from the client, after some changes. Now we are locally producing that yarn in a cost-effective way ...”* (Supply chain manager) CI

*“... in the year 2009-2010 we started global alliances in washing, production, design, sales and marketing. These alliances enabled us to utilize our integrated facility in a more strategic way to increase our sales by offering innovative and high-quality products, better control over supply chain, develop new and nurture existing clients in international markets like the EU, US and Middle East...”* (Senior assistant vice president, supply chain and marketing) CI



Table 5.7.7: Innovation

Cases Ways	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Experts	26	12	15	18	Enhance capabilities to explore new ways, develop new products or add new tweaks to existing one	Bring new insights in operations and dealings	Enhance capabilities in finding new ways of doing	Explore innovate design, product concepts, product developments and related processes
Customer Specification	17	12	10	16	An unbroken chain to know about the unique and innovative requirements	Continuous source to know about and apply new aspects and dimensions in offerings dealing and operations	Vital source of information about latest happenings in the markets	Know about latest market knowledge, understandings and innovative dimensions
Implementation of New Machines/Systems	25	13	12	15	Strategic investments and acquisition of modern technology, processes, finishes and systems	Acquisition of modern equipment, systems, innovative fishes and processes	Invest in men, machines and systems to fill the competency gap between the East and West	Investment in latest machines, systems and processes to strengthen innovative processes and dealings
R&D and Re-engineering	40	18	19	21	Integrating totally new or discovering new and alternative ways of doings in existing operation and offerings	Incorporating new and or inducing existing market products, processes and services in an alternative manner or for another purpose	Exploring new or using existing product, processes and services in an alternative way.	Simultaneous exploration of new and up gradation of existing product, processes and services
Product Partnership	21	10	10	8	Better utilize vertical production facility for new offerings, searching new market segments and developing contacts	Include new finishes and processes through alliances	Develop customized shades, colors and chemicals for processing and new product developments	Enhance and include latest finishes and processes closely working with suppliers and partners

### 5.2.8 Branding Management

The cross-case analysis summarized in Table 5.7.8 highlights three common ways (R&D/RE, experts, and design studios) to enhance a firm’s branding and promotional activities in different product categories. In addition to these common ways, the findings reveal three specific ways namely – acquisition, outlets, and sales agents – through which the case companies augment their branding efforts.

The cross-case analysis reveals mixed strategies of the case firms’ involvement in branding, registered collections, and logos to various extents in both local and international markets. However, involvement in branding through experts, and R&D and RE showed similarities across the cases. The findings also indicate the important

role of design centres in designing new products, concepts, and collections. In three cases, the designing centres or units are working under R&D and product development; in addition, all case firms have cross border design centres that help them to provide the latest designs for new offerings and collections.

The findings exhibit a strong link between experts and the case firm's direct access to technical knowhow, innovative production techniques, and market/industry trends. This link further encourages the case firms to become involved in registered collections and branding. It is evident that all case firms are backed by foreign designers and developers, in addition to their internal product development (PD), R&D, and reverse engineering, to induce unique aspects and innovative processes in their offerings as promotional collections, registered logos, and brands in both local and international markets. For instance, CII actively engaged with local designers and developers to reverse engineer its fabrics used for home textiles. Thus, CII successfully managed to develop Lawn (fashion clothes fabrics) and market them under their own logos and register collections in local, Indian, Bangladeshi, and UK markets.

In contrast to the above-mentioned common ways, the findings show case firms have unique ways to facilitate their brand management. CII and CIV commonly use sales agents as their main mode (cheap and effective) of projecting their brands and selling directly to consumers in both local and international markets. Similarly, CIII exclusively uses acquisition as its main source of getting into branding and international marketing. The findings indicate that CIII acquired an Italian company that has international brands, patents for specialized processes, and an exclusive sale force dealing with more than 30 customers in the European market. In addition to local R&D, the acquired company also helps CIII to developed specialized fabrics with its own brand in local and European markets. Similarly, CI successfully launched its local brand, "Stoneage," in major cities of Pakistan through exclusive online and offline stores and outlets and uses the same format (its own outlets) in launching its brand in Dubai.

An interesting dimension emerges with respect to the ways in which the case firms engage in brand management. At the local level, they use the same ways, while involved in unique and case-specific modes for selling and marketing in the international market.

*"...after installation of the latest machines, establishment of local design studios, R&D, and hired designers and developers, we went for our own brands in order to add more value. We had done an experiment in 1998–99 when we launched a brand called Land Mark PFD. We produced a polo shirt under the label of Land Mark PFD, but unfortunately at that time we did not have enough experience and suitable channels to do it properly, so we rolled back our Land Mark project ..."* (Director Marketing) CIV



### 5.2.9 Design and Pattern Development

The cross-case analysis summarized in Table 5.7.9 highlights four common ways that the case firms use to learn and enhance their design and pattern development capabilities. These are: R&D/RE, experts, design studios, and customer specifications.

The cross-case analysis indicates that all cases are actively involved in the provision of design development services to world-leading brands. Further, CI and CIII also provide pattern development in addition to design development services.

The cross-case findings converge in involvement with designers, R&D, and design studios to learn and support their design development capabilities. The findings show constant links of case firms with both local and foreign designers/developers and design studios. Such arrangements help the case firms learn about the latest advances in designs and pattern developments. For instance, CIV has USA-based design studios and Canadian designers and developers that help them with the latest designs according to North American market trends. Similarly, CII has a design studio in UK, while CIII has design studios in Italy and learns from Italian and German designers. CI has a design centre in Turkey, while Italian and British designers and developers help CI with international market fashion and design trends. In addition to design development, CII and CI are also involved in styles and pattern development services for world-leading brands.

In addition to designers and R&D/RE, the cross-case findings mention customer specifications as a vital source of learning about the latest advances in fashion, designs, styles, and patterns. All case firms provide a wide range of design services according to the needs of their customers and the market.

The case study findings also indicate that composite production facility plays an important role in learning and executing the latest design developments (for example, washing, style, fittings, and ethno-patterns). The vertical production facility and testing labs provide the mechanical arsenal for the case firms to shape the product concepts into reality (that is, from an idea to a physical design or pattern on the fabrics).

*“...beside active investments in machines and equipment, we established industrial engineering/R&D units, hiring experts, designers, and developers. This allows us to become aggressively involved in product development and explore innovative ideas to address forthcoming changes in more professional way. We have design studios in New York and Los Angeles that keep us up with the latest trends of the US market in designs and patterns....”*  
(Senior manager, marketing & merchandizing) CIV

“...We are actively involved in innovation and application of latest finishes through our newly established R&D, testing labs and design centers backed by our UK-based sister company. This involvement enables us to design, develop, and present our own registered products in fabrics, finished items, and fashion clothing fabrics beside design and pattern development for world-leading customers...” (Manager, sales and marketing planning) CII

“...We have well established R&D and product development units (RAD and BAD) with additional Italian and German developers and designers, who work around the clock to enhance and develop existing and new products, processes, design and pattern developments...” (General manager, garments division) CIII

“...I believe CI is a unique plant in Pakistan that provides washing and style development services through its R&D, designers, and mechanical arsenal to world-leading brands. We are providers of style development service to Levi’s, D&G, H&M, S. Oliver, Pierre Cardin, American Eagle, etc. We are a design center for them ... they come with a sketch and take the full design of the product...” (Assistant vice president, marketing-Europe) CI

Table: 5.7.9 Designs and pattern development

Cases \ Ways	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Experts	6	3	5	10	Provide advance skills and necessary capabilities for innovative design and outlines	Capabilities to involve in new designs and prints	Add to the firms ‘competencies of developing new designs and patterns	Enhances the sketch and development of new designs
R&D, Re-engineering & Design Studio	19	11	9	14	Develop unique designs, styles and pattern in an active manner	Innovation and application of new designs and prints	Involve in seasonal offerings and innovative design on continuous basis	Promote the development of new designs and innovative aspects
Customer Specification	6	8	7	4	Provide design and pattern from the sketch in customer mind to full design, prototype and finished products	Customer and market requirements are the main stray to involve in latest designing and prints	Provide customer centric design and pattern according to their regional and seasonal needs	Keep inform and induce latest trends in designs, patterns, prints and embroideries

### 5.2.10 Integrated Production

Table 5.7.10 captures the key findings related to the common methods used by the case firms to learn and enhance their operations in an integrated manner. These include vertical production facility, implementation of new machines/systems, and customer specifications.

The cross-case findings indicate that all cases have composite production facilities (except CII, which is subjected to completion of its pinning unit). The investments in latest machines, equipment, labs, and testing tools in an integrated way to get the required capabilities and competencies in their operations is evident across the cases. All the cases are involved in the manufacturing and supply of finished products (OEM, ODM, and OBM) to leading clients and chains. The manufacturing of such products and

services is a combination of dozens of activities and tasks, where the output of a certain activity is the input for the subsequent activity. This is impossible without integrated operations.

Similarly, the cross-case indicate customer specifications as the driving force and main source of learning and involvement of case firms in integrated operations. Most clients prefer one-stop shop to reduce the costs associated with negotiation, checking, monitoring and difficulties with multiple suppliers. Also, most of their orders cover the process from product concept to full execution, which is the vital way for the case studies to learn in depth at different production stages in an integrated manner.

However, some clients have orders, where the case firms supply semi-finished products (processed and greige fabrics) to their nominated cutters and garments manufacturers at Bangladesh, Turkey, India, etc. The semi-finished products also connect the case firms into integrated production, but to a lesser extent.

*“...we are equipped with latest available machines, equipment, and testing tools to maintain high quality standards set by international brands and clients. Our production process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof....” (Manager, technical, R&D and product development) CIV*

*“...By next year we will be a fully vertically integrated production facility through the addition of latest spinning unit to control the whole value chain for a short supply time and maintain the required standards for quality at every production stage....” (Manager, sales and marketing planning) CII*

*“...We acquired our machinery, tools, and latest equipment from Switzerland, Italy, Japan, the UK, and the USA in order to fill the gap between East and West in research and innovation...” (General manager, Garments division) CIII*

*“...Crescent Greenwood Limited (CGL) was the first fully integrated apparel plant in Pakistan to include the latest and state-of-the-art spinning, weaving, washing, cutting, and sewing units for denim garments according to international market demands....” (Assistant vice president, production) CI*

Table: 5.7.10: Integrated production

Cases Ways	Cases				Manifestations			
	CI	CII	CIII	CIV	CI	CII	CIII	CIV
Implementati on of New Machines/Sy stems	9	10	9	14	Acquire and invest in fully integrated apparel manufacturing facility	Investment in new machines and equipment	Investment in state of the art machines and systems.	Invest in latest machines, systems, testing labs, supply chains in an integrated manner
Customer Specification	7	6	4	7	Cater customer needs and requirements from operations	To cater the customer need for one stop-shop	To fulfil the requirements for innovative product, processes and services	Facilitate customer specifications in a controlled environment
Vertical Production Facility	26	12	14	25	One stop shop	To maintain the required standards at each production stage under one roof	Run all processes and operation at a single site	To undertake all production, processes and services under one roof.

### **5.2.11 Industry Trends**

Table 5.7.11 captures the key findings related to the common ways that the case firms use to learn about latest happenings in the markets. These include customer specifications, experts, imitation/emulation and trade fairs and commercial offices.

The cross-case findings indicate that all case firms adopt an open but multi-dimensional approach to the latest developments and happenings in the markets. This helps the case firms stay abreast of the latest developments in world markets. The findings show repeated instances of the case firm's involvement in both internal and external sources to get in touch with emerging market trends.

The findings connect diverse customer specifications as the main mode to learn about the happenings in different regions and market around the world over time. Such specifications are the flip side of the market, which carries external information into the case firms' production floors. The findings indicate that customer interactions and their diverse specifications enable the case firms to know about and actively adopt the latest trends (in machines, processes, design production, delivery, etc.) in their operations in a timely manner.

Similarly, the cross-case findings converge on involvement with experts, imitation and emulation/RE as dynamic modes to learn about and execute market trends in their operations in the shortest possible time. All the case firms are equally involved in imitation and emulation/RE to have spill over of private knowledge from market-winning products, processes, and technologies. This allows them to enhance their capability to absorb related aspects and knowledge of the prevalent market trends at a low cost and in an agile manner.

Further, the cross-case findings show a persistent link between case firms with experts and textile professionals to fill the competency gaps in their operations. As the experts specialize in certain area(s), they have brought technical knowhow, market knowledge, and industry experience to include the latest market trends in case studies operations in a timely manner.

Finally, the cross-case findings reveal that the firms actively used their international marketing offices and participation in trade expos as a learning engine for getting the latest market updates. The international marketing offices directly connect the case firms with their clients in order to reduce the communication gaps to know about their

preferences. Furthermore, these offices scan the latest developments in their respective markets and inform the case firms accordingly; which helps the case firms to learn about latest market happenings and execute them in their offerings and operations.

Similarly, the active participation of case firms in local and international trade exhibitions provides a way to showcase their innovative offerings and learn about the latest happenings and advances in international markets.

It is evident from the findings that the case firms learn about market trends as a top priority in order to remain competitive in their offerings and operations.

*“...In addition to investments in machines and equipment, we hired foreign designers and developers and established industrial engineering and R&D units. These help us to explore innovative processes and product development. ...such arrangements enable CI to be ahead of many in this region ...” (Director Marketing; Senior manager, merchandizing) CIV*

*“...We are extremely open and flexible towards external sources for idea and information. Our learning and gaining of new perspective is on a daily and task basis through multiple nodes and sources. We bring in any best practice, idea, or concept and we discuss it, adapt it, copy it, or develop something new out of it. These practices are vital for improvements and changes to keep business influx ...” (Marketing, manager) CII*

*“...our acquired sister company in Italy, and Italian- and German-based consultants and designers, feed us the latest market information and developments. Such arrangements put us ahead of the game ...” (Marketing, manager- USA, Manager, sales and marketing (brands) CIII*

*“... we regularly visit our customers, participate in expos and shows, disseminate competitors’ brands and, of course, search the Internet for external information and upcoming trends. We are very flexible and open to acquiring information from any source...” (General manager, Garments division) CIII*

*“...We have global presence through our sales and marketing offices and alliances partners; they feed us with new information and give us feedback from various parts of the world. On top of that, our marketing and production teams are continuously attending trade shows and expos to get new insights from different locations...” (Senior manager, marketing) CI*



Table: 5.7.11 Industry trends

Cases Ways	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Experts	7	11	8	10	Provide latest aspects and dimensions in different operations, processes and production	Enhancing abilities to incorporate latest trends	Feed with latest developments	Explore innovative or upgrade existing processes and product development
Imitation and Emulation	9	11	4	3	Getting information and updates from any source	Open and flexible towards external sources for information and knowledge	Open to get information from any external source in the market	Copy or add new dimensions into market winning product, processes, services and operations to incorporate new trends
Customer Specification	23	24	18	13	Direct connection with market developments	Know about the about market happenings in different regions of the world.	Client orders keep on knowing about latest developments	Diversified and innovative customers' requirements are the carriers to know about and incorporate latest trends
Trade Fairs and Commercial Office	15	4	7	5	Feed with hottest market information from various parts of the world	Keep update about the new trends in different areas of home textiles	Platform to know about up-to-date development in the market	Vital to know about the latest market happenings

### 5.2.12 Product Diversification

The cross-case analysis summarized in Table 5.7.12 highlights a multi-dimensional but case-specific way(s) of learning about and adding diverse products in their product line.

The cross-case analysis indicates that case firm CII enriches its product line as it diversified its products to fashion clothes fabrics. The findings indicate four main ways to learn and enrich its product line: experts, acquisition of new machines, re-engineering, and sales agents. CII re-engineers the home textile fabric into fashion clothes fabrics (Lawn) through its R&D/RE unit. Furthermore, CII installed processing, printing, and embroidery machines specific for Lawn production. They also established ties with famous local designers and developers to design its Lawn and embroidery. CII successfully develops, produces, and launches Lawn under its own collections and brand names thorough leading nationwide sales agents. Similarly, CII launched its Lawn brand and collections in India, Bangladesh, the UAE, and the UK through sales agents.

In addition, the cross-case findings highlight diverse ways when it comes to product diversification in CI. CI enriched its product line as it added non-denim. CI got an order for non-denim and bottoms (non-denim trousers and pants) on a trial basis.

CI re-engineered its denim production operations according to the requirements of the non-denim order and executed it successfully. CI sources canvas fabric from a local supplier, processes it, cuts it, sews it, and washes it according to its customers' specifications. Hence, it successfully executed the order and now adds to its product line with some additional business, but on a small scale.

*"...we also diversified our product range in 2008 to meet some non-denim demand ... we buy canvas and flat fabrics from local reputed firms, we cut it, sew it, and wash it, as we have the capability of quality washing for both flat fabric and denim. We are producing the bottoms as well. We are there but it is not a big portion of our business ..."* (Senior manager, marketing) CI

*"...In 2012, we diversified into the designing and production of garment clothing in local market. We used the same capabilities to produce garment fabrics with the latest prints. We hired and collaborate with top local designers to design our garment fabrics collection and special embroidery ... In 2013, we actively engaged with designers and established R&D and Design units to offer innovative designs, prints, and end products according to the latest needs of international markets ..."* (Marketing, manager) CII

*"...In 2013–14 we started selling garment fabrics under our own brand in Bangladesh, India, the UK, and the UAE through sales agents..."* (Marketing, manager) CI

**Table 5.7.12: Product diversification**

Ways \ Cases	Cases		Manifestations	
	CI	CII	CI	CII
Experts	0	7	N/A	To offer innovative designs, prints and embroidery on fabrics-Lawn
Imitation & Emulation	4	0	Imitate denim production processes and adjust it for non-denim and bottoms	N/A
Customer Specifications	7	0	Involve in non-denim through customers demand on trial basis	N/A
Implementation of New Machinery and Systems	0	9	N/A	Invested in new printing and embroidery facilities
R&D and Re-engineering	7	5	Explore new finishes and processes in the non-denim as well	Facilitate market demanded innovative design, prints and finishes
Learning by doing (Canvas Fabrics)	6	0	Bought canvas and flat fabrics from local producers	N/A
Sales Agent	0	5	N/A	Use sales agents and stockiest to promote and sale the Lawn

### 5.2.13 Conflict Resolution

The cross-case analysis summarized in Table 5.7.13 highlights a multi-dimensional but unique way – negotiation and discount – of learning about and settling issues and challenges that arise in a business relationship.

The cross-case findings consistently indicate that all case firms are involved in different types of arrangements and measures (such as discount, replacing defective goods,

alternative mode of transportation) to settle issues with clients for smooth business ties. However, case firms have different approaches and arrangements according to specific issues. The findings further mention that negotiations and discounts enable the case firms to reformulate their tool boxes to better align their skills to cope with the situations.

*“...In case of problem in matching with specifications, quality, shades and delivery schedules, etc. we always try every possible way to resolve it mutually. We discuss the matter with an open heart; we listen to clients, understand their problems, and take every possible action for a mutually acceptable solution. Similarly, clients also understand our problem and accommodate us, while sometimes they did not. In such situations, we provide them with a special reduction on prices, alternative modes of transportations, and replacements etc. ...” (Director Marketing) CIV*

*“...it arises from issues in matching certain aspects of specification and or delivery schedules. Customers sometimes cooperate and understand our position, but certain clients are very strict, in such cases as they never compromise when it comes to quality or longer delays in shipment. It depends on the product category and market segment. We make sincere efforts to settle the matter in the best feasible way. We replace the mismatched lot or defective items, ship the consignment through a fast mode of transportation, give them a discount of a certain percentage on agreed prices etc. Such measures have a pleasant effect on relations with our clients, business longevity, and future developments ...” (Marketing, manager) CII*

*“... faces challenges and surprises; it just pops up from minor issues in the products, services and delivery schedule. We leave no stone unturned to control it. We are open in our discussions with the customers and our internal teams. We always try to resolve the problems in the best manner through different means. We facilitate them with extra services and offer special discounts to resolve and avoid any misunderstanding ...” (General manager, Garments division) CIII*

*“... working with a customer is like a marriage; you always have tough times ... There are always lots of things going on; in most cases, we discuss, open up, and share the problems with customers. It is a fact that when you share problems with customers, they become part of your problem and come to a consensus ... we offer discounts on the price or we send the shipment by air instead of sea to accommodate customer. Such arrangements are important for staying in the business and creating good projection for us ...” (Assistant vice president, marketing-Europe) CI*

**Table 5.7.13: Conflict resolutions**

Cases Ways	Manifestations			
	CI	CII	CIII	CIV
Negotiation and Discount	6	6	4	6
	Discuss the problem in an open manner, offer special rabat on agreed prices, and use alternative modes of shipment	Listen and share customer problems through discount and alterative measures	Open discussion with clients, provide extra services, special discount to resolve and avoid misunderstandings in business ties	Open door policy to solve problems in a pleasant manner

### **5.3 Why Do Firms Learn the Way They Do? Investigating the Main Reasons.**

This section demonstrates the main reasons why the firms use different modes and ways to engage with specific learning. Table 5.4 shows the overall picture of the main reasons for learning through specific ways evident across cases. CI to CIV shows the case numbers; the rows represent the learning reasons and the columns display the main learning ways.

Across all the analysed cases, 25 learning ways and 13 reasons are identified in total (see Table 5.8). In order to get a realistic picture, each identified way is analysed with respect to the main motivation for learning across cases. Learning ways are the main modes and means that case firms adopted and used to achieve a specific end; that is, the reason. Out of the 13 identified reasons, the eight most frequent plus five unique reasons are noted through 25 learning ways (Table 5.9). In the current section, each reason and its expression will be presented across cases for conceptual refinement and identification of interesting tendencies among the cases.

**It is worth mentioning that the reasons why firms engage in the above-mentioned ways and why firms learn when they engage in mentioned ways are intertwined. Further, for the sake of simplicity and better understanding the learning ways are divided into two; (1) activities or ways explicitly used for learning (i.e. training, experts, certifications, imitation and emulation, R&D/ Reverse engineering, designing facility and partnerships), and (2) activities whose main purpose might be different, they are not specifically aimed at learning nonetheless facilitate learning (i.e. learning by doing, customer specification, implementation of machines and systems, negotiations, trade fair and commercial office, M&A, offshore manufacturing facility, DTS model, sales agents, and outlets).**

Table 5.8: Learning reasons by learning ways across cases

Reasons Learning Ways	Improvement in Textile Production	Improve Performance	Latest Textile Processing Techniques	Supply chain control	Latest Demand	Ability to innovate	International Market Presence	Develop contacts	International Branding & Marketing	Compliance with regulations	Improving Product Quality	Enhance Positive Image of Firm	Commercial Services
Experts (Insider/Outsider)	CI, CII, CIII, CIV	CI, CII, CIV	CI, CII, CIII, CIV		CI, CII, CIV	CI, CII, CIII, CIV	CI	CI, CII, CIII, CIV	CII, CIV		CI, CII, CIII, CIV		CII, CIV
Buying House					CII			CII					
Market Partnership		CI, CIII					CI, CIII	CI					
Mergers & Acquisitions	CIII	CI, CIII	CIII		CIII	CIII	CIII	CIII	CIII				
Product Partnership/JV/external Ties	CI, CIII, CIV	CI, CIII, CIV	CI, CII, CIII, CIV		CII, CIII, CIV	CI, CII, CIII, CIV	CIII, CIV	CI, CII, CIII, CIV		CI, CIV	CI, CII, CIII, CIV		
Imitation and Emulation	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIV		CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI	CI, CII, CIII, CIV		CIV	CII, CIV		
Training and Licensing	CI, CII, CIII, CIV	CII, CIII, CIV	CI, CII, CIII, CIV		CII, CIII, CIV	CII, CIII, CIV		CII		CI, CII, CIII, CIV	CII, CIII, CIV	CIII	
Customer Specification	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CI, CII, CIII, CIV	CII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV
Certification		CII			CI, CII, CIV					CI, CII, CIII, CIV		CI, CIV	CIII
Implementation of New Machinery	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CII	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CII, CIV	CI, CII, CIII, CIV	CIV	CII, CIV	CI, CII, CIII, CIV		CI, CIV
Vertical Production Facility	CII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CI, CII, CIV			CI, CIV			CI, CII, CIV		CI, CII, CIV
R&D and Re-engineering	CI, CII, CIII, CIV	CI, CII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI	CI, CII, CIII, CIV	CI, CII, CIV		CI, CII, CIII, CIV	CI	CII, CIV
Trade Fairs and Commercial Office	CII	CI, CIII			CI, CIII, CIV	CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV					
Learning by doing	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIV		CI, CII	CI, CII, CIV		CI, CII, CIII, CIV		CII, CIII, CIV	CI, CII, CIV		
Sourcing of Canvas													
Sales Agent							CII	CII	CII				
Design Studio	CII	CII, CIV	CII		CII, CIV	CII, CIV		CII, CIV	CIV		CII, CIV		CI, CII, CIII, CIV
CEO/Owner Interest		CII, CIV			CII, CIV	CII, CIV	CII						
Negotiations and discount								CII, CIII, CIV				CII, CIII, CIV	
Trade secrets protection								CIII		CII, CIII, CIV		CII	
Offshore Manufacturing Facility		CIV		CIV				CIV					
Direct to Store		CIV		CIV				CIV					

Table 5.9. The frequent learning reasons by ways

Reasons Learning Ways	Improvement in Textile Production	Improve Performance	Latest Textile Processing Techniques	Supply chain control	Latest Demand	Ability to innovate	International Market Presence	Develop contacts	International Branding & Marketing	Compliance with regulations	Improving Product Quality	Enhance Positive Image of Firm	Commercial Services
Experts (Insider/Outsider)	CI, CII, CIII, CIV	CI, CII, CIV	CI, CII, CIII, CIV		CI, CII, CIV	CI, CII, CIII, CIV	CI	CI, CII, CIII, CIV	CII, CIV		CI, CII, CIII, CIV		CII, CIV
Market Partnership		CI, CIII					CI, CIII	CI					
Mergers & Acquisitions	CIII	CI, CIII	CIII		CIII	CIII	CIII	CIII	CIII				
Product Partnership/JV/external Ties	CI, CIII, CIV	CI, CIII, CIV	CI, CII, CIII, CIV		CII, CIII, CIV	CI, CII, CIII, CIV	CIII, CIV	CI, CII, CIII, CIV		CI, CIV	CI, CII, CIII, CIV		
Imitation and Emulation	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIV		CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI	CI, CII, CIII, CIV		CIV	CII, CIV		
Training and Licensing	CI, CII, CIII, CIV	CII, CIII, CIV	CI, CII, CIII, CIV		CII, CIII, CIV	CII, CIII, CIV		CI		CI, CII, CIII, CIV	CII, CIII, CIV	CIII	
Customer Specification	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CI, CII, CIII, CIV	CII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV
Certification		CII			CI, CII, CIV					CI, CII, CIII, CIV		CI, CIV	CIII
Implementation of New Machinery and Systems	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CII, CIV	CI, CII, CIII, CIV	CIV	CII, CIV	CI, CII, CIII, CIV		CI, CIV
Vertical Production Facility	CII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CI, CII, CIV			CI, CIV			CI, CII, CIV		CI, CII, CIV
R&D and Re- engineering	CI, CII, CIII, CIV	CI, CII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI	CI, CII, CIII, CIV	CI, CII, CIV		CI, CII, CIII, CIV	CI	CII, CIV
Trade Fairs and Commercial Office	CII	CI, CIII			CI, CIII, CIV	CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIII, CIV					
Learning by doing Sourcing of Canvas	CI, CII, CIII, CIV	CI, CII, CIII, CIV	CI, CII, CIV		CI, CII	CI, CII, CIV		CI, CII, CIII, CIV		CII, CIII, CIV	CI, CII, CIV		
Sales Agent							CII	CII	CII				
Design Studio	CII	CII, CIV	CII		CI, CII, CIII, CIV	CI, CII, CIII, CIV		CI, CII, CIII, CIV	CIV		CII, CIV		CI, CII, CIII, CIV
CEO/Owner Interest		CII, CIV			CII, CIV	CII, CIV	CII						
Negotiations and discount								CII, CIII, CIV				CII, CIII, CIV	
Trade secrets protection								CIII		CII, CIII, CIV		CII	

In the following section, a closer examination is provided onto reason for learning in certain ways. Below for each learning way, the main reasons for learning are provided. Main reasons are those with most frequent references in the data, as an additional step towards data reduction.

### **5.3.1 Reasons for Using Experts**

Table 5.10.1 displays the cross-case findings on the main motivations for the use of experts. For engagement with experts, the table captures the four most important reason(s) across the cases.

The finding identified “ability to innovate”, “improve performance”, “improvement in textile production,” and “develop contacts” as the predominant motives for engaging with experts. The case studies reveal several occurrences of the use of experts (developers, designers etc.) for incremental innovations related to production, processes, and overall operations and organizational change. Similarly, the improvement in performance has facets of improvement in overall operations and quick response to market needs in an integrated manner.

In all cases, the firms or their specific unit(s) actively acquired the services of specialists and experts in different functional areas such as R&D, product design/concept, and developments, washing, IT, supply chain and marketing to improve and align their existing operations and offerings with rapidly changing market needs in an agile manner.

The specialists and experts have technical knowhow, expertise, and industry-related experience that potentially assists in production and manufacturing (Berman, 2002; Zipkin, 2001), technical aspects (Haeussler et al., 2012), marketing, and other dimensions (Moorman, Zaltman, & Deshpande, 1992).

It is evident that all case firms acquired experts and specialists as vital sources of knowledge and learning to fill their inherited knowledge gap (Simon, 1991) in order to address the demand for innovative products, processes, and further organization-wide change. Moreover, such engagements not only support the new product development, but also help the case firms’ design teams provide innovative ideas and future products concepts to upgrade existing products and processes (Haeussler et al., 2012).

The analysis showed that all case firms and their specific units are tightly connected with experts and professionals in an integrated manner to enhance their capability in a speedy product development process. In fashion apparel and home textiles, the product has a very short shelf life due to obvious seasonal needs, combined with advances in technology and rapid changes in demand, fads and fashions in the market. The products and processes that make a market can become obsolete very quickly. In order to respond faster, the case companies design, develop, and offer products on a continuous basis and harness technological changes for rapid product developments. To “be faster,” it is evident from the cross-case analysis that case firms acquired experts’ services in order to get technical expertise and market knowledge to enhance their internal capabilities for shorter product development time. These capabilities allow the case firm’s product development team to avoid time- and resource-consuming trial and error for speedy development of new product and processes.

Similarly, the cross-case analysis showed that all case firms tied with experts to address unique/novel aspects in orders (OEM, ODM, and OBM) from leading clients and outsourcing partners at different points in time. All case firms (that is, suppliers) engaged with foreign designers and developers beside internal product development (PD) and R&D to induce unique and innovative aspects and processes in their offerings on a continuous basis. It is a shared practice in apparel and home textile to develop and offer something novel at regular intervals as a seasonal collection. The seasonal collection serves as a promotional tool to retain existing and attract potential clients.

*“...Beside active investments in machines and equipment, we established industrial engineering and R&D units, hired experts, designers, and developers. This allows us to aggressively become involved in product development and exploring innovative ideas to address forthcoming changes in a more professional way...” (Senior manager, marketing & merchandizing) CIV*

*“... our regular collaborations with experts, designers, and investments in R&D and design helps us to produce the latest prints, finishes, and fabric confection. Based on these experts, we present our own registered designs and fabrics as marketing engine to inspire and develop new clients...” (Marketing, manager) CII*

*“... our acquired sister company in Italy, Italian- and German-based consultants and designers feed us with the latest market information and developments. Such an arrangement put us ahead of the game, apart from cheap imitation and survival tool ...” (Manager, marketing- USA; Manager, sales and marketing (brands) CIII*

*“... In 2006, after installing all the highly-sophisticated machines, equipment, techniques, professional and changes over all the setup and infrastructures, we hired two experts and designers: Venche Adoora from Italy and Idreesh Munshi from the UK. In 2006, for the first time we went for hunting for customers. We started two collections every year, and 2006 was the first year we started our own collection. We did all our own research and developments, we made more than 50 fabrics every season, so new lines of fabric came in, we introduce almost 250 fabrics through our own R&D and P&D to attract clients...” (Senior manager, marketing) CI*



In addition to the most frequent reasons mentioned above, the cross-case analysis portrays a unique reason “International Market Presence” which is evident in CI and CIV. The analysis showed that respective cases are engaged with experts to explore new markets and ties across borders.

“...In 1998 Apparel Marketing and Operations Limited (AMOL) was established to manage sale and marketing in a better way. Similarly, in order to access international market, we opened sales and marketing office in Derry, Ireland. The main role of that office was to facilitate sales and marketing activities in Europe and create an expatriate team in Pakistan to handle daily operations and train local management...” (Senior assistant vice president, supply chain and marketing) CI

Table 5.10.1: Reason for learning through experts

Cases Reasons	Cases				Manifestations			
	CI	CII	CIII	CIV	CI	CII	CIII	CIV
Improvement in Textile Production	15	5	6	7	Introducing latest aspects and developments in production and products	To fill the knowledge gap in producing latest demanded products Reduce the knowledge gap in production and products by inducing market demanded features in product and production	To get hands on readymade/readily available knowledge in producing latest products in time	Get help and expertise in latest textile production
Improve Performance	25	11	9	15	Acquire knowledge of latest practices to improve the composite production and operations	Enhance firm performance in handling upcoming uncertainties and improvement in operations	Enhance existing and inducing new practices in overall firm's operations	Enhance overall operations and offerings
Ability to innovate	22	12	14	13	Innovative designs and fabrics	Help to address and develop unusual and unique orders, and develop innovative designs, product concepts	Exploring, developing and executing innovative ideas and products as promotional tool	Aggressive exploration of innovative ideas and designs for developing new products
Develop contacts	11	18	3	13	Help to include important influences with confidence to accommodate small and big clients	Facilitate to present registered designs and fabrics to attract new clients.	Help in innovative offerings to maintain existing ties and develop new ones	Alignment with demanded requirements for customer satisfaction
International Market Presence	7	0	0	2	Increase cross border sales and marketing activities	NA Offering of new designs, innovative finishes and quality fabrics as a marketing tool on continuous basis	NA Show case innovative offerings as marketing tool to others	Seasonal collections to attract new business

### 5.3.2 Imitation and Emulation

Table 5.10.2 displays the cross-case findings on the main motivations to engage with imitation and emulations. The findings showed that the case firms imitate the successful market products and processes, or they change them according to their needs to discover alternative products, processes, and services.

The findings indicate that all case firms imitate and/or emulate to certain extent to “meet latest demand,” “develop contacts,” “improving performance,” and “improvement in textile production”. Emulation and its inferior form, imitation, are preferred strategies

to improve, transform, and compete in an effective way (Kerin, Varadarajan, & Peterson, 1992; Shenkar, 2010) in the shortest possible time.

The case studies reveal mixed occurrences of the use of both imitation and emulation; that is, improving or discovering alternative ways to offer market-demanded products and services in a timely manner. The findings indicate that the firms replicate and extend their own successful offerings and/or induce certain aspects of each other's best products and processes in their offerings. In addition, the findings indicate that all case companies are actively engaged in scanning and acquiring the latest market trends and information to introduce in their offerings.

It is also noted that all the case study companies engaged in imitation and emulation, for two reasons. First, the case firms were involved in imitation to better manage and build on their basic competence to match customer specifications in fulfilling their orders in a short run. Second, they were involved in emulation to include a combination of certain successful aspects in more refined or alternative ways in their operations, products, processes, and services in a long run. The case firms extend this emulation for future offerings in order to retain existing ties and signalling to potential clients.

In addition to successful products and processes, it is evident from the analysis that the case firms imitate/emulate innovative management systems, marketing tactics, and other business functions to improve their overall routines in a coherent manner. The cross-case analysis suggests imitation as an effective tool with which the case firms enhance their exiting competence base without altering the nature of its activities (that is, when matching with customer specifications with some exceptions). Similarly, the analysis shows that all the case companies emulate to explore and build capabilities that shift them from existing routines and norms.

*"...Similarly, we continuously visit our clients located in different parts of the world, continuously participate in trade shows such as Heimtex and TADP, etc., buy the latest products from top-of-the-line stores and keep searching professional sites... for continuous updates to better understand the latest happenings around the world and incorporate them to cater for the emerging trends and demands. This enhances our overall operations and new product offerings. We are extremely open and flexible towards any idea and information from any source. (Marketing, manager) CII*

*"...on the top, we always adopt the best practices from any source; sometimes we copy it, change it according to our needs, or invent something totally new aspects in our offerings..." (Director Marketing) CIV*

*"...we adopt market winning practices we copy it and change it according to our needs to invent something totally new by ourselves and/or through our partners to meet the demand..." (Manager, marketing - USA; Manager, sales and marketing (brands) CIII*

“...we do comparative shopping; we go out into the industry, buy and review some of the best brands in the world ...similarly, we attend and participate in Expos ... to observe new happenings in the markets. Our global offices keep us updated about the latest happenings in different regions. We don't replicate exactly the same thing. We take the main features of a specific product and use it. From one garment that we bought in our comparative shopping, we may have to create 10 new articles by using certain valuable features. We used these ideas in our inspirational collections on a regular basis to attract clients...” (Vice president, product development) CI.

Table 5.10.2: Reasons for learning through imitation and emulation

Cases Reasons	Cases				Manifestations			
	CI	CII	CIII	CIV	CI	CII	CIII	CIV
Improvement in Textile Production	16	7	3	8	Observe and induce other's market successful aspects in production and operations in alternative manner	New products and process developments for future	New and advance insights in production and processing	Identification and incorporation of latest aspects in production and operations
Improve Performance	14	6	3	7	Inducing value-added features and market winning aspects in offerings and operations	Enhances market dealings and handling orders in short possible time	Serve for smooth operations	Positive impact on overall operations and offerings
Latest Demand	25	12	4	12	To move with the advances of market	Help to fulfill the up-to-date customer requirements	Comply with customers and market specifications	Cater market emerging needs and trends
Develop contacts	6	17	5	12	Attract clients	Retain existing and signaling potential clients	Retain the clients	Enhance exiting ties and develop new market opportunities

### 5.3.3 Training

The cross-case findings related to the main reasons for training is shown in Table 5.10.3. The findings described that common reasons across the cases were improvement in “textile production,” “ability to innovate,” “latest processing techniques,” and “improving product quality.” Unanimously, all firms received guidance and basic training from different sources and market actors. The guidance and training are vital and direct sources for the case firms to introduce the latest processes at various production stages for better performance and compliance.

Since all case firms are part of the supply value chain to world-leading brands and clients, improvement in production and operations were imperative for co-value creation and better performance (Contractor et al., 2010). It is evident from the cross-case analysis that customers/sourcing partners advised and trained the case firm constantly on both hard and soft issues. For instance, all the case firms were advised and trained from their respective sourcing partners to control waste, improve quality, inspect

production lines, and develop order-handling techniques, among other things in their production and processing.

In addition to the clients, the case firms approached different suppliers and alliance partners for help or get training in different aspects in order to become involved in the latest processing, finishing, and washings. For example, cases CI, CII, and CIII approached chemical suppliers for help and guidance in the use of alternative explicit dyes, rinse, colour and shades for specific finishes. Similarly, CIII and CIV were actively engaged with their Italian partners to

acquire the latest techniques and enhanced their washing and laundry techniques for high-end quality processing. Case firms also received advice from specific sourcing partners about stopping the use of hazardous dyes, chemicals, and processes in order to comply with international standards. In addition, the findings indicate that the case firms were able to simultaneously implement different standards and certifications through training from world-leading consultants to comply with international standards and improve performance.

Overall, the findings indicate that advice and training were the best for the case firms to acquire the capabilities they needed to improve their production, processing, and operations according to international standards.

*“...We got training from our partners; last year a team of washing and laundry experts from Martelli (our partner) came here for one week. They taught our team how to make a nice fabric washing, how to save chemicals costs, how to do a nice wash and hand work on the jeans. These techniques were shared here by their team... we learned a lot and observed what is going in market demanded washes....” (Senior manager, marketing) CI*

*“...most of our long-term sourcing partners continue to come and visiting us; similarly, we visit them from time to time. Mostly we get training and a lot more from our USA-based sourcing partners. Those training are extremely helpful in keeping effective hands-on techniques and the latest processes in our integrated operations...” (Director Marketing) CIV*

*“...we learn and practice the latest environmental friendly processes through training and certification on a continuous basis.... Such certifications and standards are proof of our ethical practices ...” (General manager, operations & product development-Denim division) CIII*

Table 5.10.3: Reasons for learning through training

Cases Reasons	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Improvement in Textile Production	4	4	3	3	Learn and induce latest techniques in production and processing	Adding new and improving existing production techniques and methodologies	Enhance the production through inducing latest aspects in responsible way	Learning and introducing new techniques in production

Improve Performance	2	4	4	3	Enhance overall operations by saving water, chemicals, processing time and cost, good hand work and finishes in product and overall operations	Help in cutting wastes, costs, improving quality and overall operations	Run the operations and actions in an efficient manner	Improve overall handling and operations in a cost-effective way
Latest Textile Processing Techniques	7	6	2	3	Enhance washing, laundry and processing	Important to get involve in market demanded finishes, coatings and processes	Involve in latest environmental friendly laundry processes	Enhances learning and employing of modern washing/ finishing techniques
Compliance with Regulations	6	6	5	5	Meet with latest market demanded standards in washings, production and overall handling	Ensure harmonization with international norms	To involve in internationally acceptable practices	Help to identify and implement different measures to be responsible in operations

### 5.3.4 Customer Specifications

Table 5.10.4 displays the cross-case findings on customer specifications as an important aspect that case firms engage with throughout their operations. The customer's specifications remain equally important for all firms to- "meet demand," "enhance ability to innovate," "comply with standards," and "develop contacts".

It is apparent from the cross-case findings that customers communicate detailed specifications about all aspects with case firms whenever they place an order. For instance, the respective case firms receive clear and detailed specifications regarding design, type of yarn, type of fabric, washing and finishing, stitching, quality, and delivery, etc.

The cross-case findings indicate that diverse customer specifications and requirements are the main carriers of advanced technology, international market knowhow, new product developments, R&D, and emerging aspects in the market. These specifications lead the case firms into new product development, design, product concept, R&D and high-value-added activities.

Meeting customer specifications is the best way to learn and meet the latest market demand. The finished product in apparel and home textile is a combination of dozens of interrelated tasks and activities, which show the latest trends and advances in international markets. All the case study firms are suppliers (OEM and ODM) to world-leading brands. These brands and customers have different tastes, preferences, and appetites for fashion, aesthetics, quality, and performance. The continuous involvement of case firms (suppliers) in meeting the diverse specifications of world-leading clients serve two main purposes. First, it is a direct way for the case firms to meet latest

international market demand and/or accumulate resources, as well as learning experiences to build capabilities for use in future operations (Petersen et al., 2005). Second, the outsourcing ties expose suppliers and clients to new information that results in the creation and acquisition of new knowledge (Yakhlef, 2009).

Moreover, the ability to innovate emerges across the cases. The cross-case findings indicate that, in addition to routine production and processes, the case studies received orders that are unique and totally new to them or to the market. The case firms address such unique orders with their own specific approaches. Case firms evaluate unique orders from different aspects in order to judge whether they can fulfil them with available resources or if they need extra resources and capabilities. In case of technical constraints, they ask for changes to avoid investments and make the order production-friendly or invest in different areas if needed.

Such unique orders and specifications enhance the case firm's abilities to innovate and get involved in new aspects that they have not previously experienced. For instance, in case CI, a customer runs an innovative project of water-less jeans to reduce water consumption by 40 percent. CI successfully completed the project with its sourcing partner and acquired the innovative capabilities to produce such products and processes with full confidence. Similarly, CIV and CIII received unique orders from their European clients, which they successfully executed with the help of their chemical suppliers and license.

Customer specifications played a decisive role in terms of compliance with standards. All case firms are engaged in offshoring ties with world-leading brands from across the globe. These customers are market leaders implementing ethical and CSR standards to reduce their business's impact on society. They do business with companies that comply with their specific, regional, and international standards. The cross-case findings show that all the case firms comply with standards to match with their customer specifications. Furthermore, the cross-case analysis reveals that they not only renew their standards/certifications on a regular basis, but also provide any certification on demand. Compliance with standards is vital for the case firms to gain legitimacy and acceptance of their operations and offerings in international markets. Moreover, compliance with standards and certifications also has a signalling effect as it enhances the positive image of the respective case firms. The cross-case results show that matching with clients' hard and soft specifications enables the case firms to gain necessary knowhow about the latest aspects and new capabilities.

The regular matching, induction, and assimilation of specifications in case firm's operations and offerings are vital for retaining existing clients and developing ties with potential customers. The sustained interactions provide an opportunity for case firms and their respective clients to remain in contact with each other for mutual benefits (Madhok, 1995). The continuous matching with specifications leads to frequent interactions that further create trust among the case firms and their customers in terms of being technically sound performers and operating in a responsible manner. In addition, the findings mentioned that certain ties with customers are such that the customer even specifies the sources of the specialized inputs/raw materials, chemicals, finishes, packing materials and patterns, organization of container space, and identification of quality auditors, shipping company, etc. in their order. This also applies to the delivery of final products to certain agents and locations. This exposes the important market actors to the case firms for future business ties (annual collections, own brands, finishing etc.) and smooth handlings in an efficient manner.

The case firms engaging with customer diverse specifications provides valuable advices on different functional, production, and operational aspects on continuous basis from the conception to the final delivery. Past suppliers' experience with diverse clients and a thorough understanding of production and processing enable the case firms to trace problematic aspects in client's orders and advice in a cost-effective manner accordingly.

This creates value for both the client and the case firms. The customer gets the improved and market acceptable products, processes, and services at a reduced cost. For the case firms, their suggestions make the production processes friendlier with fewer headaches on the production floor. Furthermore, such timely technical advices and recommendations create trust (both goodwill and competence) among their clients to enhance longevity in business ties. It is also important to that the process of technical advice is a two-way process, where the customers respond with counter explanations for the inclusion/exclusion of certain aspects/ dimensions in their orders suggested by the case firms. This enhance the learning and leads to inclusion of new and rich insights and know-why by the case firms.

*"...Every customer has its own needs and demands according to its market. In some cases, we referred to the nominated sources of the customers. The customers nominated different materials and suppliers from which we have to select those materials. Different brands have different nomination sources that are scattered around the world ... Working and sourcing supplies from these nominated sources opens new ways to develop contacts and enhance our search for the best suppliers..." (Supply chain manager) CI*

*"...Our operations are customer-centric, as we are continuously collaborating and learning with customers in order to respond to their individual and emerging needs. Our aim is to gain and maintain their trust and reliance*

on us on a perpetual basis through excellence in manufacturing and customer services. Doing this enhances our sales and exports in international markets...” (Manager, sales and marketing planning) CII

“...our customers are global players; they take care of every aspect related to business ethics, environment, CSR, labor issues; they establish their business ties with those suppliers who are working on the same philosophy. Apart from international standards, some customers have specific requirements and demands regarding reducing the environmental impact of their processes .... We are taking care of our client’s demands through certifications and complying with standards as best we can ...” (Manager, technical, R&D and product development) CIV

“... unique and unusual orders are very important for learning and gaining experience in both cases, whether we are able or unable to fulfill them. Unique orders always serve as a carrier of information and knowhow from outside. We always get new insights and unique market trends that are vital for our future operations...” (Manager, marketing -, USA) CIII

Table 5.10.4: Reasons for learning through customer specifications

Cases Reasons	Manifestations			
	CI	CII	CIII	CIV
Latest Demand	55	34	17	38
Ability to innovate	13	8	6	10
Develop contacts	24	38	37	29
Compliance with Regulations	20	13	16	17
	Meet customized demand according to their markets needs	Respond to specific emerging needs	Fulfill new and unique specifications	Meet customer specific requirements and specifications
	Open new alternatives and ways of doings	Enhance the operations and handlings in diversified manner	Hands on new insights and unusual facets	Enhances the ability to practically induce new aspects
	Develop business with existing or enhance the ability to attract new	Improve sales and cross border business	Future contacts	Establish new ties
	Respond to standards	Improve trust and reliance in operations and actions	Acquiescence to regional and international criterions	Compliance with customer specific legal requirements

### 5.3.5 Certification

Table 5.10.5 shows the cross-case findings on certifications as an important aspect that case firms engage with throughout their operations. The main motives that case firms commonly involve in certification are “latest demand”, “comply with standards”, and “enhance image of the firms”

The findings showed that accreditation and certification are the main sources of learning for meeting the latest demand for high-value products and processes. Cross-case firms working as suppliers of OEM and ODM to world-leading brands should operate under



strict internationally recognized standards. The findings further highlight that all international players demand compliance with standards when handling their orders. For instance, the customers demanded certain standards and checks regarding the use of yarn, dyes, chemicals, finishing, sewing, waste disposal, air emission, noise control, working environment, quality, and so on. The cross-case findings indicate that, as customer-centric organizations, all of the case firms are certified as ISO, REACH, GOTS, OEKO TEX, WRAP, and others to better satisfy latest international market demands. In addition, certifications help firms response to current market needs (Li, Wei, et al., 2010) and create acceptance and trust in case firms’ operations and offerings in international markets.

Interestingly, one case study firm (CI) is more actively involved in certifications and compliance than others in the region and have well-known brands among its customers. This difference may be traced back to the fact that CI is more proactive and concerned with its long-term reputation as compared to other case firms.

*“...we are taking care of our clients’ demands and complying with standards as best we can through certifications....” (Manager, technical, R&D and product development) CIV*

*“... a number of regional and international standards and certifications are the norms in today’s international business. Moreover, there are constant improvements in machines, systems, and technologies to improve quality and reduce production cost and time ... we are addressing these changing trends through continuous compliance with standards investment in personnel, machines, and the latest techniques to enhance our handling and dealings in meeting the demand in a timely manner ...” (Manager, sales and marketing planning) CII*

*“...we are a certified company in every aspect; i.e., ISO-9001, ISO-14001, SA-8000, REACH, GOTS, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA), and others. We obtained this training and certification from different consultants around the globe, in order to be trusted regarding what we are doing...” (General manager, Garments division) CIII*

*“...our clientele profile consists of world-leading brands and sourcing partners. They conduct business in a very responsible way. Some of them are leaders and initiators in terms of establishing and enforcing standards. When it comes to sourcing, they only do business with partners that conduct business in the same way ... we are a certified company and provide certification on demand ... We are one of the BCI’s partners from Pakistan...” (Senior manager, marketing) CI*

**Table 5.10.5: Reasons for certification**

Cases Reasons	Cases				Manifestations			
	CI	CII	CIII	CIV	CI	CII	CIII	CIV
Latest Demand	9	11	8	9	Augmenting the ability to meet with the demanded specifications	Help to address the chaining and emerging trends	Enhances the ability to induce latest aspects as per requirements	Meet customer requirements in fulfilling their order
Compliance with Regulations	15	11	8	12	Meet the required legal criterions and philosophies	Continuous compliance with demanded standards	Qualified company as per international requirements	Fulfill the demanded legal requirements

Enhance Firm Positive Image	7	2	6	5	Conduct business in a responsible way to be trusted	Enhance handling and dealings	To be trusted in doings and operations	Create goodwill in actions
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### 5.3.6 Implementation of New Machinery and Systems

The cross-case analysis, summarized in Table 5.10.6, highlights four common reasons for applying the latest machines/systems. These reasons are: improving textile production, meeting latest demand, improving quality, and increasing overall performance.

The cross-case findings show that each case firm has actively invested in and acquired state-of-the-art machinery, equipment, processes, and systems to upgrade on continuous basis.

This acquisition of state-of-the-art provides a basis for case firms to narrow down the technology gap to a certain extent and arm themselves with necessary capabilities to respond to changing needs of the international market.

As mentioned earlier, case studies are suppliers of OEM and ODM to world-leading brands. In order to adapt to customer's highly dynamic demands, the case firms prioritize upgrading their technology. This gives them flexibility and the necessary arsenal to accommodate diverse product, processes, varieties, and speed to market in an integrated manner.

In terms of improving quality and performance, it is evident across the case findings that they face pressure for continuous improvements in terms of quality and reliability in a consistent manner. The continuous investment in modern technology, techniques, and infrastructure (that is, the latest machines, systems, testing tools, labs, etc.) are necessary to enhance their offerings, operations, and processes in an integrated manner.

The findings revealed a mixture of interesting insights when it comes to individual case decisions towards the implementation of machines/systems. The findings show that individual case firms invested in the latest machines and systems tailored to their strategic preference in order to enhance their performance. Case CIV, for instance, in addition to sophisticated machinery also installed supporting systems such as Back Tracking, the Eton System, and supply system (direct to store model) in order to enhance transparency, quality, speed, reduce labour cost, and the delivery timings. CIV has

designed a unique supply arrangement -store door deliveries (SDD), in order to connect with its US-based customers, such as JC Penney, Sears, and Kohl's for uninterrupted supplies. Under this model, the case CIV monitors the buyer's inventory levels via electronic messaging and makes periodic supply decisions regarding order quantities, shipping, and timing. Moreover, the findings show that CIV's SDD is supported by two warehouses, on the East and West Coasts of the USA, which guarantees unmatched lead times and 100 percent fill rates. An interesting aspect emerges from the case findings regarding the CIV involvement in services. CIV further develop a direct store delivery (DTS) business model for an efficient supply and has become a DTS service provider to other textile companies in the region and South Asia. Similarly, case CI invested heavily in the latest washing technology and systems such as SAP, Six Sigma, PITS, and RFID to find answers to better quality, speedy handlings and performance.

Based on these findings, it is evident that adopting market-demanded technology and equipment creates capability and flexibility to produce high-end products and processes in a timely manner. However, individual cases find multiple ways to add value by implementing technology.

*"...we keep acquiring state-of-the-art available hardware to involve in latest production and processes for higher added value. We are a vertically integrated manufacturing facility with in-house yarn production, knitting, fabric dyeing, processing, laundry, and apparel manufacturing facilities for full control of supply chain and demanded quality at every step of production...." (Director Marketing; Senior manager, merchandizing) CIV*

*"...we established direct to store services to have a non-stop supply to clients and control of supply chain; we keep the inventory of stock for our customers in our US warehouse. Whenever they have shortage of any size, style, or colors in their stores, the product is in their stores within 2–3 days. We analyze their sale on a weekly basis; how much of each size or color has been sold in this week, either these sizes are available in our US warehouse or a few containers are in transit and some quantity is in production as well. It is a cycle of filling the orders on a continuous basis; they take the consignment from the US warehouse, which we fill on a continuous basis. This is our total supply chain model; we introduce this model to our customers like JC Penney, Wal-Mart, Sears, and Pools and they are working with us on a direct-to-store model..." (Senior manager, marketing & merchandizing-USA) CIV*

*"...We are moving with the changes by adopting and acquiring the latest techniques, personnel, equipment, and machines in order to equate ourselves with advanced applications and processes that enable us to meet any emerging demand, to a certain degree, and improve our overall performance. ..." (Marketing, manager) CII*

*"...the company passes through a mixture of several developmental stages of acquiring, partnering, and sourcing the latest technology, processes, techniques, and machinery from various sources and different parts of the world to achieve world-class excellence in denim...." (Manager, marketing - USA; Manager, sales and marketing (brands) CIII*

*"... every day there is something new, changes happening in ordering procedures, product specifications, systems, technology, and alternative use of textile products, etc. ... in order to handle daily operations effectively, we are using SAP, Oracle, and other system like PITS and RFID in production, tracking, and shipment. Now it is becoming a more system-oriented thing .... we are more agile in our operations than before through the use of technology..." (Senior assistant vice president, supply chain and marketing) CI*

Table 5.10.6: Reasons for implementation of new machinery

Cases Reasons	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Improvement in Textile Production	30	21	12	20	New parameters and changes in production	Application of advance and new aspects in manufacturing	Induce latest features in production and products	Involve in high value-added production
Improve Performance	24	30	15	29	Enhance speed and agility in production and operations	Increase overall performance	Excellence in denim manufacturing and processing.	Vertically integrated production facility to control for upstream supply chain and demand quality
Latest Textile Processing Techniques	13	27	5	15	Introduce new washing and laundry techniques	Employee advance washing, finishes and processing methods	Bring new and innovative finishes, washings and processes	Enhance the ability to offer innovative washing and processing
Latest Demand	20	49	12	32	Effectively handling of customer specifications	Meet international demand for high end products and processes	Meet international requirements	Meet demanded capacity and varieties
Improving Product Quality	6	25	15	16	Help in maintaining and check on quality	Enhance quality as per international standards	Achieve consistent quality standards	Control for quality at every step-in production

### 5.3.7 Vertical Production Facility

The cross-case analysis summarized in Table 5.10.7 highlights three common reasons to become involved in an integrated production facility: supply chain control, meeting latest demands, and developing contacts.

The cross-case findings invariably emphasize the role of integrated production facility. As mentioned earlier, all of the case firms invested in latest machines, equipment, and systems in an integrated way to meet the required quality and quantity under one roof. The case studies consolidated their production facilities over time to create value in their supply ties. The cross-case analysis revealed that customers prefer a ‘one-stop shop,’ as it reduces the costs and headaches associated with coordination, mismatched specifications, quality, and delays in delivery among others in the chain. Moreover, such an integrated system is efficient, in combination with various production stages and products, in terms of producing various products in-house rather than sourcing from outside vendors. The composite production facility enables the case firms to control for complex products, stability in terms of quality, matching with specifications, and on-time delivery. This has a positive effect on the business and client relationship.

Additionally, the cross-case analysis identifies the focus of firms on business ties in diversified offerings (products and services), both upstream and downstream. The case firms are involved in vertical integrated operations and manufacturing of apparel and home textiles. Their production facilities consist of three main divisions – spinning, weaving/knitting, and garments/stitching – that work in an integrated manner. They actively use their vertical production capabilities to develop new business opportunities in different product ranges and categories. They are equally involved in OEM, ODM, and exports of low-value products such as yarn, semi-finished products, processed and unprocessed fabric, and finished products, garments and fashion fabric(Lawn) around the world.

Similarly, the cross-case analysis identifies another value-added area; namely, the provision of services beside OEM, ODM, and OBM to world-leading brands through case firm's vertical production capabilities. All cases are actively involved in the provision of “concept-to-finished-product” services. However, CI and CIV are a step ahead in such services; for instance, CIV provides DTS services to sock and shirt manufacturers in the region. Similarly, based on his vertical set-up, CI provides design and pattern development services to world-leading brands like H&M and Levi's. Likewise, the findings indicate that CIV established a production facility in Bangladesh and rented a production space in Jordanian company as a contingent production plan. These offshore production units enable CIV to strengthen and provide diversity in its vertical production. CIV actively uses these overseas production units as a vital source to effectively deal with delays in production and delivery due to law and order, duties, and other factors. Furthermore, it provides duty-free access to Western markets (Europe and America) and to offer competitive prices in its supplies relationship.

The involvement of case studies in vertical production capability reflects a global mindset of management. Overall, the vertical production capabilities are the main capabilities that enable the case firms to engage with the lead sourcing partners, and offering them vast varieties of products, processes and services as a strategic response to external market uncertainties (Fernhaber & Patel, 2012).

*“...our production process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof. This enables us to reduce the lead time to market and ensure the demanded quality in a controlled manner at every production stage...” (Manager, technical manager, R&D and product development) CIV*

*“...We have offshore manufacturing facilities in Jordan and Bangladesh as a contingent approach to meet uncertainty, improve our performance through complete control of supply and to provide duty/tax advantages to our clients in different regions....” (Manager, technical, R&D and product development) CIV*

“...We are a semi-integrated production facility as we don’t have our own spinning unit at the moment; ...our spinning unit is in the completion phase and by March 2015 we will be a fully vertically integrated unit to have complete hold of the value chain for better performance in quality and supply ...” (Manager, marketing) CII

“...Vertical integration allows us to maintain full control over the production process from cotton fiber to retail-ready products; Azgard-9 has some of the shortest lead times in the industry in the delivery of its products ... BOLT (best offered lead time) leads to six weeks’ lead time for jeans to market.” (Company presentation) CIII

“...since 2009 we have offered full service, from cotton to carton; that is, product design, pattern development to finished products and door-step delivery through our latest vertical integrated production facility. Our integrated production enables us to control demanded quality at every production stage and reduces lead time ...” (Senior manager, marketing) CI

“...Buyers mostly prefer integrated production facilities, as they want one-stop-shop products with consistent quality that complies with international standards and uninterrupted delivery ...” (Senior manager, merchandizing) CI

Table 5.10.7: Reasons for vertical production facility

Cases \ Reasons	CI	CII	CIII	CIV
Supply Chain Control	17	11	12	27
Latest Demand	9	4	8	19
Develop Contacts	7	2	8	22

Manifestations			
CI	CII	CIII	CIV
Uninterrupted delivery	Complete hold of production value chain	Control over production process	Facilitate whole production under one roof
One stop shop	Meet demand for optimal quality	Meet demand for short lead time and sustain quality	Meet required specification in an integrated manner
Strengthen market bond	Better supplies performance	Enhance dealing in the market	Enhances business with existing and signaling potential ones

### 5.3.8 Research and Development (R&D)/Reverse Engineering (RE)

Table 5.10.8 displays the cross-case findings related to R&D and re-engineering. The findings suggest that the ability to innovate, develop contacts, and meet the latest demands and improvement in production were the most common reasons for case firms’ involvement in R&D and RE.

All of the firms consistently leveraged R&D and RE in order to innovate; that is, to produce new and/or upgrade existing products, processes, and services. It is worth noting that the case firms innovate and update incrementally on a regular basis in both proactive and reactive manners as a response to market needs and technological shifts. All firms have established local R&D backed by foreign R&D (except CII), PD, and industrial engineering units. The cross-case analysis showed two routes to innovation – R&D and RE re-engineering/reverse engineering – to innovate incrementally or update

existing products, processes, and operations as responses to diverse market needs. The finding mentioned that, in most cases, the R&D is limited to product development, transition, and innovations/inspirations (that is, new product/washing and process concepts and promotional collections). Furthermore, the cross-case findings converge to re-engineering and reverse engineering as the dominant mode of learning (Patel and Pavitt, 1995) and innovation due to slack resources and a lack of R&D capabilities.

Therefore, the case firms involved in RE tap into private knowledge from market winning products, latest processes and customer ideas. This permitted them to enhance their capability to absorb relevant technology and knowledge in a short time at low cost. Thus, whenever there are demands for innovative products, processes, and services, the firms quickly leveraged market-winning products, ideas, and processes to fine-tune their offerings according to the emergent market needs.

This also enables the case firms to accumulate considerable resources and R&D related capabilities (reverse engineering and emulation etc.) which largely consisting of duplicate knowledge similar to that of successful market products, processes and ideas. Thus, the case firms are able to produce a number of new or improved product variants to meet the latest demands in a cost-effective manner. Similarly, the results from the case analysis show that all firms develop and offer new products, design, and washing as a seasonal collection to strengthen existing ties and develop new ties with potential customers.

Furthermore, the cross-case findings indicate that RE also holds for modifications in existing technology, systems, and routines with respect to the firm's future business needs and overall changes in market.

*"...in addition to investments in machines and equipment, we hired foreign designers and developers and established industrial engineering and R&D units. These help us to explore innovative processes and product development. We have design studios in New York and Los Angeles that keep us updated with the latest trends in fad and fashion of customers in the US region. Such arrangements enable us to be ahead of many in the field and a propelling force for our annual growth of 20–25 percent ..."* (Director marketing; Senior manager, merchandizing) CIV

*"...Since 2013, we have been involved in R&D and designing to design and develop our registered products in fabrics and finished products in home textiles and fashion clothing fabrics to retain and attract clients in different product categories..."* (Export officer) CII

*"...We acquired laundry and washing technology transfer from Italy in 1998 to enhance the value of our offerings. Our researchers and designers are working around the clock to feed customers with innovative/cutting-edge developments in designs, use of new chemicals and washing techniques in our annual collections ... We have well-established R&D and product development units (i.e., RAD and BAD) with additional Italian and German developers and designers working around the clock to enhance and develop existing and new products, processes,*

*design, and patterns as per customer specification and market trends....” (General manager, Garments division)  
CIII*

*“...In 2006, the change came in a real sense by establishing a R&D center specialized in fabric and washing developments. This center is involved in three main tasks; namely, innovation and inspiration, product development, and transition. We hired foreign designers and developers to fully utilize our newly established R&D center... we were able to start annual inspiration collections, which we present to customers to promote our innovative products. In the same year, another milestone was achieved through the launch of our brand (Stoneage) in the local market with a network of exclusive outlets across the country....” (Assistant vice president, production)  
CI*

**Table 5.10.8: Reasons for R&D and Reverse engineering**

Cases Reasons	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Improvement in Textile Production	15	10	7	16	Introduce new range of product and processes under different categories	Involve in value-added and finished home textile production	Upgrade existing and develop new products and processes	Enhance the capabilities necessary for innovative production, processes and product development
Latest Demand	8	17	11	14	Help to meet market emerging demand	Induce latest aspects as per customers' needs	Feed customers with innovative/cutting edge developments	Keep with the latest trends in fad and fashion
Ability to innovate	31	16	25	23	Develop, present and promote innovative product concepts	Involve in new product, processes and services concepts	Develop and market own collection	Help to explore innovative processes and new product development
Develop Contacts	11	27	15	16	Inspire customers	Retained and attract clients	Nourish existing and cultivate new business ties	Sale growth

### **5.3.9 Trade Fair and Commercial Offices (TFCO)**

The cross-case analysis summarized in Table 5.10.9 identifies three main reasons for participating in expos and established international marketing offices. These are to develop contacts, establish international market presence, and meet latest international demand. In addition, the cross-case findings link their participation in TFCO with the ability to innovate.

The cross-case findings consistently show the establishment of international sales and marketing offices by case firms in different parts of the world. The findings repeatedly mentioned two main objectives (selling and strategic) for two reasons: (i) to have direct contact with respective clients and (ii) to learn about the latest trends and happenings



around the world. The case firms are directly involved with their clients through international sales and marketing offices, which helps to reduce the communication gap and react in a timely manner to the changing needs/complaints of specific clients in specific regions. Furthermore, the international commercial offices scan the latest happenings with respect to technology, knowhow, trends, and fashions in specific markets for quick response of the case firms. Additionally, the cross-case findings mentioned the importance of commercial offices in designing customized sales and marketing campaign in their respective regions to nurture existing ties and explore new ones.

Similarly, the findings also showed active participation of case firms in local and international expos. They use expos as a platform to present their innovative offerings (that is, ideas, designs, future concepts, products and services etc.), to establish ties (Chongwatpol, 2015) and obtain market information for future developments. The analysis indicates that all cases equally use trade expos as a potential platform to showcase their innovative offerings to international clients within a short time. So, it is evident that certain case firms (CI and CIV) are prepared well to participate in targeted expos in advance.

An interesting but relatively weak dimension – the ability to innovate – has emerged from the cross-case analysis. The case firms' involvement in TFCO enhances their ability to scan, absorb, and get the latest marketing information which further improve their knowledge pool for new and improved offerings.

*“...we have sales and marketing offices in the USA, the UAE, Jordan, Bangladesh, and Hong Kong that keep us in direct contact with clients and market our seasonal collections and samples to the targeted clients and markets. Our marketing offices are vigilant in keeping a sharp eye on the latest trends from around the globe. Similarly, we are regularly participating in international conferences and expos to bring new concepts and products to international market...” (Senior manager, marketing and merchandizing- USA) CIV*

*“...we are participating in trade expos and conferences at the local and international level to present our innovative products to potential buyers and learn about the latest developments in prints, finishes, and fabric confections. We collect information from various sources, convert it through our R&D and design units to design and develop the latest registered products in fabrics (home textile and fashion clothing) and a wide range of home textiles ...” (Export officer) CII*

*“...we continuously visit our international clients, participate in expos/trade shows, buy rival brands from different places, and keep searching the Internet for information and learning to better cater to emerging trends and demands. We get ideas and information from any source for our learning and execution...” (Manager, marketing-USA; Manager, sales and marketing (brands) CIII*

*“...We have a global presence through our sales and marketing offices and alliances partners, they feed us with new information and give us feedback from various parts of the world; on top of this, our marketing and production*

teams are continuously attending trade shows and expos to get new insights from different locations .... and execute them in our operations and offerings” (Senior manager, marketing) CI

Table 5.10.9: Reasons for trade fairs and commercial offices

Cases \ Reasons	CI	CII	CIII	CIV	Manifestations			
					market	market	market	market
Latest Demand	8	2	6	4	Incorporate latest information and requirements from different regions around the world.	To know about the latest developments in prints, finishes and fabric confection to meet emerging demand	To better cater the emerging trends and demand from around the world	Addresses the emerging market trends
International Market Presence	11	10	4	12	Global presence through marketing offices and alliances	To have direct connection with international clients in their respective regions	Direct access to regional and international clients	Help to get direct contacts in international markets
Develop Contacts	14	14	7	11	Improve business ties and search for future opportunities	Cultivating business ties in different markets	Improve existing relations and develop new in different range of products	Enhance customer relations and other market ties
Ability to innovate	2	1	7	3	Incorporate new insights and aspects in both offerings and operations	Design and develop innovative concepts, products and services in wide range of home textiles	Execution of new ideas and information into exiting offerings and operations	Help to bring new concepts and latest trend from around the globe

### 5.3.10 Learning by Doing

Table 5.10.10 shows cross-case findings related to learning by doing. The findings suggest that improvement in production, processing techniques, performance and ability to innovate were the most dominant motives across the cases.

The cross-case findings show learning by doing, supplying and learning by exporting as dominant modes of knowledge acquisition and learning in all cases. All the case firms are export-oriented and are engaged in outsourcing relationships with a diverse clientele profile of world-leading brands over a period of 15 years on average. The case firms mentioned that these engagements are vital for learning and gaining rich experience “experiential learning” that is much closer to the technological and international markets (Zahra, Sapienza, & Davidsson, 2006).

As suppliers, the case firms develop and execute both soft and hard requirements of the different orders; this friction on the production floor enhances their capability to improvise, engage in trial-error, and alternative homemade solutions for the challenges arising during production. Similarly, working with diverse customers has a positive

effect on experiencing advanced aspects and cumulative learning stock of the case firms. The cross-case findings illustrate the continuous improvement in production and processing based on gaining experience over time.

Interesting insights emerged from the cross-case findings regarding the learning from failure as an ultimate learning by doing. For instance, the CIV initially made a failed attempt to sell under its own brand in the international market. This failure enabled the company to reconfigure and re-strategize its preferences and resources for better performance in the future. Similarly, CI agreed to develop unique fabrics called “Jungle,” but the very unusual nature of the order meant they faced challenges in the execution, which they eventually stopped. This was a rich learning experience and taught CI not to stretch beyond its area of expertise.

The cross-case analysis further indicates that involvement in innovative OEM and ODM further exposes the firms to advanced manufacturing knowhow, market preferences, latest technology, techniques, and new product development skills. This exposure enhances their capability to improve existing and/ or innovate future ideas and product concepts.

Further, findings clearly indicate that learning by doing is the vital mode by which the case study firms acquire critical resources and expertise to facilitate growth, reputation, and competitiveness in both the international market and regional markets. For instance, CI successfully executed a test order for non-denim and Bottoms. CI further proceeds and diversified its offering into non-denim as well. It is involved in a non-denim segment through sourcing quality canvas and flat fabrics from top local suppliers, processed it and stitched it as per demand. This enriches CI’s product portfolio, increases sale, and develops non-denim as a new segment.

Finally, the cross-case analysis also revealed an unanticipated dimension associated with gaining and sustaining key supplier status against their rivals in the region (evident in CIII and CI). The findings are in line with the springboard perspective.

*“...Based on our interaction and learning from our international customers, we shape our strategy and tactics to become more skillful and competitive. On one hand, we adapt the latest best practices to serve the present market needs for our survival; on the other hand, we create more possibilities and products in new directions for future developments...” (Export officer) CIV*

*“...Working and learning from different customers in a certain situation or setting can help us develop relationships with existing and/or potential customers. We can extend such learning and experiences to establish new relationship with potential customers’ particulars in the same market or their competitors in other markets. Similarly, these interactions with customers make visible the important players in the value chain or network,*

which are important for the inclusion of new aspects in our production and future business developments. These diversified orders are the best way to learn and gain experience...” (Manager, sale and marketing planning) CII

“...Working with diverse order from different corners of the world (new or repeated), we always gain something. The execution of orders is the best way to get involve and deal with different aspects of the orders on the production floor. We always get new insights and aspects, and find new and alternative ways of doing things to make them easy over time...” (General manager, Garments division) CIII

“...the wonderful experience that we have learned is out of Levi’s. We served them over a number of years, learned their unique systems, product developments, various developmental cycles, and their way of ensuring that the product is sustainable. Sustainable in the sense that it is not a threat to the ultimate consumers and related stakeholders ... we applied such experiences practically in our routine operations and for other customers to benefit from it...” (Assistant vice president, marketing-Europe) CI

Table 5.10.10: Reasons for learning by doing

Cases Reasons	CI	CII	CIII	CIV	Manifestations			
					market	market	market	market
Improvement in Textile Production	9	5	4	9	Adopt latest systems, product development techniques and development cycle in production and offerings	Enhance capability to learn and include new aspects in production	Adopt alternative ways in production	Enhance the involvement in modern production and product development techniques
Improve Performance	15	4	8	11	Benefited in overall operations from spinning to supply	Shape overall operations and enactment in best feasible way.	Gaining and enhancing overall performance on perpetual basis	Help to become more skillful and competitive in market
Latest Textile Processing Techniques	10	6	8	7	Develop alternative ways of using chemicals, dyes, finishes and heating in processing and washing	Develop new capabilities related to processing and finishes through practical involvement	Enhances washing, finishes and processing through use of new chemicals and alternative methods	Enhance the ability to introduce advance finishes, washing and processing in offerings
Ability to innovate	9	3	6	6	Help to induce new dimensions, aspects and alternative ways in operations	Prospect to create new aspects for future developments	Help in finding new ways of doing things	Create more possibilities and products in new direction for future

### 5.3.11 License

The cross-case analysis summarized in Table 5.10.11 mentions four main reasons for the acquisition of license: being involved in the latest processing techniques, meet demand, ability to innovate, and improvement in quality.

Consistently, the cross-case findings collectively mention the acquisition of licenses as a vital and direct mode to include the latest finishes, processes, and techniques in their production in an agile and cost-effective manner.

The cross-case findings suggest that it is out of question for the case firms to develop everything on their own; being production-oriented, the case firms are basically combining the right ingredients in the right way to produce OEM and ODM. All the case firms use market-available innovative finishes, treatments, chemicals, and processes in their production and processing (that is, washing and finishing). They pay license and royalty fees to world-leading suppliers like Invista, DuPont, and others for the use of their innovative treatments and finishes in their processing and production. Further, it is difficult and costly to imitate, emulate, and reengineer such finishes and chemicals. In this manner, licensing is the quickest and most economical mode for all case companies to address dynamic international demand for the latest finishes and treatments (antifungal, anti-bacterial, waterproof, fire-retardant, Coolmax, etc.).

Further, the cross-case findings indicate that the licensed chemicals, finishes, and treatments are expensive but important value-added inputs that can be easily accessed. The case firms strategically use them to enhance their ability to simultaneously pursue exploitive (improving existing product quality and processing techniques) and incremental exploratory (innovative seasonal collections) activities.

*“...overall, the customers require the latest and unique treatment in their orders. We are alert and keep ourselves aware of such changes by acquiring and upgrading our systems, personnel, machinery, tools, and processes on a preferential basis. We are armed with modern applications, testing tools, and processes that enable us to execute orders in the best possible way. We procure inputs, purchase licenses, and pay for patents to suppliers to become involved in the latest production and processing ...” (Manager, technical, R&D and product development) CIV*

*“... We introduced the most innovative and latest finishes, dyes, and treatments of world-leading suppliers like Invista, DuPont, Green Living, etc. in our operations to improve product quality and functionality. We purchase their patents and license for the use of their innovative finishes, dyes, and treatment on our products to meet the demand for high-quality products ...” (Manager, sales and marketing planning) CII*

*“...We are strong in the production and finishing of denim through various processes and means; we are doing a lot of coating, dyeing, finishing, and a lot of crazy stuff with many major European chemical suppliers, such as Daystar, CHT-Bezema, Rodolf, Portra, Clairiant, and BSA. Besides working with our chemical partners, we are using the innovative fibers, finishes, treatments, and rinse innovated by companies like Invista (LYCRA) and DuPont (Sorona, Coolmax, etc.) in our production and processes to meet demand for innovative and quality products. We bought them and pay for patents and license to use at various stages of our vertical production line...” (General manager, operations & product development-Denim division) CIII*

*“...to be responsive to these changes we are improving our technological and knowledge base through investment and sourcing the latest machines, equipment, and experts. We pay for licenses and patents to get innovative practices in our offerings according to world standards ...” (Assistant vice president, production) CI*

Table 5.10.11: Reasons for license

Cases Reasons	CI	CII	CIII	CIV	Manifestations			
					CI	CII	CIII	CIV
Latest Textile Processing Techniques	6	13	4	4	Induce new dimensions and innovative aspects in washing and laundry	Help to induce latest production, processing and finishing techniques in offerings	Enhancing production and finishing of Denim	Help to induce latest treatment to improve the production, processing
Latest Demand	3	8	3	5	Meet the required standards demanded by international market	Meet the demand for high product and processes	Enhances the ability to induce innovative finishes and high-quality treatments as per demand	Help to execute orders in best possible way to meet the required demand for quality products
Ability to innovate	5	4	5	6	Enhance the involvement in innovative finishes, treatments and upgraded practices	Strengthen the ability to offer innovative finishes, color scheme and processes	Empower to involve in unique and crazy stuff.	Enhances the involvement in innovative finishes, shades and treatments
Improving Product Quality	3	10	4	3	Introduce value-added attributes in offerings	Induce latest finishes and treatments to enhance product quality	Add to better quality in offerings	Enhances the quality and value-added aspects

### 5.3.12 Negotiation and Discount

The cross-case analysis summarized in Table 5.10.12 highlights two main reasons for the active involvement in negotiation and discount: to develop contacts and enhance a positive image of the case firms among others.

The cross-case findings converge on maintaining the long-term relationship between the case firms and their sourcing partners and clients (both permanent and temporary) on preferential basis. The findings show that garments production is a tedious process and problems emerge due to the integrated nature of its production. Most of the problems arise in mismatching with specifications, variations in quality, colours/shades, and delivery schedules. The findings further indicate that the case firms address such issues with open and sincere efforts are made to mutually settle down the matter for smooth working ties. The smooth working relationship is a necessary condition to have longevity in business for mutual gain (Doh, 2005).

The cross-case findings show that certain clients accommodate variations to certain limits in quality, specifications and delays in delivery, but certain clients are strict in terms of their set standards and delivery schedules. In such situations, the case firms

adopt time measures to replace defective lots, offer special discounts on agreed price, ship consignments through a fast mode of transportation (for example, air cargo) and others. It is noted that such arrangements create a good image for the case firms and for future business. The case findings are in line with the integrative negotiations, where willingness to compromise and make concession on certain aspects is a dominant approach.

It is worth noting that all case firms employ and work according to a “future-oriented approach” towards their international markets and clients in order to develop and strengthen bilateral relational ties.

*“...in case of problems matching specifications, quality, shades, and delivery schedules, etc., we always try every possible way to resolve it mutually. We discuss the matter with an open heart; we listen to clients, understand their problems, and take every possible action for a mutually acceptable solution. (Director Marketing) CIV*

*“...Sometimes there are distractions due to certain reasons. We always trying to take corrective action to keep things on track in the short possible time. We try different options and means for better settlement. Large customers sometimes exercise power in a certain way, but we always manage to fulfill their needs for the continuity of our business... (Export officer) CII*

*“... garment production is a tedious job and problems do arise. We face these challenges and surprises; they just pop up from minor issues in the products, services, and delivery schedule.... we are open in our discussions with the customers and internal teams. We always try to resolve them in the best manner through different means to accommodate any complaint. We provide them with extra services, pay for transportation, or offer special discounts to resolve and avoid any misunderstanding. Such in-time compensation creates a good impression among clients for the continuity of ties over time...” (General manager, Garments division) CIII*

*“... working with a customer is like a marriage; you always have tough times ... There are always lots of things going on; in most cases, we discuss, open up, and share the problems with customers. It is a fact that when you share problems with customers, they become part of your problem and come to a consensus ... we offer discounts on the price or we send the shipment by air instead of sea to accommodate customer. Such arrangements are important for staying in the business and creating good projection for us ...” (Assistant vice president, marketing-Europe) CI*

Table 5.10.12: Reasons for negotiation and discount

Cases \ Reasons	CI	CII	CIII	CIV	Manifestations			
					CASE-I	CASE-II	CASE-III	CASE-IV
Develop Contacts	5	6	4	6	Longevity in business relations	Enhance continuity in business	Resolve issues in best possible ways to enhance stability in business over time	Resolve problems through mutual accepted terms for better working relations
Enhance Positive Image	6	6	4	4	Create goodwill for supplier	Deal business in responsible and open manner	Create good impression among clients	Create a sense of care and trust among customers in their business dealings and operations

### 5.3.13 Trade Secrets Protection

The cross-case analysis summarized in Table 5.10.13 synthesizes two main reasons for protecting customer business secrets; namely, to comply with standards and to enhance the positive image of the firms.

The findings indicate the case firms exercise a strict code of conduct in protecting their sourcing partners' and clients' R&D, business secrets, and commercial information. Some of the world's leading brands accounts are running with the case firms over years. Moreover, the number of clients and or their business for innovative products, processes, and services has grown over time, which is the indication of their trust in case firm's business, their practices, and overall dealings.

Furthermore, the cross-case findings indicate that the case firms' code of ethics in protecting customer's intellectual property rights are the main modes of complying with standards and gaining goodwill among clients. However, an interesting dimension is that while the case firms adopt best practices, systems and procedure of their clients, and advise others to do so, in order to have efficiency in their operations and overall handling of orders, they do not infringe on other companies' business secrets.

Overall, the cross-case findings indicate that protecting sourcing partners/customers' IPR and business information is a fulfilment of an ethical obligation by case firms and a sign of reputation and trust among clients. Furthermore, the findings reveals that, non-contractual social ties are important to complement contractual provisions (Manzini & Lazzarotti, 2015)

*"...we have a strict code of conduct regarding customers' business secretes, R&D, and sensitive information. We guarantee full security of their business information and trade secrets ... This creates trust and confidence in our dealings..." (Director Marketing) CIV*

*"...we are more mature in our conduct; we never disclose customer's R&D and related information..." (Manager, sales and marketing planning) CII*

*"...we are the exclusive suppliers from Pakistan for some of the world's leading brands ... we guarantee complete secrecy of our clients and partners business as we do not disclose any of our customer databases and business secrets to others..." (General manager, Garments division) CIII*

*"...we have a very open, true, and transparent relationship with our customers. We have the philosophy of not hiding anything from our customers and stakeholders. We are the most compliant plant in this region ... We never divulge any customer's R&D, business information, or secrets ...we have been working for the last 18 years with our partners, which is proof of our good relationship with customers ..." (Assistant vice president, marketing-Europe) CI*



Table 5.10.13: Reasons for trade secrets protection

Cases \ Reasons	CI	CII	CIII	CIV
	Compliance with Regulations	6	3	3
Enhance Positive Image	3	3	3	4

Manifestations			
CASE-I	CASE-II	CASE-III	CASE-IV
Don't divulge business secrets and customer R&D	Don't disclose customers R&D and related information	Provide secrecy of customer databases and business secrets	Strict code of conduct towards customer's business secrets, R&D and sensitive information
cerate trust in business relation	Enhance good conduct in the market	Good projection of doing and actions	Create trust and confidence in dealings

### 5.3.14 CEO Interest

The cross-case analysis summarized in Table 5.10.14 highlights three main reasons for the personal involvement of CEO and top management. These reasons are: to improve the performance; get the necessary resources to meet the demand; and back innovation and change in existing processes, offerings, and organization.

The findings converge on the role of owners/CEOs and top management commitment to the organizational change and its operations in new directions. In most cases, it is obvious that the CEO is a member of owner's family, takes special interest in organizational change and strategic decisions in general, and especially in exports and international marketing. Most of the CEOs and top managers have graduated from Western countries and brought new insights and culture to their organizations. The findings indicate that CEOs and top management are the main source for driving the respective case companies towards organizational change, developments, and strategic alignment (Lisboa et al., 2011; Wiklund & Shepherd, 2003, 2005). The CEOs are the precursors to organizational change and innovation (for example, products, technology, systems, operations, and markets) and responsiveness to international market needs (Chi & Sun, 2013).

The cross-case findings have repeatedly shown CEOs' involvement in decisions related to investment in latest machines, acquisition of key and qualified men, systems, certifications for renewal, and proactive responses to market changes (Li, Wei, et al., 2010; Slater & Narver, 1995)

*"...the internal factors, such as our strategy, CEO enthusiasm, and organizational culture, have fostered creativity that gives employee the freedom to take risks and try new ideas that lead to a steady stream of innovative products and processes..." (Director Marketing) CIV*

“...If we look from the start, it was the owner and entrepreneurial support that continuously injected the latest machines, personnel, and processes through heavy investments. Similarly, our technological readiness, acquisition, and absorption of knowledge for learning from various sources is vital for change and improvement in our operations....” (Manager, marketing) CII

“...this is all about the CEO/owner drive, which is phenomenal. They brought a totally new culture, systems, and people into this company. Being backed by entrepreneurial boosts and our open business philosophy makes it easy for us to adopt change on a continuous basis...” (Senior assistant vice president, supply chain and marketing) CI

Table 5.10.14: Reasons for CEO interest

Cases \ Reasons	CI	CII	CIII	CIV	Manifestations			
					CASE-I	CASE-II	CASE-III	CASE-IV
Improve Performance	6	3	4	7	Support changes on continuous basis	Back change and improvement in operations	Enrich organization wide operations and processes in an integrated manner	Enhance creativity
Latest demand	4	3	3	3	Support to adopt market emerging trends and aspects to cater international demand	Focus on new directions	Encourage to induce market demanded specifications	Back market demanded operations, products and processes
Ability to Innovate	6	3	3	5	Brought new culture, people and systems to the organization	Vital for change and transformation	Guide the organization in new directions	Encourage freedom of taking risk and try new ideas

### 5.3.15 Product Partnership/External Ties

The cross-case analysis summarized in Table 5.10.15 highlights four main reasons to have ties with leading market players: to improve textile production, performance, latest processing techniques, and develop contacts in the market.

The findings indicate the presence of active involvement of case firms in strategic partnerships and ties with leading names and suppliers. The alliances with leading players and suppliers give the companies access to critical skills, resources, and support when developing the latest products, processes, and international endeavours. However, each case firm has a different managerial and strategic approach for establishing such ties.

The cross-case findings commonly suggest four main strategic objectives; that is, improvements in efficiency, managerial, technological, and marketing expertise. For instance, cases CIII and CI have specialized alliances with leading Italian washing houses to obtain the latest processing, finishing, and washings techniques for high-quality offerings. Similarly, CI has several alliances with leading European firms in

marketing, washing, designing, and sales to improve its overall performance and develop contacts in international markets.

Furthermore, the cross-case findings further indicate that regular ties with other market actors are as important as strategic alliances (evident especially in CII and CIV). Such external need base ties are influential in getting the necessary inputs, resources, and expertise to upgrade their product lines, develop their own designs, brands/promotional collection, marketing capabilities, latest processes and finishes, and improve overall performance.

Finally, the findings mentioned the active involvement of case firms in marketing and sales ties with leading market players to retain existing and develop new business to enhance sales. The findings clearly mentioned the lack of marketing skills and infrastructure in the majority of cases (Rawwas, Konishi, Kamise, & Al-Khatib, 2008). In order to mitigate the marketing constraints, the majority of cases established marketing, sales, and distribution ties to improve their overall performance and develop contacts in international markets.

*“...As I said before, from our inception we have been export-oriented, and the main reason, of course, is to increase our export base. Our vision is for continual improvement and sustained growth. We mostly focus on learning, acquiring know-how and equipment from anywhere to involve the best processes and production. We need the latest technology and capabilities to meet demand and increase our export base with the latest processes and offerings. It is impossible to get it alone; we need different sources and an engagement with our sourcing partners, customers and suppliers to better serve our needs and purpose...” (Director Marketing) CIV*

*“...we received an order from a Bulgarian client for a ‘Green First Finish’ that was a totally new concept for us; we had never come across such a finish. We asked the client for detailed specification and they sent us comprehensive details about the said finishing. We spent some time working on it and finally found that one local supplier imported such chemicals from France. We contacted the supplier, ordered the necessary chemicals and dyes, and successfully developed the sample fabric. The client demanded for two samples: one for them and one for the accreditation company in France. They evaluate the sample and checked and certified it. We got the logo and certification that we are producers of ‘Green First Finish’. Now we can confidently develop and produce Green First Finish products. It also exposes important players and supply chain partners to future business and contacts.” (Manager, sales and marketing planning) CII*

*“...The Company adopted various steps and routes for its developments. We made various partnerships, collaborations, mergers, and acquisitions with some of the best companies in different parts of the world to enrich our production capabilities in new directions for better performance ...” (General manager, operations & product development-Denim division) CIII*

*“...we made our presence felt in different international market segments more effectively through our global alliances with leading European manufacturers and washing houses. In 2009, we made a joint venture with a Turkish company (Crescent Turk) in designing and sales... in 2010 we created a joint venture (The Denim Atelier) with Italian company Martelli, one of the most reputed names in garment washing and finishing in the world. This partnership had two objectives. The first was to market together for new customers and second to learn the best washing and laundry practices from our partners ... the alliance with Greek company Hellenic Fabrics S.A. as Hellenic Crescent ... enables us to increase sales of our innovative product by becoming more vertically integrated. These alliances enable CBL accesses and develop European, American and Middle East markets with high-contents denim products, with more standard-minute value for high-quality and high-performance products...” (Senior manager, marketing) CI*

Table 5.10.15: Reasons for product partnership/external ties

Cases \ Reasons	CI	CII	CIII	CIV	Manifestations			
					CASE-I	CASE-II	CASE-III	CASE-IV
Improvement in Textile Production	20	1	10	4	Adopt latest practices and techniques in production	Add on capabilities for new and latest products	Enrich production capabilities and new offerings	Enhance capabilities and capacities to upgrade existing production
Improve Performance	19	2	9	3	Enhance vertical integrated aspiration. Make presence in international market in an effective way	Confidently enhance operations and dealings	Develop capabilities in new direction	Back the continuous improvement and sustain growth
Latest Textile Processing Techniques	22	6	12	5	Enhance washing and laundry practices per the market trend	Develop new processing and finishes	Enrich processing, washing and finishing's capabilities	Enhance capabilities to adopt latest processing and finishes in offerings
Develop Contacts	10	8	5	6	Creating business ties with existing and new clients in vast range of products, processes and services. Enhancing marketing and sales in international market through marketing alliances	Enhance ties with sourcing partners, customers, major market players and suppliers for future business and engagements	Nurturing business ties in different segments. Enhance marketing and sales in international markets	Enhances abilities to meet latest demand on continuous basis for longevity in business
*Ability to innovate	5	4	5	6	Introduce high value-added and innovative offerings	Help to include innovative features	Add new and innovative aspects in offerings	Help to include new or update exiting features

\* The ability to innovate is less salient, but extremely important while engaging in product partnerships

### 5.3.16 Mergers and Acquisitions (M&A)

The cross-case analysis summarized in Table 5.10.16 highlights three main reasons to become involved in M&A: to improve textile production, performance, and latest processing techniques.

The cross-case findings indicate that the case firms (limited to CI and CIII) started their modern operations as a joint venture and through mergers with leading companies. These engagements enhance their production techniques, expertise, and technology to be involved in the latest production and processing techniques. Furthermore, the case firms CI and CIII acquired infrastructure and systems through mergers to improve their overall organizational performance.

It is interesting to note from the case findings that CIII exclusively uses acquisition as a vital source to acquire technology, brand name, and market power to enter international

market quickly (UNCTAD, 2014; Vermeulen & Barkema, 2001). The findings indicate that CIII acquired an Italian company that has international brands, patents for specialized processes, and an exclusive sale force dealing with more than 30 customers in European market. This acquisition enables CIII to be directly involved in international branding and marketing.

*“...in 2002, the company merged with its Italian collaboration partner (called Legler Nafees Denim Mills, or LNDM). This collaboration provides strategic drive to the company to show its presence in the international market through establishing marketing and sales offices in New York, Florence, Stockholm, and Istanbul...” (Manager, marketing-USA; Manager, sales and marketing (brands) CIII*

*“...In 2007-2008 we acquired a leading European company based in Italy and used it as a platform for international branding, marketing and buying house. The majority of the European customers are dealing with Montebello...” (General manager, Garments division) CIII*

*“...the joint venture between Greenwood Mills and Crescent group ended in 2001. A new company completely owned by Crescent group – Crescent Bahuman Limited (CIV) – was established with new directions and strategies...” (Senior manager) CI*

*“... in 2001, Crescent Bahuman Limited (CBL) was established as a result of termination of joint venture. Two thousand three brought a new era of changes; we introduced a range of highly fashion products, start developing new and bigger customers and higher value-added activities. We brought new insights into our manufacturing and processing lines through investment in up gradation and acquisition of state-of-the-art equipment, machines, and techniques...” (Senior manager, marketing) CI*

Table 5.10.16: Reasons for merger and acquisition

Cases \ Reasons	Cases		Manifestations	
	CI	CIII	CASE-I	CASE-III
Improvement in Textile Production	8	5	Bring new insights and parameters in manufacturing	Add new and upgrade existing production techniques
Improve Performance	7	9	Bring changes in organization, structure, systems and operations. Involve in high value addition	Enhances overall operations in value-added offerings. Increase sales in regional and international markets
Latest Textile processing techniques	8	5	Induces latest process, laundry and washing techniques	Enhance processing and washing. Patents from international suppliers for certain processes required by international market
International Market Presence		10	Focus more on international market	Shows presence in exclusively in European markets
Develop Contacts		10	Develop business with new and bigger clients	Develop pan European market
International Branding and Marketing		12	Involve in international marketing and sales through alliances	Use a platform to directly involve in international branding and marketing

**5.3.17 Design Studio**

The cross-case analysis summarized in Table 5.10.17 captures the three main reasons for establishing a design unit. These are: meeting demand for latest designs and styles, being able to offer new innovative designs/styles, and developing ties in the market.

The cross-case findings indicate that all case firms have well-established design centres, backed by foreign design centres located in the USA, the UK, Italy, and Turkey. All the case firms use buyer-driven designs to include the latest market trends and fashion in their designs and further design and develop future concepts. The findings suggest two main strategic reasons namely internal and external for involvement in the latest designs.

At the external front, involvement in the latest designs enables the case firms to meet the demand for the latest styles, fits, and silhouettes. Furthermore, the cross-case analysis indicates that apparel and home textiles are heavily affected by changes in new product design, both for creative design (related to the appearance, feel, and aesthetics of a product) and technical designs (related to the difficulty of working with fabrics) and short shelf-life based on the season. The respective design centres and designers involved in creating a customized “new product design” include all aspects from the preliminary design sketch to the selection of colours and fabrics (Abecassis-Moedas, 2006).

On the internal front, the design studios and the designers enable the case firms to either design a new pattern or make changes to an existing pattern on a continuous basis. As case firms offered innovative designs and future concepts (fabric fit, washing, styles, etc.) on seasonal basis as collection. For instance, CI, CII and CIV offer two collections per year, while CIII offers four.

Similarly, the findings suggest that the involvement of design studios in the latest designs and styles enables the firms to match present design needs and create innovative collections and future concepts to retain existing and develop new ties on an on-going basis. In addition, the designing facilities and designers are vital in offering design and pattern development services to the clients on commercial basis. The customers get the sketches/designs and patterns from suppliers (CI and CIII) and use them somewhere else.

*“... we established an industrial engineering department, an R&D unit, and a design studio. We hired foreign experts, designers, and developers with experience in the North American garments market. Such involvement enables us to be involved aggressively in exploring innovative ideas and designs, and develop new products for ODM and our own annual collection ...we established design studios in New York and Los Angeles besides our active local studios to fully focus on the latest trends of the US market. Such arrangements enable us to be ahead of many in the field and a driving force behind our phenomenal growth of 20–25 percent per annum ...” (Manager, technical, R&D and product development) CIV*

*“... In 2013, we actively engaged with designers and established R&D and design facilities to offer innovative designs, prints, and end products according to the latest international market needs to enhance our sales ...” (Manager, marketing) CII*

“...We have well established R&D and product development units (i.e., RAD and BAD) with additional Italian and German developers and designers working around the clock to enhance existing produces and develop new products, processes, designs and patterns according to customer specification and market trends....” (General manager, Garments division) CIII

“...our state-of-the-art R&D and design center for fabrics and garments enhances our ability to innovate and develop in a real production setting as per international demand. Similarly, our foreign experts keep us updated with the latest developments on daily basis. Additionally, our global partners and design centers in UK and Turkey inform us about the latest and emerging trends in global markets...” (Assistant vice president, production) CI

“...innovation is an imperative feature of CBL that is the major source of inspiration for its customer. We have an inclusive design center that comprises of fabric, garment, and pattern developers who are constantly exploring new ideas to develop something novel and innovative...” (Company presentation) CI

Table 5.10.17: Reasons for design studio

Cases Reasons	CI	CI I	CIII	CIV	Manifestations			
					CASE-I	CASE-II	CASE-III	CASE-IV
Latest Demand	6	6	5	4	Fulfill demand for latest products, processes, design and services	Help to include latest international customer’s requirements	Offer design, processes, developments per demanded requirements	Incorporate latest trends and customer specifications in offerings
Ability to Innovate	8	10	7	8	Constantly exploring new and innovative ideas for novel developments	Enhance the ability to offer innovative designs, processes and end products	Upgrade existing and developing new products, processes and designs	Exploring novel ideas and develop new products and designs
Develop Contacts	14	12	9	11	Develop business in designing and pattern development in addition to OEM, ODM and OBM	Engage in designing and related activities in local regional and international markets.	Develop ties in commercial design and patterns development beside OEM, ODM	Involve in designing related activities
Design & Pattern Development	13	8	9	8	Provide commercial design and patterned development services	Involve in designing related services	Engage in designing and pattern development services	Involve in designing and pattern development

### 5.3.18 Sales Agent

The cross-case analysis summarized in Table 5.10.20 highlights three main reasons for engagement with sales agents exclusively related to a particular case CII. These are (a) to sell fashion clothing fabrics (Lawn) collection under own register names (brand), and (b) develop business and (c) contacts in regional and international markets.

The findings indicate CII actively used sales agents and stockists as an efficient mode to market and sell directly to consumers in both local and international markets. Further, the findings indicate that the use of agents and intermediaries is relatively cheap and

effective way to develop business ties and operations in markets such as Bangladesh, India, and the UK.

The findings support the previous work on agent and intermediaries that connect inexperienced firms with target customers, both in local and overseas markets.

*“... We diversified our product line in 2013, as we produced and launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, Bangladesh, India, and the UK simultaneously through stockiest...” (Manager, sales and marketing planning) CII*

*“... We simultaneously started the production and launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, Bangladesh, India, the UAE, and the UK through reputed garments and fabric stores...” (Export officer) CII*

Table 5.10.18: Reasons for sales agent

Cases	CII	Manifestations
Reasons		CASE-II
International Market Presence	6	Important actors in introducing brand in local, regional and international markets in cost effective way.
Branding and Marketing	7	Promote own brand and products in specific product category through exclusive agents
Develop Contacts	9	Enhance communication and connections in market and with ultimate customers

### 5.3.19 Outlet

The cross-case analysis summarized in Table 5.10.21 highlights three main reasons for opening outlet by case CI: (a) to make its presence in international market, (b) to develop contacts, and (c) to become involved in international marketing/branding.

The cross-case findings indicate that CI successfully launched its local brand “Stoneage” in major cities across Pakistan through online and offline flagship stores and outlets. This move was a first step towards garments retail business and establishing its brand in the local market. The findings indicate that, after gaining market recognition and necessary experience, CI extended its branding and selling activities to Dubai through the same arrangements. The findings mention that CI increased the number of outlets in Dubai, which could be a sign that Stoneage has gained recognition in the Dubai market with good sales returns. CI is in the process (at the time of interview,



2013) of expanding its brand to other regional and international markets; namely India and the UK.

*“...in 2006, we launched our local brand, Stoneage, in major cities across the Pakistan. We have a network of outlets that handle the sales and marketing...” (Senior assistant vice president, supply chain and marketing)*

*“...in 2009, Stoneage made its way to the international market by launching its outlet in Dubai, which has been extended to another outlet. From the Stoneage perspective, we are planning to expand it to India, the UK, and some other countries as well ...” (Assistant vice president, marketing-Europe)*

*“... in 2009, we launched Stoneage in Dubai by opening an outlet, followed by another outlet in 2010. We are in the process of expanding, as we are also planning to expand it to Asian and European markets as well...” (Senior assistant vice president, supply chain and marketing)*

Table 5.10.19: Reasons for outlet

Cases	CI	Manifestations
Reasons		CASE-I
International Market Presence	11	Enhances the presence and connections in international markets
Develop Contacts	8	Extend and expand business in same or other markets
International Branding and Marketing	22	Vital in promoting and selling under own brand in different markets.

## 5.4 Developments

The learning domains, ways, and reasons across the cases have been identified in the previous sections. This section will bring these three themes together to identify the combined effect on the firm developmental stages and movement in the value chain, as identified in each case. The identified developments of each firm (cross-cases) suggest different patterns and approaches towards movement in the value chain.

First, the identified stages/developments are presented in Section 5.4.1, along with a brief description and explanation with respect to the value-added offering, R&D, sales/exports, and market entry, to provide a clear view of each development.

Second, an overview of the cross-case development(s) is presented in Table 5.12 under Section 5.4.2 to provide a holistic picture of the identified developments.

Third, the identified developments across cases are grouped together in Section 5.4.3, along with brief details, to provide a meaningful understanding of the reasons and differences among them. For each common development across the cases, the most common learning domains will be identified as antecedents of these developments, hence as explanatory factors for these movements in the value chain.

### **5.4.1 Description**

The cross-case analysis shows six clusters of developments based on their offerings, target market, and marketing intensity. Existing stage models often relate to movement in value chain and internationalization process (see chapter 7), however, the current cross-case analysis will be used to flesh out a stage model that addresses the full scale of developing country supplier (outsourcer) development and movement in value chain both from functional, operational as well as international perspectives.

#### **5.4.1.1 Traditional Actors (TAs)**

Traditional actor firms typically focus on conventional low-value-added products, processes, and services limited to their local market. TAs exploit comparative endowment factors such as cheap raw materials and labour. TAs do what others have done for decades in the region with no R&D and international business commitment and contact of any kind.

#### **5.4.1.2 Experimental Outsourcees (EOs)**

Experimental outsourcees exercise little commitment, or extend their domestic products or services across borders with certain value-added aspect(s) and features based on their resources and capabilities. This extension to international markets may be an active response to customers' needs and specifications and/ or a passive response to market changes, or they may treat international business as part of their business in a sporadic manner. EO allocates some resources and production capacity to exports, international

sales, and foreign orders. In general, EOs build their capabilities based on country-level factor advantage in the form of availability of cheap inputs leading to low-cost advantages (Joshi, 2003). EOs establish contact with one or more foreign clients and become part of their global value chain, hence remain in certain value-added aspects (low/medium, standard value) in their offerings and operations without having their own brand.

#### **5.4.1.3 Active Outsourcees (AOs)**

AOs focus more attention on international engagements and sourcing ties, apart from their active local market operations. In addition to the active exploitation of low-cost resources and advantages, AOs display more commitment and resources in the acquisition of new capabilities in order to extend their cross-border ties with existing sourcing partner(s) and further search for new opportunities and markets.

AOs establish formal sales and marketing departments and an organized organizational structure supporting sales and marketing and explore new opportunities in the export and international markets. Similarly, they invest in new machines and experts and become involved in mergers and alliances with foreign clients to develop modern production infrastructure, processes, and related activities according to international standards. Furthermore, they formulate product strategies related to both international sourcing ties and local market engagements.

#### **5.4.1.4 Explorers (EXPs)**

In addition to the exploitation of local low-cost capabilities, Explorers are characterized by exploration to acquire new capabilities, offerings, and international market segments. EXPs intensify investment in the latest machines, equipment, processes, R&D/RE, and experts to introduce latest aspects, innovative products (promotional collections or OEM, ODM), designs, and services according to international standards. Besides investments, EXP establishes close ties with leading market actors in certain areas to be able to produce quality products, processes, valuable services, and related operations. Through these involvements, EXPs explore new avenues and seek to penetrate in regional and international markets.

#### **5.4.1.5 Partners/Competitors (PARs)**

Partners aspire to emerge as truly international firms with more than 80 percent sales revenue from international business and exports. Partners follow international clients and MNCs in certain markets (local, regional and international). This strategic orientation (customer-focused) requires PARs to build a solid foundation in all-round capabilities, including R&D/RE, new product development, designs, product concepts, innovative services, international market presence, and marketing. Furthermore, PARs invest in the latest machines, technologies, R&D and designing facilities, and acquire the services of foreign experts and ties with market leading actors for new products, processes, and developments. PARs invest in latest systems and advance techniques in addition to investment in machines to support their overall operations both up-stream and down-stream. Besides OEM, ODM and manufacturing, PARs develop and market their own product concepts, products and registered logos (OBM) in different product categories and services through their own supply chain- outlets, sales, and marketing networks to pursue sales/market activities in local, regional and international markets and enhance their sales growth.

It is important to note that the two stage Explorer (EXP) and Partner(PAR) seems quite close and different level of intensity of same development. As a result of analysis, where empirical evidence suggests that there is not much difference between the two in a way that can justify separate stages conceptually. Hence, the firm did not exhibit unique stages here, but quite similar one. Thus, based on similarities it was decided to merge Explorer (EXP) and Partner(PAR), and refer it as “Explorer”.

#### **5.4.1.6 Emerging Global Challengers (EGCs)**

Emerging Global Challengers adopt proactive and explorative routes of expansion, both upstream and downstream, and remain in high-value-added operations. They expand rapidly, offer innovative products, processes and services, and market their own brands and registered collections in regional and international markets. EGCs have certified integrated manufacturing facilities for the development of their own innovative offerings and high-quality OEM, ODM and OBM services in broad product categories and services.

### 5.4.1.7 Summary

This section will summarize the main stages identified from the analysis, their main activities (local, regional and international) and their engagement in value-added operations.

Table 5.11: Stages emerged from the analysis

<b>Stages</b>	<b>International Commitments (International Activities)</b>	<b>Operations (Value addition)</b>
<b>Traditional Actors (TAs)</b>	Local market	Exploitation of local resources, low value-added offerings such as yarn, fabric and basic garments (in case IV) for local market.
<b>Experimental Outsourcees (EO)</b>	Local markets, one or two international customers. Response to customers' specifications Start international business on trial basis Allocate limited resources and production capacity to international orders	Country level factors advantage, low cost, low and medium value-added offerings in basic products categories, imitation, OEM service (on customer specifications)
<b>Active Outsourcee (AO)</b>	More focused on international markets with local engagements. Considering international business as part of strategy Actively engage with foreign clients/partners and response to their specifications Allocate more resources and production capacity to exports, international orders and sales Establish overseas sales and marketing offices Investment in modern infrastructure Certification	Exploration and exploitation of local and international resources, Medium and high value-added offerings, Customized products, low cost, Country advantage, exploration and exploitation of new capabilities and resources through mergers and alliances with Western clients, add new product, product and processes in offerings, OEM, ODM (design products on specifications), imitation and emulation, basic designing capabilities, Sales and marketing activities in regional and international markets
<b>Explorer (EXP)</b>	Highly Focused on International markets Intensify investments in modern machines, technologies and processes Integrated production setup Ties with international market actor and experts Strengthen international marketing presence Invested in international certification & accreditations	Exploration and exploitation of local and international resources, medium and high value offerings, R&D/reverse engineering and imitation, OEM ODM services, new product, designs, and process development (promotional management), innovation, offer different quality in wide range of products, processes and services, mass customization, sales, promotional and marketing in regional and international markets

<b>Partners (PART)</b>	<p>Focused on international markets</p> <p>Strategic investments in modern machines, technologies, processes &amp; systems, designing and R&amp;D</p> <p>Integrated production setup</p> <p>Strategic ties and alliances with international market actor in sales, marketing, R&amp;D, Designing</p> <p>Acquisition of International expert's services</p> <p>Strength international marketing presence</p> <p>Acquired international certifications</p>	<p>Exploration and exploitation of local and international resources, medium and high value offerings, OEM, ODM services, new product development, design and pattern development services (Promotional management), innovation and organizational change, produce and marketing own registered products and logos (OBM), R&amp;D/Reverse engineering &amp; imitation, lead supplier to international clients, sales, promotional and marketing in regional and international markets</p>
<b>Emerging Global Challengers (EGCs)</b>	<p>Solely focused on International markets firms</p> <p>Focus on international sale, marketing</p> <p>Branding and retailing</p>	<p>Exploration and exploitation of local and international resources, high quality &amp; premium products, processes and service R&amp;D/ reverse engineering, designing and new product development, branding &amp; marketing own offerings, innovation, R&amp;D and Reverse engineering, Downstream retailing in international markets, services</p>

## 5.4.2 Identified Developments

The identified developments of each firm (cross-cases) are specific patterns towards movement in a value chain. The developments are basically the combined effect of the what, how, and why questions related to both upstream and downstream movement in the value chains. Table 5.12 lists the main developments identified across the cases, where: 1 represents the path manifested in original model and confirmed in cases, 0 represents paths identified in original model not confirmed in cases, and 2 represents paths not identified in original model but confirmed in cases evidence.

Table 5.12: Identified development across cases

<b>Cases</b>	<b>CASE-I</b>	<b>CASE-II</b>	<b>CASE-III</b>	<b>CASE-IV</b>
<b>Development</b>				
1. Traditional Actor to Experimental Outsourcee (TA to EO)	0	1	0	1
2. Experimental Outsourcee to Active Outsourcee (EO to AO)	1	1	1	1
3. Experimental Outsourcee to Explorer (EO to EXP)	0	1	1	0
4. Active Outsourcee to Explorer (AO to EXP)	1	1	1	1
5. Active Outsourcee Emerging Global Challenger (AO to EGC)	0	0	0	1
6. Explorer to Active Outsourcee (EXP to AO)	2	2	2	0
7. Explorer to Emerging Global Challenger (EXP to EGC)	1	1	1	0

### **5.4.3 Manifestation of Cross-case Development(s)**

The identified developments across the cases are explained with respect to variations among the cases. The explanation is based on why certain development(s) are present, not present. The Table 5.12 also indicates whether the specific development is common across more than one case firm, or unique to only one case firm. Furthermore, there is a need to examine what are the main learning domains, ways and main reasons that are antecedents of these developments?

#### **5.4.3.1 Traditional Actor to Experimental Outsourcee (TA to EO)**

The cross-case analysis, summarized in Table 5.12, highlights the development from “Traditional Actor to Experimental Outsourcee” evident in two cases (CII, CIV).

TA firms typically focus on conventional low-value-added products, processes, and services limited to the local market. EOs exert little commitment or extend their domestic products or services across borders with limited value-added aspect(s). This extension may be a response (active/passive) to customer/market changes (push mechanism) and/or case firm’s strategy to treat international business as part of their business (pull mechanism). EOs allocate some but limited resources and production capacity (machines, equipment, etc.) to export line and sales.

The cross-case analysis shows that CIV started its operations as a spinning mill in 1984. Initially, CIV invested in four spinning units to produce conventional yarn to serve the local market. In 1993, CIV expanded its operations into value-added knitted garments and fabrics at small scale due to high demand and sales in local market. Furthermore, CIV invested in new garments sewing unit in 1995. The garments production was on a cut, make and trim (CMT) basis for others and small local orders. In 1995 CIV received and successfully executed a small order for basic underwear and briefs from a UK brand, Jockey, according to its specifications. This small export was the new beginning for CIV, as later CIV became involved in value-added production, explored new opportunities and developed ties in local as well as in regional and international markets. The sales in the local market combined with a sudden small export to the UK moved CIV from being an OA to an EO.

Similarly, the movement from OA to EO is evident in CII from the cross-case findings. CII started as a buying house, as it mostly deals with the orders from its UK-based sister

company. CII mainly executed export orders received from Sartex and other foreign clients through sourcing to external local suppliers and production partners without being involved in any production. This enabled CII to fulfil different export orders of its sister company and further establish ties with foreign clients. In 1993, the CII management decided to start its own production to reduce dependency on external suppliers to meet the specifications of their customers/ sourcing partners and export orders. As a result, CII invested in the latest, albeit basic, stitching facility to meet the in-house stitching requirements for export orders and further develop contacts. This was an important move by CII to start its own manufacturing and entertain export orders to certain extent, hence moved CII to EO.

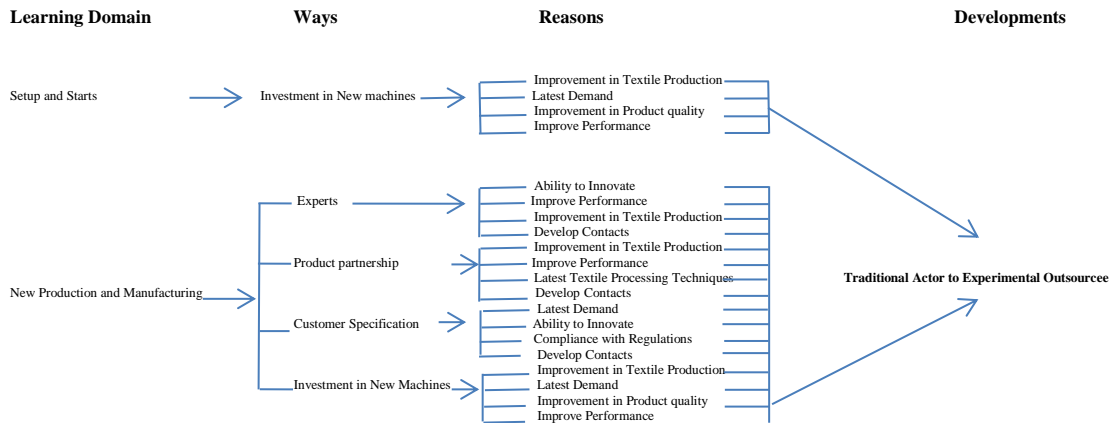
Interestingly, the cross-case analysis did not show proper evidence of the said development in CI and CIII. The reason is that CI (the mother company) started its production and export of yarn and fabrics from its inception. Furthermore, CI established its latest garments production facility as a joint venture in 1995 with 100 percent exports in denim garments. This nullified the TA role and led CI directly to EO status. Similarly, CIII, the mother company was involved in textile business in international markets. The group expanded its operations to Ireland in 1972, in 1978 the group acquired Burke Mills Inc. in North Carolina and in 1980 Tennessee Textiles. Further, the group own different textile mills and production facilities and involved in exports of fabrics. The group has vast experience in international business in textiles. Furthermore, CIII established its latest denim and garments production facility as a joint venture with Italian denim giant in 1994 with involvement in local, regional and international markets through sales of yarn and denim fabrics. This nullified the TA role and led CI directly to EO status.

Overall, the cross-case analysis shows new setup and production as the main learning domains for developing from TA to EO. Furthermore, the cross-case findings indicate that investment in the latest machines, experts, product partnerships and customer specifications as the most common ways to become involved in new production and operations. Finally, the cross-case findings clearly mention developing contacts, meeting latest demand, involvement in latest textile production, and improving performance as the main motivations.

Figure 5.1 depicts the development from TA to EO with respect to main findings related to learning domains, ways and reasons.



Figure 5.1 Traditional Actor to Experimental Outsourcee



### 5.4.3.2 Experimental Outsourcee to Active Outsourcee (EO to AO)

The cross-case analysis summarized in Table 5.12 highlights the development from EO to AO that is evident in all cases.

The cross-case analysis revealed the development from EO to AO in CIV. This development was the result of involvement in new integrated manufacturing, customer relationships in international markets and international standards. As mentioned, CIV's exporting to the UK motivate the company to focus on exports and invest in state-of-the-art yarn production facility for the use in its own garments and downstream operations. Similarly, CIV started to increase its export horizon as it managed to formally export to the USA in 1997. The export to the US market was a motivating step to advances in new lines of products and value-added operations. CIV has expanded its business sphere to the US market besides active local, regional sales and market involvement.

Similarly, CII development to AO is evident from the cross-case analysis. This development was the outcome of involvement in new production/manufacturing and establishing ties with customers across borders. Investments in the latest machines and equipment (a quilting unit in 1995, a weaving mill in 1997, and expansions in stitching and weaving in 1999, 2001, and 2003) enabled CII to gain in-house production capability to make developments in products and processes in order to meet the changing requirements for export orders. At the same time, it reduced CII's dependence on external sources to have control of the vital production processes. Similarly,

engagements with developers/experts enabled CII to improve its production capabilities and develop business ties. In addition to investment in new production facilities, a UK-based sister company and sales office help CII to do its business in foreign markets.

Similarly, the development of CIII to AO is also evident from the case analysis. The findings show a downstream movement of CIII in value-added production. CIII established its latest denim and garments production facility as a joint venture with Italian denim giant in 1994 with involvement in local, regional and international markets through sales of yarn and denim fabrics. Further, CIII moved in downstream, as it started garments manufacturing operations in collaboration with Legler SPA, Italy in 1996. The garments production complements CIII's portfolio and completes the fully vertical aspirations. The production of garments and the vertical production facility allows the company to explore new opportunities in value-added garments to increase its sales and exports. The findings further indicate that integrated

production and simultaneous sales of yarn and denim fabrics in local, regional and international markets, as well as selling garments mainly in international markets, enhanced the development from EO to AO.

Finally, the cross-case analysis reveals CI's development from EO to AO. This development resulted in CI's involvement in new production and manufacturing, involvement in integrated production, and establishing of customer relations according to international standards.

The case analysis shows that CI expands its operations in denim as a response to the increasing demand for denim garments in international markets. In 1991, a fully vertically integrated denim garments production facility was set up as a result of a joint venture between CI and Greenwood Mills Incorporated (GMI). Production started in 1995 and exports began to the US with some local sale of yarn and fabrics. In 1998, CGL established Apparel Marketing and Operation Limited (AMOL) with offices in Pakistan and Ireland to expand its sales and marketing activities to other regions besides the US. The new setup, production (denim yarn, fabric, and garment capabilities) and sales in both local and foreign markets moved CGL (now CI) from EO to AO.

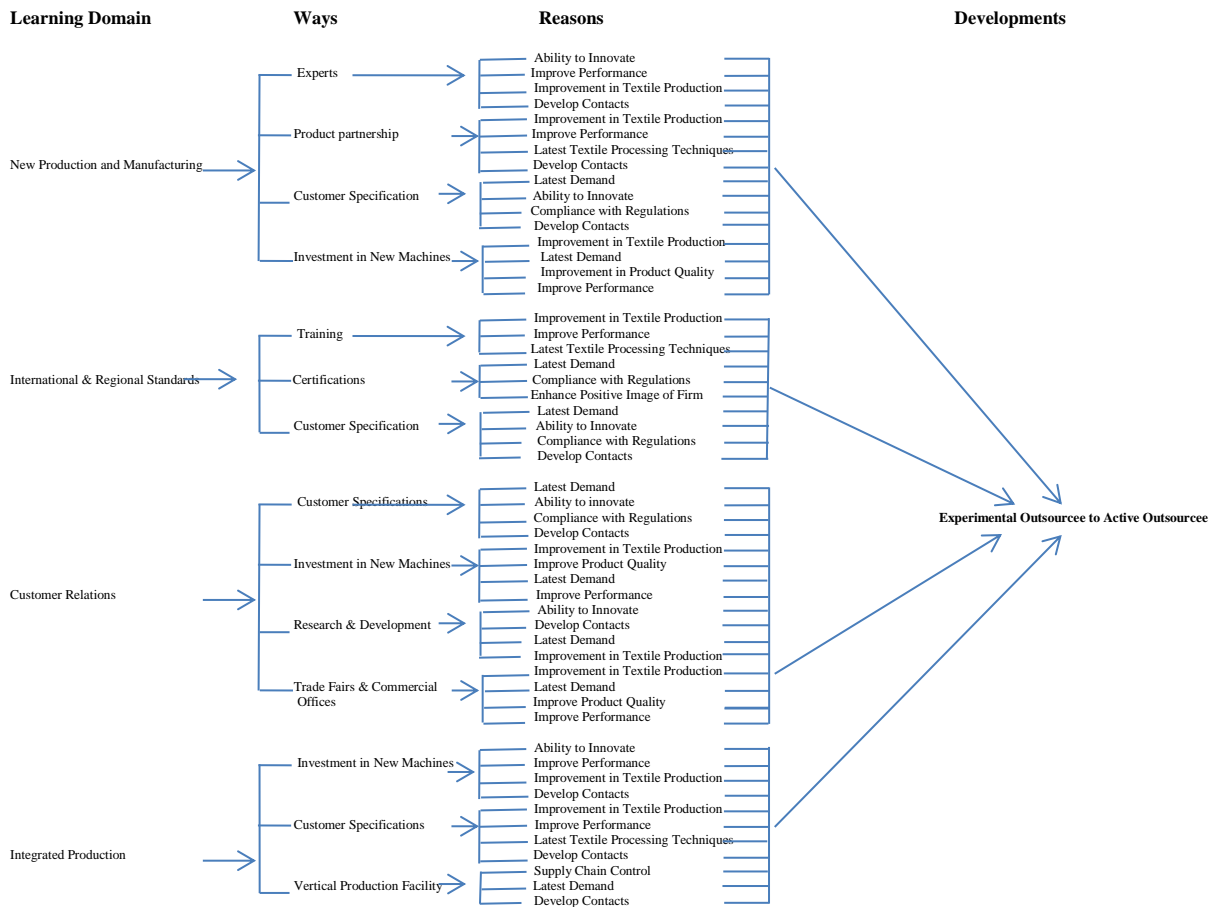
Overall, the cross-case analysis clearly showed that learning about and implementing new production and manufacturing, international and regional standards, customer relations, and integrated production are the most common antecedents of development from OE to AO. Customer specifications and investment in the latest machines are the

common learning ways for this development. Other important ways for learning include-experts, training, certifications, R&D/RE, trade fair, commercial offices and vertical production facility, each of which is associated with a specific learning domain.

Finally, the cross-case findings show that improvement in textile production, developing contacts, meeting the latest demand, and improving the overall firm performance are the main reasons to learn the way they did.

Figure 5.2 depicts the development from EO to AO with respect to main findings related to learning domains, ways and reasons.

Figure 5.2 Experimental Outsource to Active Outsourcee (EO to AO)



### 5.4.3.3 Experimental Outsourcee to Explorer (EO to EXP)

The cross-case analysis, summarized in Table 5.12 highlights the development from EO to EXP evident in two cases: CI and CIII.

The case analysis reveals the development of CII to explorer. This is due to the continuous investments in latest production, processes, and operations in an integrated manner. CII set a complete new processing facility to address international market trends and emerging customer requirements for latest finishes, dying, printing and treatments in different product categories of quality home textiles. Similarly, CII certified its production, processing, and related operations to comply with international standards. In addition to production and processing, CI engage with experts to get innovative operations and emerging trends for quality offerings. These capabilities enable CII to

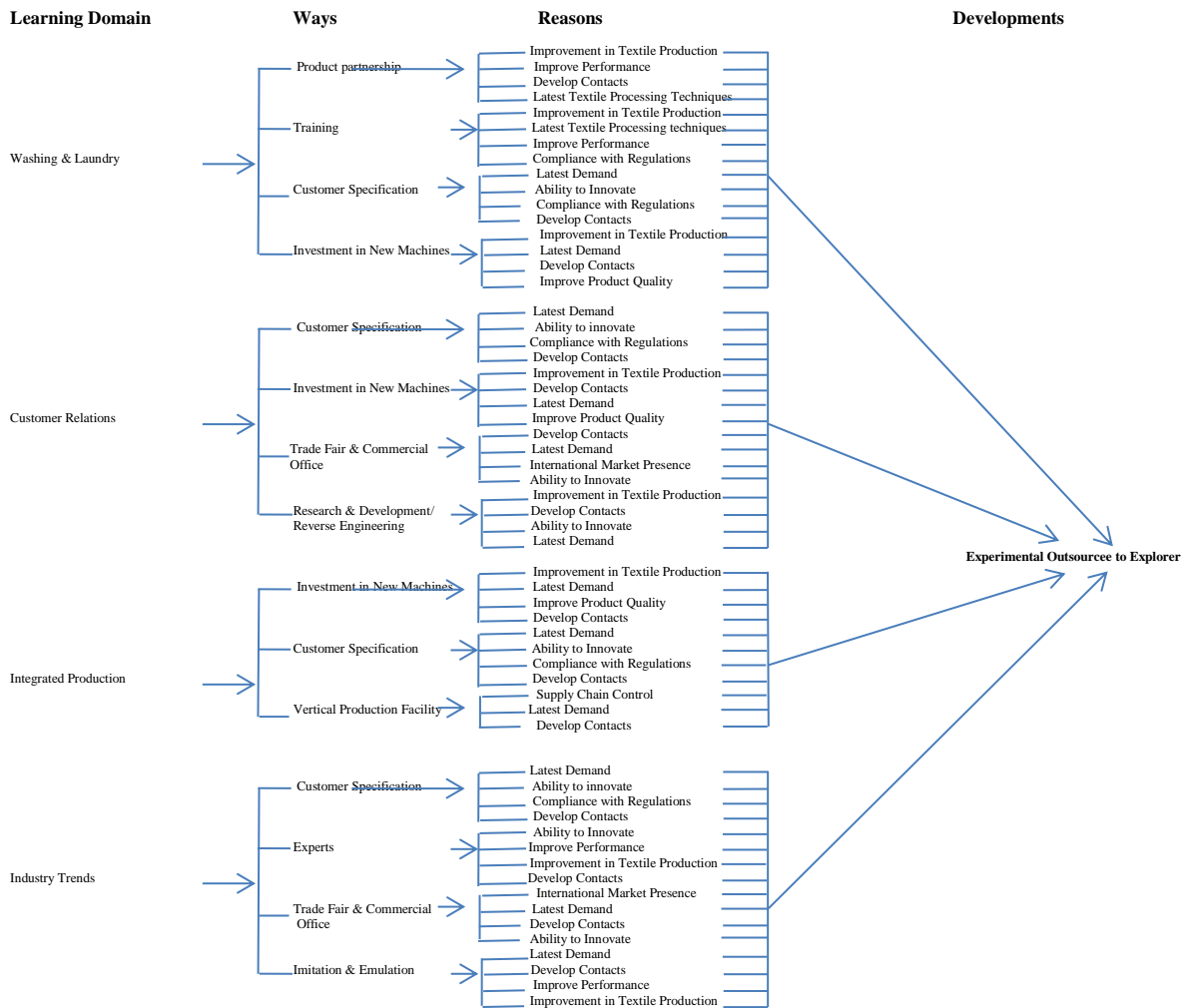
explore and develop new clients in a wide range of quality home textile products in international markets. These engagements caused CII to move from EO to EXP.

Further, the case findings trace the above-mentioned development in CIII. Similar to CII, CIII has kept its momentum of investing in the latest production processes and operations. CIII continued to invest in state-of-the-art laundry and washing technology. These investments increased the value of CIII operations and its ability to meet the increasing international demand for the latest functions and aesthetics in denim fabrics and garments. In addition to integrated production and processing, CIII became involved in marketing and compliance with international standards to explore and develop new clients and markets in a wide range of denim products. These engagements caused the movement from EO to EXP. In short, the cross-case analysis reveals that learning in new and integrated production, washing, industry trends, and customer relations were antecedents to the company's development into EXP status.

Overall, the cross-case findings show that learning about and implementing washing/processing, customer relationship, integrated production, and industry trend are the main antecedents for the development from EO to EXP. Similarly, customer specifications, investment in new machines, and trade fairs and commercial offices are the most common ways to become involved in afore-mentioned learning domains. Other important ways for learning include- experts, R&D/RE, trade fair, commercial offices and vertical production facility, each of which is associated with a specific learning domain. Finally, the cross-case findings mention developing contacts, meeting latest demand, ability to innovate, and latest textile production as the main reasons to learn the way they did.

Figure 5.3 depicts the development from EO to EXP with respect to main findings related to learning domains, ways and reasons.

Figure 5.3 Experimental Outsource to Explorer (EO to EXP)



#### 5.4.3.4 Active Outsourcee to Explorer (AO to EXP)

The cross-case analysis, summarized in Table 5.12, highlights the development from AO to EXP evident in all cases.

The case analysis reveals CIV’s development from AO to EXP. This development resulted in CIV solidly focusing on manufacturing private brands/labels for other companies (OEM and ODM) and export lines after the failure of its own brand “Landmark” in international market. In this regard, CIV invested in state-of-the-art specialized knitting and sewing facilities in 2002. These investments strengthened CIV’s ability to add a vast range of high fashion and value-added products (sports, sleep, lounge, and active wears) according to international market standards. Similarly, CIV

concentrated on North America and made ground in US markets. Since 2005–2006, CIV has established marketing and sales offices across the United States. The marketing offices were vital in terms of establishing direct contact with the clients and keep them informed about the US market trends. In 2008–2009, CIV established product development (PD) and R&D centres and reverse engineering to enhance its capabilities and address the emerging trends in designs, future products and conversion of innovative ideas and conception into physical products. Additionally, CIV acquired the services of foreign experts and developers to develop future products and services. This has enabled CIV to develop and present its seasonal designs and product concepts (for example, Spring–Summer and Autumn–Winter) as a promotional tool according to recent market trends. These operations make ways for CIV to explore new segments and markets and establish ties across the US and Europe. Similarly, the findings show that the connections with some of the world’s leading brands and markets enabled CIV to learn about emerging trends and further develop ties in international markets. Further, the case analysis mentioned that CIV intensifies investment in labs, testing tools, R&D, and industrial engineering facilities to enhance innovation and efficiencies. Similarly, CIV established design studios at Los Angeles and New York, in addition to its active local design centre, to further enhance designing capabilities in creating inspirational designs, innovations in fabrics, washing, and latest finishes according to international standards.

In addition, CIV invests in latest systems such as IT, ERP, e-commerce, online fabric inspection system, quality control “four-point quality system”, tracking system and automated garments transportation systems (Eton) etc., to improve its overall performance in a cost-effective manner. In similar vein, CIV diversified its production capabilities by utilizing offshore stitching facilities in Jordan and Bangladesh, established two warehouses on the East and West Coasts of America, and invented a unique shipment system (Lean Planning) and a direct-to-store model (that is, store door deliveries, or SDD). The offshore facilities and supply model facilitate CIV to meet uncertainty, to improve performance through control of supplies, to avail duty-free advantages, to cope with price competition, and get uninterrupted access to the US and EU markets.

The mentioned capabilities enhance CIV to offer services such as design and pattern development service, direct to store service (DTS) to other textile companies in South Asia, quality control and audit on behalf of clients such as JC Penney and Wal-Mart, in addition to provision of OEM, ODM and OBM services. Thus, retain and expand the company’s customer base, both in terms of client numbers and getting more complex

and iconic products and services from world-leading brands, hence move from AO to Explorer.

Similarly, in addition to investments in the latest hardware, CIV certifies its production facilities and complies with international standards to enhance its operations and project its ties across the borders. The involvement in R&D, latest textile production, processing, and new product development enhances CIV's ability to offer quality products and design development services according to international standards, further strengthen the development to Explorer.

In the same way, the case findings show CII's development to EXP. The findings show that CII's active investments in the latest machines, processing, experts, and design studio enhance its existing production, processing, and product quality to meet latest demand. CII went a step forward in value addition in their operations and offerings through promotional management. CII became actively involved in a design studio, experts, reverse engineering and imitating other's best products and processes according to its needs in response to emerging demand. These capabilities enabled CII to offer innovative products and seasonal collections in the shortest possible time to showcase its innovative abilities for longevity in business (retain existing and developing new business). Furthermore, the UK- and Germany-based sales offices and participation in international expos presents CII offerings to international clients, which further deepens the existing ties and develops new ones. Similarly, in-time response to customer specifications and engagement is a source of learning about the latest aspects in finishing/processing and business development. The introduction of the latest production techniques and finishing per international standards helps establish business ties across borders.

Further, CII's strategic investments in latest machines, processing capabilities, experts, R&D and designing in an integrated manner enhance its capabilities to offer new and innovative offerings in wide range of products and services. In addition to investments in the latest hardware, CII certifies its production facilities and complies with international standards.

CII strengthened its innovation abilities through active engagement with designers, developers, and R&D/reverse engineering. Similarly, the upgrading of a local design studio and support from UK design studio and designers has enhanced CII's design development capabilities. This has enabled CII to become extensively involved in innovative services (OEM, ODM, design and pattern development, etc.) to world-



leading brands. These capabilities further enhance CII innovative capability to present new designs, future concepts, and products on a seasonal basis to the world market. In 2012–2013, CII enriched its product line through diversification into fashion garments fabric (Lawn). This helped CII expand its operations and compete in other segments of home textile as well.

Furthermore, the development of CIII to EXP is evident from the case findings. Like other cases, CIII has kept its momentum of investing in the latest production, processes, and operations. In 1998, CIII invested further in a certified state-of-the-art laundry and washing technology to comply with international standards in washing and meet the increasing demand for quality and latest functional/aesthetics in its offerings. In 2002, CIII merged with its Italian partner, this merger drove CIII in new directions, as it further enhanced the garments production under vertical setup. In addition to production, the merger enhanced CIII's marketing and sales capabilities through establishing commercial offices in New York, Florence, Stockholm, and Istanbul to search for new market segments and add international clients. Furthermore, CIII started innovative promotional collections and concepts through active engagement with experts, R&D and reverse engineering, and marketing activities. These capabilities enabled CIII to offer its seasonal promotional collections to showcase its innovative abilities as a marketing tool to develop new ties.

In 2004, CIII's separation from Italian partner signified the departure point from which it grew and enhanced its value-added operation across borders through forward thinking and continuous investments. The case findings show CIII's deep involvement in value-added operations (started producing modern garments).

CIII continued investing in the latest hardware and tools to develop its vertical production facility, as CIII further enhanced its established R&D (Blue Attitude Division (BAD) and Robust Art Division (RAD)) and design studio to offer world-class designs and new products in wide product line. CIII also acquired and hired foreign designers and developers to offer future concepts in garments, designs, and washing according to international market trends. These capabilities enabled CIII to offer OEM, ODM, design and pattern development services to the leading international players. They present a wide range of innovative collections regularly on a seasonal basis (summer spring and fall winter) as a marketing tool to showcase its innovative abilities to world markets. CIII also established a network of international sales and marketing offices across Europe and USA to establish close ties in those regions for future

expansion. In addition to investment CIII remained active in getting various certifications and accreditation related to production, and social and environmental aspects.

Similarly, the findings mention CIII's continuous modernization of its vertical setup through the acquisition of the latest weaving and garment manufacturing facilities from Italy. This acquisition was vital for upgrading and increasing the weaving and garment production capacity (to 15,000 pieces per day and 2.4 million meters of fabric per month) to address international demand both in quality and quantity.

CIII also has a special agreement with Italian company Tonello SRL to enrich its garment washing expertise according to high-quality international standards. CIII invested in latest systems such as tracking system, power generation, quality control etc. to enhance overall performance. Based on these expertise and capabilities, CIII provides concepts to OEM, ODM and design and pattern development services to door-step delivery to world-leading customers. Such capabilities are a motivating force behind CIII's developments toward EXP.

Finally, the case findings identified CI's development to EXP. As a result of termination of joint venture with American partner in 2001, CI reformulated its future path and made strategic changes in its operations and offerings through forward thinking and value addition approach. Thus, CI invested in a specialized state-of-the-art fabric/washing development centre to create inspirational innovations in fabrics, washing, and developments. Similarly, CI acquired the expertise of foreign designers and developers to develop future products and processes. CI became involved in R&D/ reverse engineering and innovation as it successfully developed and offered seasonal conceptual collection in different product categories as a promotional tool to attract potential clients. In 2006, CI invested in the latest laundry and washing facilities in order to introduce the latest developments and techniques in washing for high-quality garments. In addition, CI started providing design development services with its OEM and ODM services. Likewise, CI also established a network of sales and marketing offices in the USA, the UK, Ireland, Germany, Italy, and the UAE to extensively project its offerings and get in touch with latest happenings in these regions. CI moved further downstream as it explore new avenues in retail business apart from manufacturing. Resultantly, CI launched its local brand, "Stoneage", through exclusive outlets across Pakistan, which resulted in its movement to EXP status. In addition, CI proactively involved in getting certifications

and accreditations in production, social and environmental aspects in order to operate and produce according to international standards.

Furthermore, CI invested in the latest laundry and washing facilities and acquired experts in order to introduce the latest developments and techniques in washings necessary for high-quality garments. Moreover, CI is engaged in the provision of design development services besides OEM and ODM. Being involved in these activities led CI to focus solidly on international markets and relationships with large players for its high-quality and premium-priced offerings. CI constantly attracted and expanded its customer base, both in terms of the number of clients and getting more complex products from world-leading brands like Levi's.

Similarly, CI diversified its product as it added non-denim trousers and bottoms successfully into its product line and develop business in this segment as well. Likewise, the case findings show strong involvement of CI in alliances and partnerships with European leading companies in washing, design, marketing, and sales.

CI made a joint venture with Crescent Turk to enhance its designing capabilities and emerging market dynamics. The alliance (Hellenic Crescent) with a Greek denim manufacturer, Hellenic Fabrics, resulted in increased sales through a vertically integrated facility. The alliance helped CBL to target new market segments by offering a full package of innovative products. A special alliance with an Italian renowned fashion washing house Martelli (Denim Atelier) further enhanced CI's ability to develop the latest washing techniques. CI successfully implemented the innovation through partnering with better results and developing business in international markets.

The case findings show CI's establishment of offshore design studios in the UK and Turkey helped its aim of innovative design and development of fashion-conscious customers. Further, CI invested in latest fabric and garments production facilities to expand and modernize its capacities (15 million meters/year and 9 million garments /year). These upgrades enhanced CI's ability to meet the various requirements of its international customers. The finding portrays CI's acquisition of backup systems and operations for better performance. CIV invested in the latest testing tools, labs, information technology (IT) and back-track systems (PITS & RFID) for the effective handling and smooth supplies of innovative orders across the globe. The findings further show that CI is the first Pakistani textile company to have Six Sigma training in various functional areas (15 employees have been trained as Six Sigma black belts). The aforementioned expertise and capabilities enhances CI's ability to offer OEM, ODM, design,

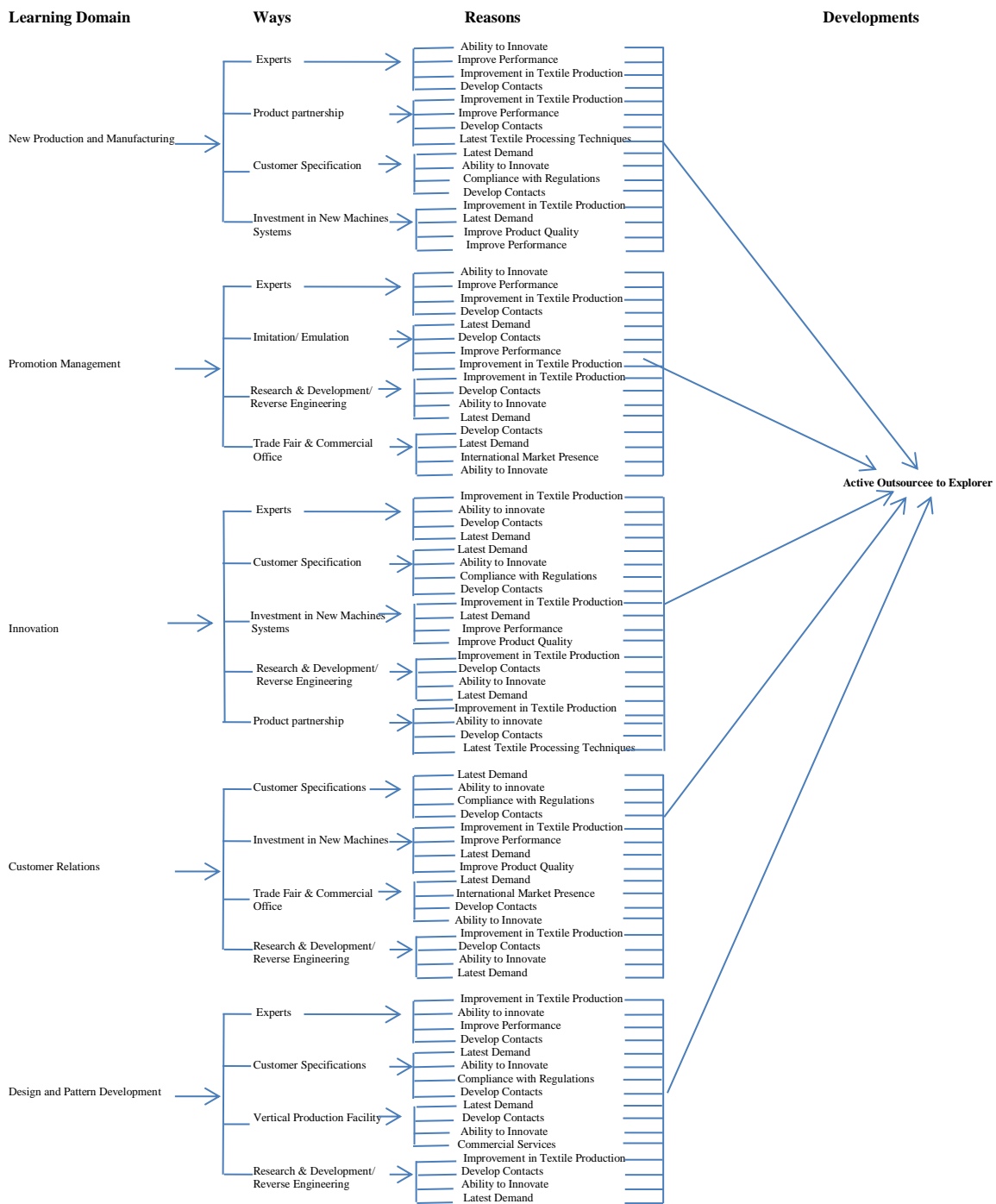
and pattern development services to the world-leading clients. The customers get the sketches/designs and patterns from CBL and use them somewhere else. These capabilities develop CI's to Explorer.

Overall, the cross-case findings suggest that learning about and implementing new production/manufacturing, promotion management, innovation, customer relations and design and pattern development as the main antecedents of development from AO to EXP. Similarly, experts, customer specifications, investment in new machines, and R&D/ reverse engineering are the most common ways to move from AO to EXP. Other important ways for learning include- certifications, TFCO, product partnerships, imitation as well as vertical production facility, each of which is associated with a specific learning domain.

Finally, the cross-case findings clearly mention that developing contacts, meeting the latest demand, the ability to innovate, having the latest textile production, and improving performance as the main reasons to learn the way they did.

Figure 5.4 depicts the development from AO to EXP with respect to main findings related to learning domains, ways and reasons.

Figure 5.4 Active Outsourcee to Explorer



### 5.4.3.5 Active Outsourcee Emerging Global Challenger (AO to EGC)

The cross-case analysis, summarized in Table 5.12, highlights the development from AO to EGC, which is evident only in CIV. This development is a result of CIV's

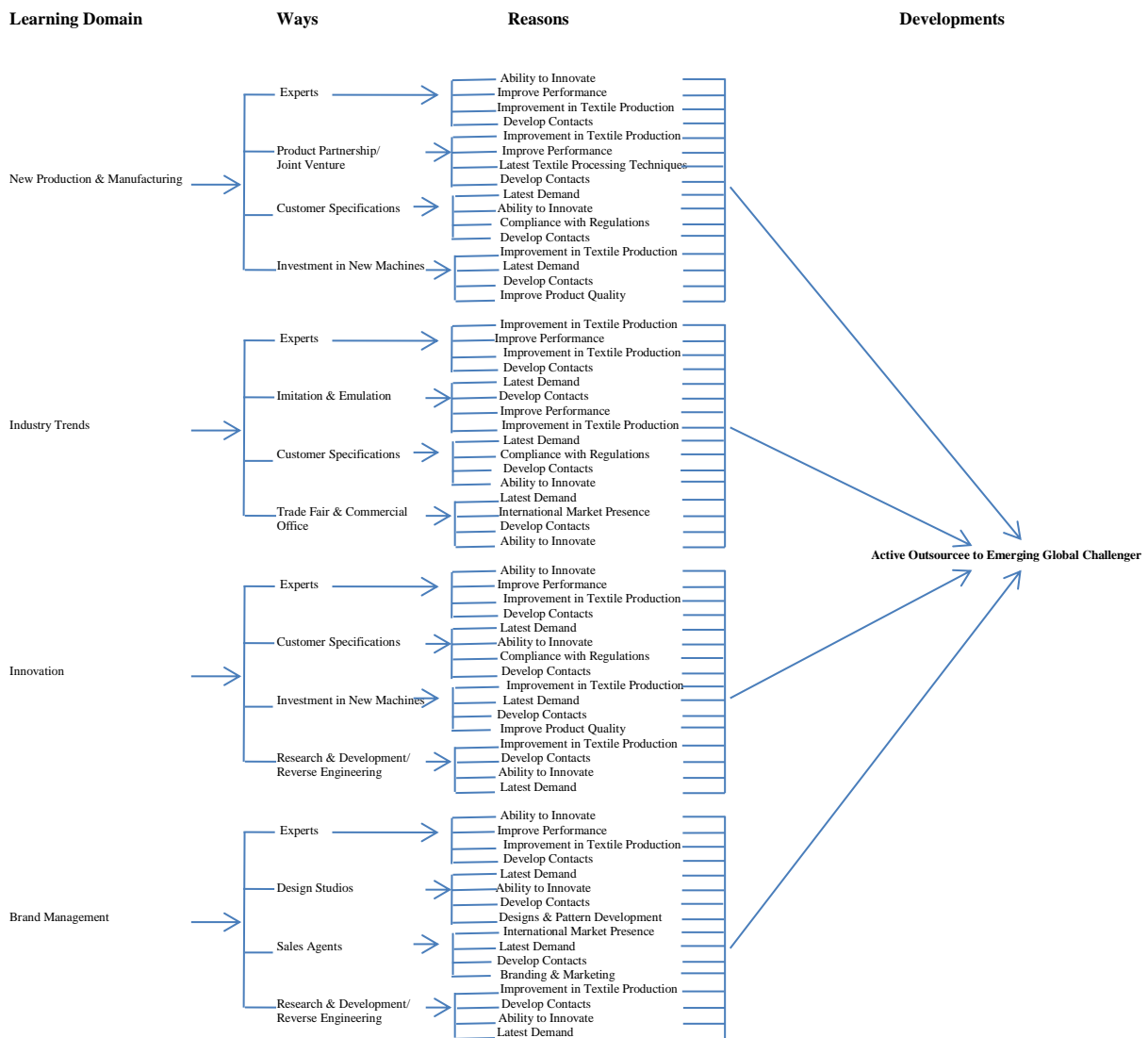
involvement and learning in new production, innovation, industry trends, and branding management.

The cross-case finding indicates that, right from the start, CIV focused heavily on international markets and high-value-added operations. CIV made vital investments in R&D, designing facilities and acquired expert's services to move in downstream operations. Surprisingly, CIV jumped into value-added operations as it developed, launched and started selling under own brand "Landmark" in polo shirts in 1998. This move was surprising in the initial stage, resulting in CIV developing from an AO to an EGC. Although Land Mark did not remain in the market for long; CIV eventually rolled back this project in year 2000 due to the lack of expertise and proper marketing channel at the international level.

Overall, the cross-case findings show that the learning and implementing new production, industry trends, innovation and brand management are the main learning domains for the development from AO to EGC. The most common ways to involve in identified learning are experts, customer specifications, and R&D/RE. Other important ways for learning include- imitation, sales agents, investment in machines, product partnerships, and imitation, each of which is associated with a specific learning domain. Finally, the cross-case findings show that developing contacts, ability to innovate, latest textile production, meeting the latest demand, and branding and marketing as the main reasons to learn the way they did.

Figure 5.5 depicts the development from EXP to EGC with respect to main findings related to learning domains, ways and reasons.

Figure 5.5 Active Outsourcee Emerging Global Challenger (AO to EGC)



**Note:** The Sales Agent is included in the figure due to the occurrence of the said development exclusively in CIV.

### 5.4.3.6 Explorers to Active Outsourcee (EXP to AO)

The cross-case analysis, summarized in Table 5.12 highlights the backward development from EXP to AO as evident in the three cases CI, CII and CIII.

The case finding shows the backward development in CI, because of CI involvement in downward value-added operations such as branding and retailing garments in local market. After getting latest capabilities in production, washing, designing and product development, CI design, develop and market innovative products in local market.

Consequently, CI successfully launched and sold its own brand “Stoneage” in local markets through exclusive sales outlets and recently online as well. This involvement of CI in marketing and sale under Stoneage in local market has resulted in backward movement from EXP to AO.

The case finding reveals the backward development of CII to AO. After getting the necessary capabilities in latest production and processing, CII engaged with both local and UK-based design studios and developers to produce innovative products, processes and designs on a continuous basis under registered names and collections. In addition to innovations in home textiles, CII invested in new printing and embroidery machines to enrich its product offering in new directions such as retail fashion clothing business (Lawn-fabrics for fashion clothes). CII successfully developed, launched and sold Lawn under specific registered names and collections in local market, through offline (exclusive sales agents) and online arrangement. This choice led CII to moves in reverse direction from Partner (now Explorer) to an Active Outsourcee. (part of business, not the whole business)

Furthermore, a similar finding is evident in CIII. Interestingly this backward development was observed as a result of CIII’s involvement in innovative value-added operations and branding in fabrics. After the acquisition of Italian company Montebello SRL, CIII became aggressively involved in value-added operations and services. CIII worked with Montebello to augment Italian taste and the high production know-how of Pakistan. The close working with MSRL enhanced CIII’s R&D and innovation in denim fabrics, designs, seasonal collections, and sales in international markets. Thus, CIII launched two brands in quality denim fabrics: Azgard9 and Montebello. Azgard9 (fabric brand) is present in both local and international markets, while Montebello is exclusive for Montebello in international market. The brand Azgard9 results in reverse movement from Explorer to Active Outsourcee.

This implies that only certain parts of operations may reflect a reverse movement, while the others remain at the EXP level. It is important to note that, such reverse movement involved only a certain part of the business (Azgard9 brand in CIII) and (stoneage in local market in CI), CII (local brands and registered collections), while the other parts remain at the EXP level of operations (Montebello in CIII and Stoneage in international market in CI). It is interesting to note that, some units within the same case company operate at AO level, while the other operate at the EXP level after their involvement in international business.

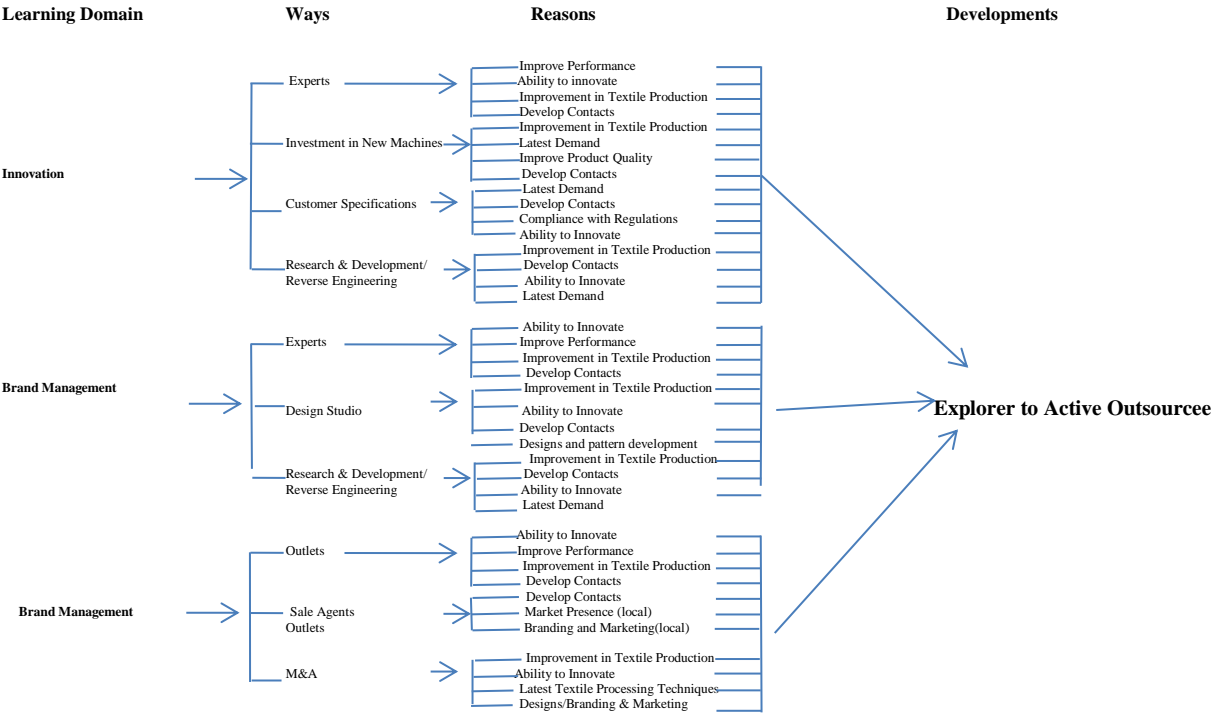


Overall, the cross-case findings show that learning about and implementing innovation and branding management are the main antecedents for the development from EXP to AO. R&D/reverse engineering, experts, design studios are the three most common ways to become

involved in the mentioned learning. Other important ways for learning includes- investment in new machines, customers’ specifications, and a very case specific learning ways such as outlets (CI), sales agents(CII) and M&A (CIII), each of which associate with a specific learning domain. Finally, the cross-case findings suggest that developing contacts, ability to innovate, latest textile production, latest demand and branding and marketing as the main reasons to learn the way they did.

Figure 5.6 depicts the development from EXP to AO with respect to main findings related to learning domains, ways and reasons.

Figure 5.6- Explorer to Active Outsourcee (EXP to AO)



It should be important to note that Outlets in CI, Sales Agent in CII, and M&A in CIII are included in the figure as the case firms’ specific way of learning about Brand Management (in local market) and further development (EXP to AO)

#### **5.4.3.7 Explorer to Emerging Global Challenger (EXP to EGC)**

The cross-case analysis summarized in Table 5.12 highlights the development from Explorer to Emerging Global Challenger evident in CI, CII and CIII. This development is considered as a result of case firms' involvement in innovation and brand management in regional and international markets.

The case finding shows that CI moved downstream in value-added operations and offerings such as retail garments business in international market. After a successful launching and marketing of brand "stoneage" in local market, CI move forward in garments retailing business in international market. It successfully managed and launched its brand Stoneage in the UAE through an exclusive outlet in the year 2009. CI, further expanded and added another outlet in the following year. This was the beginning of a new era in retail marketing and branding at the international level. The involvement in international brandings resulted in CI moving from EXP to EGC, although the international marketing and sales activities under its own brand is limited to the UAE (that is, a regional market). This can weaken CIV's Emerging Global Challenger role.

Similarly, the case finding shows the development of CII into an Emerging Global Challenger. This development is the result of internal pull that involves CII in brand management (in regional and international markets), innovation, and product diversification.

The analysis shows that, after gaining capabilities in latest production, processing, and provision of OEM, ODM and related services to international brands, CII engaged with local and UK-based design studios and developers to produce innovative products, processes, and designs on a continuous basis under its own registered names and collections. In addition to innovations in home textiles, CII further invested in new printing and embroidery facilities to enrich its product offering in new directions (namely, fabrics for fashion clothes; Lawn). CII launched and sold Lawn under its own brand and collections in both local and international markets. CII initially launched its brand and collections in the local market; after a few months, however, CII launched its Lawn brand/ collection in the UK, Bangladesh, India, and the UAE simultaneously through sales agents and stockists. In addition to home textiles, CII focus on clothing market segments in Asia, while adopted the Ethnic branding strategy in the UK.

This development has led CII to play a limited role as an emerging global challenger, because Lawn is considered as a semi-finished product and a small portion of CII's total business.

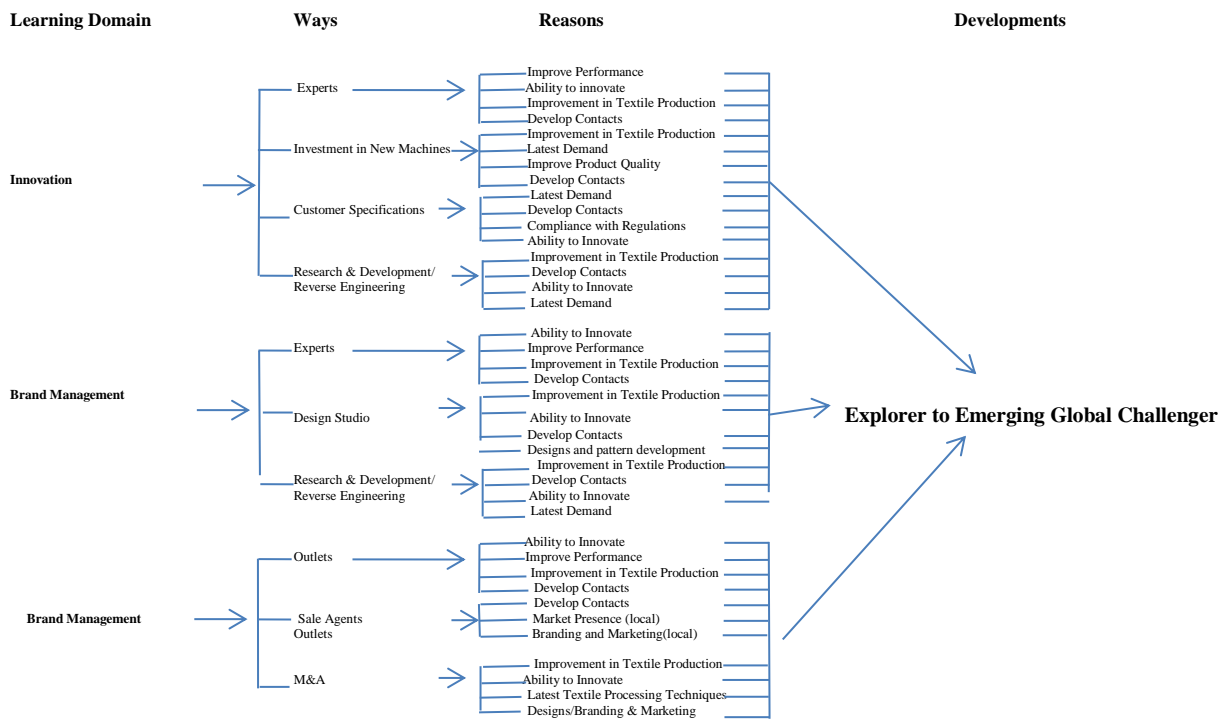
Furthermore, a similar development to an emerging global challenger is observed in CIII, because of its involvement in innovative value-added operations, M&A, and international branding. CIII acquired the denim division of an Italian company Montebello SRL (MSRL) from the Bonenzvi Group. Montebello has its own brands and works as a buying house for major European garments and apparel customers. MSRL markets and sells under its own registered trademarks and brands. It has a global distribution network through its own sales force and brand exclusive agents. Approximately 85 percent of the sales are in the European market. Moreover, MSRL invested significantly in research and development to establish registered international patents on particular processes to control the dyeing of denim products. Through this acquisition, CIII became the first Pakistani company to produce, market, and sell under its own brand in international markets. The acquisition also enabled CIII to increase its annual exports by 20 percent, with higher value addition and profit margins. This acquisition resulted in CIII developing from a Partner to an Emerging Global Challenger.

The cross-case findings mention developing contacts, ability to innovate, latest textile production, and international branding and marketing as the main motivations.

Overall, the cross-case findings show that learning about and implementing innovation and branding management (regional and international markets) are the main antecedents for the development from EXP to EGC. R&D/ reverse engineering, experts, design studios are the three most common ways to become involved in the mentioned learning. Other important ways for learning includes- investment in new machines, customers' specifications, and case specific learning ways such as outlets (CI), sales agents(CII) and M&A (CIII), each of which associate with a specific learning domain. Finally, the cross-case findings suggest that developing contacts, ability to innovate, latest textile production, latest demand and branding and marketing as the main reasons to learn the way they did.

Figure 5.7 depicts the development from PAR to EGC with respect to main findings related to learning domains, ways and reasons.

Figure 5.7- Explorer to Emerging Global Challenger (EXP to EGC)

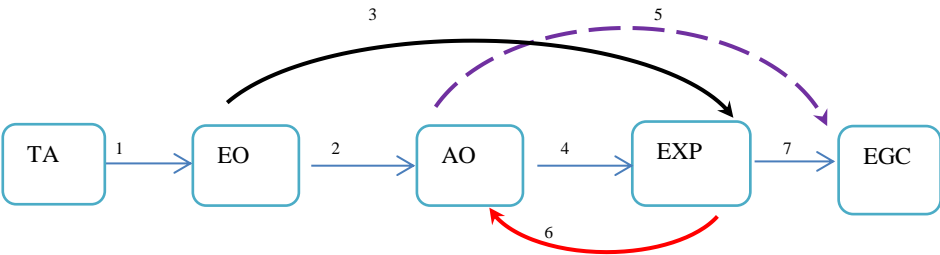


It should be noted that Outlets in CI, Sales Agent in CII, and M&A in CIII are included in the figure as the case firms' specific way of learning about Brand Management (in international markets) and further development (EXP to AO).

### 5.5 Derived Loop Model from the Cross-Case Findings

This section links the cross-case findings with the overall developmental stages (such as movement in the value chain). Figure 5.8 links the identified learning, domains, ways, and reasons with respective developments. The identified critical learning ways and reasons for learning are linked to the specific learning domain. It is important to note that certain learning domains show multiple movements between a firm's developmental stages. In relation to development, the model displays different ways and strategies to take on exploitation, exploration, or both (that is, ambidextrous) routes in their learning and development, as shown in the figure.

Figure 5.8: Tentative Derived Loop Model



The model displays 7 developments (that is, developmental routes) in total, where each arrow represents the development (for example, movement in the value chain). The individual development is a movement in the value chain that is associated with identified learning domains. In turn, each learning domain is acquired through a set of learning ways, the use of which is explained by a series of main reasons. The numbers above the arrows (1 to 7) show the identified developments that occurred through engagement with identified common learning domains across the cases. The red arrows show the reverse developments, the dotted arrow show the unsuccessful or terminated forward development, while the others represent the forward developments.

First, the derived loop model displays the development from Traditional Actor to Experimental Outsourcee in CIII, and CIV as they were mainly involved in new production & manufacturing and setup. The learning basis in the new setup and manufacturing enhanced the companies’ operations and offering. It is interesting to note that the said development was not observed in CI and CII, as the findings indicate that both firms CI & CII has been involved in the production and export of semi-finished products (for example, fabrics) since its inception. It is important to note that CIII was also active in international engagements (for example, the acquisition of two American companies in the 1980s), but still did not manage to move in value chain until 1993.

Second, the loop model displays the development from Experimental Outsourcee to Active Outsourcee in all cases (CI, CII, CIII, CIV), as a multi-learning process. The case firms involved in learning and implementing new manufacturing, international and regional standards, customer relations, and integrated production as the main learning domains.

Third, the development from Experimental Outsourcee to Explorer is evident in two cases CII and CIII. Washing/processing, customer relationship, integrated production, and industry trends are the main antecedents for the development from EO to EXP.

Fourth, the cross-case findings identified the development from AO to EXP, evident in all cases (CI, CII, CIII, CIV). New production and manufacturing, promotion management, innovation, and customer relations and design and pattern development are the main antecedents of development from AO to EXP.

Fifth, the cross-case findings identified the development from Active Outsourcee to Emerging Global Challenger, evident in one case (CIV). Learning and implementing new production and manufacturing, industry trends, innovation and brand management are the main antecedents of development from AO to EGC. The dotted link shows that the case firm does not sustained the said development due to the lack of international sales infrastructure and marketing experience.

Sixth, interestingly a backward development from EXP to AO emerged from the cross-cases and evident in three cases (CI, CII, CIII). The findings show that learning about and implementing innovation and branding management (in local market) are the main antecedents for the development from EXP to AO.

Seventh, interestingly a backward development from EXP to AO emerged from the cross-cases and evident in three cases (CI, CII, CIII). The said development is a result of case firms learning and implementing innovation and brand management solely directed towards regional and international markets.

The developments with respect to main learning domains are summarized in the Table 5.13.

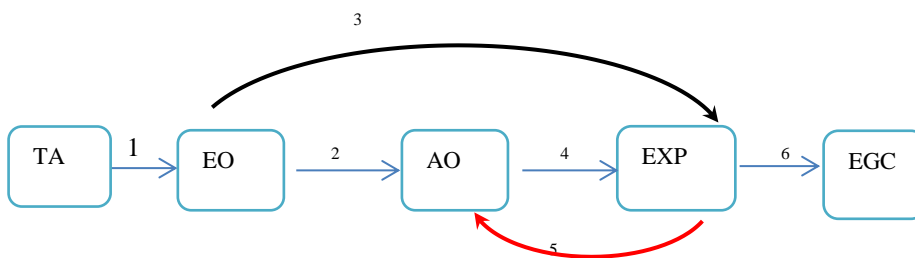
Table 5.13: Summary of development with respect to learning domains and cases

No.	Development	Learning Domain	Cases
1	Traditional Actor to Experimental Outsourcee	New Production & Manufacturing, Set & Start	CII, CIV
2	Experimental Outsourcee to Active Outsourcee	New Production & Manufacturing, International & Regional Standards, Customer Relations, Integrated Production	CI,CII,CIII,CIV
3	Experimental Outsourcee to Explorer	Washing & laundry/Processing, Customer Relations, Integrated Production, Design & Pattern Development Industry Trends	CII, CIII
4	Active Outsourcee to Explorer	New Production & Manufacturing, Promotion Management, Innovation, Customer Relation, Design & Pattern Development, International & regional Standards, Industry Trends	C1,CII,CIII,CIV
5	Active Outsourcee to Emerging Global Challenger	New Production & Manufacturing, Industry Trends, Innovation, Branding Management	CIV
6	EXP to Active Outsourcee	Innovation, Branding and Marketing (at local level)	CI, CII, CIII
7	EXP to Emerging Global Challenger	Innovation, Branding and Marketing (at international level)	CI, CII, CIII

### 5.5.1 Tentative Refined Derived Model

In order to get a meaningful representation of the cross-case findings, all the unique or less salient developments are removed. Drawing on the extensive salient development, Figure 5.9 depicts the refined tentative model, which display 6 developments in total.

Figure 5.9: Tentative Refined Loop Model



The cross-case findings show the development from TA to EO in CIII and CIV. The case firms started as Traditional Actors and moved to Experimental Outsourcee through their learning and implementing new production and manufacturing and start-up. the said development was not identified in CI and CII as they involved in exports from their inception.

Furthermore, the model shows two developments from Experimental Outsourcee to Active Outsourcee and Explorer. The former (EO to AO) is the result of learning and implementing new production and manufacturing, international and standards, customer relations, and integrated production capabilities by all case firms. The latter (EO to EXP) bypasses Active Outsourcee and is linked to Explorer evident in CII and CIII. Learning about and implementing washing and laundry, integrated production, industry trends and customer relations are the main antecedents for development from EO to EXP. Moreover, the development from AO to EXP is observed in all cases. This development is a result of case firms learning about and implementing new production, promotion management, customer relations, innovation, as well as design and development. The model further demonstrates the advances from EXP to PAR as the involvement in high-quality products, washing, design and patterns, as a promotional tool apart from the active production of OEM and ODM.

On the contrary, the model further shows backward development from Explorer to Active Outsourcee in CI, CIII and CIII. This development is a result of learning, gaining

capabilities and implementing innovative offerings, marketing and sales under the company's own brand and registered names in local markets.

Finally, the same set of learning about and implementation innovation and branding management in regional and international markets are the main antecedents for the development from EXP to EGC in CI, CII and CIII.

Overall, the loop model displays the case firms' movement, which started from Traditional Actor and remained at Active Outsourcee and Explorer, as a hallmark of developing economy firms. Further, the model showed a link to Emerging Global Challenger.

## **5.6 Summary**

This section will show the overall picture of the most common developments among the identified one (Section 5.4.2 and 5.4.3) across the cases with respect to common learning domains (Section 5.2) and ways and reasons (Section 5.3). It is important to note that the description of the learning domains, ways, and reasons may be different from case to case, or different cases may adopt different approaches to similar learning and reasons and vice versa.

Initially, the individual case reveal developments in cases CI (see Chapter 4, Section 4.1.5), CII, CIII and CIV (see appendix VI, VII and VIII,). The cross-case analysis suggests that

Explorer and Partner were different level of the same development, thus merged into one now called Explorer. This merger helps to reduce the data over load as well as the number of developments. Resultantly, the cross-case findings reveal 7 developments in total (Figure 5.8), as a result of the most common identified learning domains, ways, and reasons. In order to get a meaningful representation of the cross-case findings with respect to developments, all the unique or less salient movements were removed, thus leads to six common developments (Figure 5.9) or movement in the value chain as summarized in Table 5.14.

First, the development from TA to EO is a result of case firms learning and implementing new production and manufacturing and start-up. The case firms mainly used customer specifications, investment in machines and partnerships as the most



common learning ways. The main reasons to involve in mentioned learning domains thorough mentioned ways were to develop contacts, meet demand and latest textile production.

Second, the development from EO to AO is a result of the case firms learning about and implementing new production and manufacturing, customer relation, integrated production, and international standards. Customer specifications, investment in new machines in an integrated manner, product partnership are the common learning ways for the said development. Improvement in textile production, develop contacts, meeting the latest demand and improving overall firm performance are the main reasons to learn the way they did.

Third, the development from EO to EXP is a result of the case firms learning in washing & processing, customer relation, integrated production and industry trends. The case firms used customer specifications, investment in vertical production facility and trade fairs and commercial offices as the main learning ways to develop contacts, ability to innovate (upgrade), improve textile production and to meeting the demand.

Fourth, the development from AO to EXP is a result of the case firms learning about and implementing new production/manufacturing, promotion management, innovation, customer relations and design and pattern development. The case firms mainly used experts, customer specifications, investment in new machines, and R&D/ reverse engineering as the most common learning ways. Developing contacts, meeting the latest demand, ability to innovate, having the latest textile production, and improving performance as the main reasons to learn the way they did.

Fifth, the development from EXP to AO is emerged from the cross-case analysis. Interestingly, it is a backward movement and is a result of the case firms learning about and implementing in innovation and branding and marketing management in case firm local markets. The case

firms mainly used R&D/ reverse engineering, experts, design studios and sales agents/outlets as main learning ways in order to develop contacts, ability to innovate, latest textile production, latest demand and branding and marketing activities in local market.

And, sixth, the development from EXP to EGC is a result of the case firms about and implementing innovation and branding management in regional and international markets. R&D/ reverse engineering, experts, design studios and sales agents/outlets are

the most common ways to become involved in the mentioned learning. Finally, developing contacts, ability to innovate, latest textile production, latest demand and branding and marketing as the main reasons to learn the way they did.

Table 5.14: Summary of development with respect to main learning domains, ways and reasons across the cases

No.	Developments	Learning Domains	Ways	Reasons	Cases
1	<b>TA to EO</b>	Setup & startup, New production and manufacturing	Investments in machines, Product partnership, Customer specifications	Develop contacts, Meet latest demand, Improvement in textile production	CII, CIV
2	<b>EO to AO</b>	New production & Manufacturing, International Standards, Customer Relations, Integrated Production	Customer Specifications, Investments in latest machines, Product/ Market partnerships,	Improvement in textile production, Develop contacts, Meet latest demand, Improving overall firm performance	CI,CII,CIII,CIV
3	<b>EO to EXP</b>	Washing & Processing, Customer Relations, Integrated Production, Industry/Market Trends	Customer specifications, Investment in vertical production facility, International commercial office,	Develop contacts, Meet latest demand Ability to innovate, Improvement in textile production	CII,CIII
4	<b>AO to EXP</b>	New production & manufacturing, Promotion Management, Innovation, Customer relations, Design & pattern development,	Experts, customer specifications, Investment in new machines and systems, R&D/RE,	Develop contacts, Meet latest demand, Ability to innovate, Improvement in textile production, Improving performance	CI,CII,CIII,CIV
5	<b>EXP to AO</b>	Innovation, Branding & marketing management (local market)	R&D/ reverse engineering, Experts and design studio. M&A(CIII), Sales agents (CII & CIV), and Outlets(CI)	Develop contacts, Ability to innovate, Improvement in textile production, Branding & marketing (focus on local market)	CI,CII,CIII
6	<b>EXP to EGC</b>	Innovation, Branding & Marketing management (focus on international markets)	R&D/ reverse engineering, Experts Design studio. M&A(CIII), Sales agents (CII & CIV), and Outlets(CI)	Develop contacts, Ability to innovate, Improvement in textile production, Branding & marketing (focus on regional and international markets)	CI,CII,CIII

The next chapter (Chapter 6) will highlight and discuss the main findings of the cross-case analysis with explanations coming from the existing stream of literature.

## **Chapter 6: Discussion**

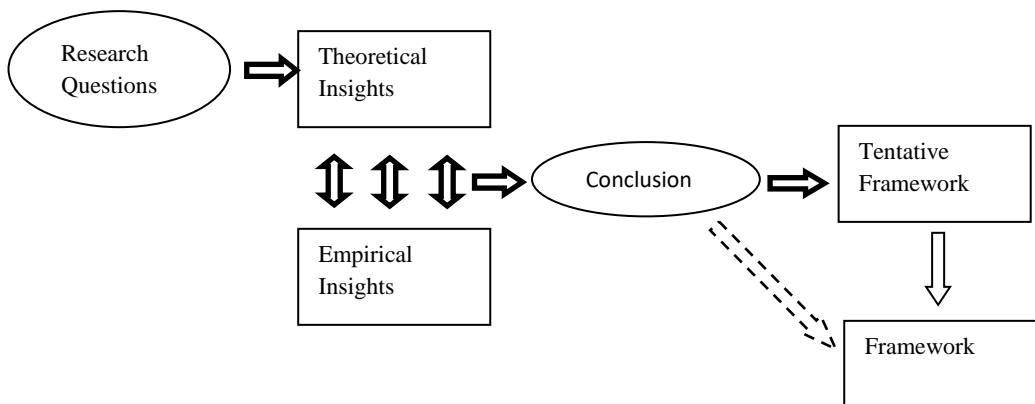
This chapter will discuss the main empirical findings of the study based on the cross-case analysis in Chapter 5, with explanations coming from different streams of literature. The main objective of the chapter is to attain conceptual refinement, develop a concise model, and formulate propositions. The discussion will be based on the main findings and whether they support, challenge or extend relevant existing literature.

The chapter is organized as follows. First, Section 6.1 presents a brief overview of the abductive approach of the study – the continuous modification between the original framework, the data, and the analysis. Next, Section 6.2 describes the discussion of the identified learning ways is to answer the first research question: How do firms learn through supplies ties in offshore outsourcing? A theory development effort investigating the identified motivations (that is, reasons) follows in Section 6.3, and their integrative effects at the aggregate level in Section 6.4 (that is, development) through specific ways. This will then lead to answering the second research question: Why do firms learn the way they do? Finally, the chapter will conclude with a summary of the findings.

### **6.1 The learning Impact of Offshore Outsourcing**

Due to the complex nature and novelty of the phenomenon under investigation, the current study has adopted an abductive approach. This type of approach is suitable and useful if the researcher's intention is to study and discover new dimensions and is open to emerging explanations and relationships of variables (Dubois & Gadde, 2002). The approach involves a cyclical process of checking and rechecking the phenomenon for wider explanations and modifications. Dubois and Gadde (2002) called this cyclical movement between the empirics and a model world "systematic combining" (p.554). Systematic combining is a process "where the theoretical framework, empirical fieldwork, and case analysis evolve simultaneously, and it is particularly useful for the development of new theories" (Dubois & Gadde, 2002, p. 554). They further explained that in this way, the researcher is able to expand his or her understanding of both theory and empirical phenomena. Thus, the approach has strong dependence on theory and is more inductive than a deductive. Systematic combining focuses more on the refinement and development of existing theories than on inventing new ones.

Figure 6.1: The research process in the current study



In the present study, the initial intent was to investigate the learning impact of offshore outsourcing by identifying the learning domains, the ways and reasons for learning. However, the data collection process and deep insights into literature changed the original set of research questions to give equal importance to learning domains in addition to the original ways and reasons. It was not possible to fully understand the phenomenon without knowing about the learning domains involved.

Furthermore, the respondents view offshore outsourcing more or less in supplier-customer perspectives (that is, involvement in new products and processes, develop new relations, increase customer base, new market involvement, services and sales) and rarely see it within the contexts of internationalization and movement in the value chain. In order to stick with the originality of data, the study focuses on learning impacts (domain, ways, and reasons) in supplier-customer relations and exports' aspects (which are offshore outsourcing in the author's view). Similarly, after coding, the summary of each interview was sent to the respective respondents for confirmation, which also led to certain new dimensions being added to the original ones.

In addition, new themes emerged from the rich empirical data, resulting in a re-examination of the literature review to include additional aspects for clearer understanding. This is largely displayed in the expansion of literature covering outsourcing, internationalization process, learning, value creation, and export marketing as the basis of the study and going into new areas such as services, CEO interest, strategic upgradation, and strategic orientation, which were vital for the analysis. Therefore, the findings of the current study are supposed to be better grounded in the

respondents' perceptions of the role of offshore outsourcing in learning, value creation, and market development endeavors. This proposes that all case studies use their offshore outsourcing ties in knowledge and resource acquisition, value creation, market development, and as a platform for internationalizations. The study mainly focuses on the most common dimensions of the above-mentioned activities, examining the common modes and motivations for a company to embark on such activities. Such findings allow for the identification of variables and enhance the understanding about the supplier's (outsourcer's) learning perspective in offshore outsourcing ties. Following a typical abductive approach and repetitive development between theory and empirical data, this study suggests models and propositions that reflect theory development.

## **6.2. Identifying the Learning Domain Through Specific Learning Ways**

The relocation of activities and the value chain across borders – especially to developing and emerging economies – has been a striking international business trend of the last decade; this is a widely-established phenomenon that is still developing and is being rapidly embraced by high value-added activities in recent years. However, despite its growing significance for the innovation processes of high-tech firms (outsourcers), the scholarly literature on offshore outsourcing of high value-added activities is still in need of a similar development. Therefore, this study explores the terrain of offshore outsourcing from a supplier's/outsourcer's perspective. Specifically, the current study focuses on understanding the link between offshore outsourcing and its impacts on the developing economy supplier's learning, their involvement in different modes and main motivations. Emerging from empirically limited research into the role of offshore outsourcing in supplier learning, the present study considers how suppliers/outsourcers learn through their involvement in offshore outsourcing ties. Due to the complex nature of the phenomenon, the question is addressed widely and openly. In total, 13 learning domains emerged through unique and overlapping ways via the suppliers' engagement in offshoring ties, as shown in Table 6.1. For the sake of simplicity, the focus here will be on the three most common ways of learning.

Table 6.1: Learning domains through ways across cases

Learning Domains	Ways of Learning
------------------	------------------

Setup and startup	Implementation of new machines, Product partnership, Customer specification
New production & manufacturing	Implementation of new machines, Product partnership, Customer specifications, Experts
Promotional management	R&D/reverse engineering, Experts, Imitation, Trade fair and commercial offices
Washing and Laundry	Product partnership, Customer specification, Implementation of new machines
Customer relationship	Customer specification, Implementation of new machines, R&D/reverse engineering, Trade fair and commercial offices
International and regional standards	Customer specification, Training, Certification
Innovation	CEO interest, R&D/ reverse engineering, Experts, Customer specification
Branding management	R&D/ reverse engineering, Experts, Design studio
Design and patterns developments	R&D/ reverse engineering, Experts, Customer specifications, Vertical production facility
Integrated production	Implementation of new machine, Customer specifications Vertical production facility
Industry trend	Experts, Customer Specifications, Imitation, Vertical production facility
Conflict resolution	Negotiation and discount
Product diversification	Customer specifications, R&D/ reverse engineering, Imitation, Experts, Investment in equipment and sourcing materials

In the following section, a close examination is provided onto learning domains, and the main ways for learning in light of exiting streams of literature.

### 6.2.1 Setup and Startup

Setup and startup emerged as a main learning domain in the current study through three important ways: investment in new machines, partnerships (related to production, washing, and sales and marketing) and customer specifications.

In all cases, investment in new machinery and manufacturing facilities emerged as the main way to involve in new production, operations and offerings. It enhanced firms production capabilities to start producing new products and increase production capacity, which is in line with the existing literature (Li, Wei, et al., 2010; Sabel & Zeitlin, 1985). Similarly, certain cases (CIV in the start) invested in second-hand machines from western countries to start their production, supporting previous research on emerging-market manufacturing firms in Indian and Pakistani contexts (Malik & Kotabe, 2009). Further, the current study findings show that most of the case firms (the parent companies) were initially involved with semi-finished and low value-added

products, processes, and services, as mostly observed in emerging-economy suppliers (Li, Wei, et al., 2010; Luo & Peng, 1999). For instance, CI, CII, and CIII were initially involved with yarn and fabric production, which are considered as low value-added.

Moreover, the findings mention that cross-border outsourcing partnerships, outsourcing ties and requirements of foreign customers/outsourcers as an important way to know about and enhance their capabilities related to new production and operations, are in line with existing studies focusing on cross border buyer-supplier relations (Li, Wei, et al., 2010; Monczka & Thomas, 1995). Finally, investments in new machines, infrastructure and resources are evident in all cases as requirements to meet the needs and demand of foreign customers (Child & Rodrigues, 2005).

### **6.2.2 New Production and Manufacturing**

New production and manufacturing emerged as an important learning domain which was learned through four identified ways: partnerships, experts, implementation of new machines, and customer specifications. These identified ways confirm the findings of earlier studies.

The suppliers must involve in the latest operations and processes in order to meet the demanded requirements for OEM, ODM and OBM services of the world-leading brands and clients. The growing sophistication in demands and client/outsourcer specifications open learning opportunities for the outsourcee/suppliers to engage in new and technologically advanced operations and processes supporting existing studies that consider cross-border ties as a way of becoming involved in sophisticated operations (Demirbag & Glaister, 2010; Li, Wei, et al., 2010; Luo & Tung, 2007). Furthermore, new product development and manufacturing are mainly manifested through diverse customer and market needs, supporting previous studies on new product development (Freng Svendsen, Haugland, Grønhaug, & Hammervoll, 2011; Perols, Zimmermann, & Kortmann, 2013; Zhao, Cavusgil, & Cavusgil, 2014). In response to the growing need for high value-added operations and new product development, suppliers adopt different ways of acquiring the necessary expertise and technical capabilities to enhance their manufacturing competencies (Koufteros, Vickery, & Dröge, 2012).

Both continuous investments in the latest machines/systems and acquisition of experts' services emerge as most common ways for case firms to become involved in new production and processes. Involvement with experts (designers, developers, and textile experts) are the

main modes of mitigating the competency gap in producing market-demanded products, innovative processes, and related services in a timely manner, as suggested in the literature (Abecassis-Moedas & Benghozi, 2012; Haeussler et al., 2012; Harhoff, Henkel, & von Hippel, 2003). This engagement with experts should be viewed as the driving mode to acquire technical acumen as well as market driven and competitive aspects for new production and manufacturing. It provides new ideas, assists in developing prototypes, helps to upgrade existing products and processes, and develops the suppliers' competencies in the shortest possible time (Crawford, 1992; Haeussler et al., 2012; Harhoff et al., 2003; Rindfleisch & Moorman, 2001; Ulaga, 2003)

Also, the current study partially supports earlier work on implementation and need-based investments in sophisticated machines, systems, and equipment as the main mode to become involved in the latest production and processes. Such investments are vital for the suppliers to adhere to highly demanded processes and offerings (Li, Wei, et al., 2010), reduce technological, productivity, and system gaps in international markets (Svetličič & Rojec, 1994). However, the current study findings did not support the claim that emerging-market firms invest in obsolete technologies from industrialized economies as a basis of firm-level capabilities development (Malik & Kotabe, 2009) in case of new offerings. This deviation may be due to the fact that the focus of the current study is on apparel and home textiles; that are, highly fashioned content and seasonal driven by international markets, requiring the latest products and processes.

Similarly, joint ventures/alliances and partnerships are the most dominant ways to adopt new production and processes by the case firms across the cases. It is important to note that partnerships include both alliances with leading market players as well as with suppliers in co-product development, marketing, and supplies. The present findings supports existing studies showing that alliances and partnerships are the main sources of opening new opportunities and are a vital mode in firm development (Inkpen & Pien, 2006), and learning from partners (Peng & Heath, 1996). Further, the alliances of case firms with international player earned them access to critical skills and competences in their new production endeavors to overcome their inherited bottlenecks in production,



processing and operations. This is in line with the learning and acquisition of knowledge from foreign partners (Li, Wei, et al., 2010; Savva & Scholtes, 2014).

An interesting aspect emerged in the current study, in which certain unit(s) of the case firms are having partnership(s)/alliance(s) (as noted in CI and CIII) with leading international firms, where both intra- and inter-firm learning occurred at the same time.

This is in line with the integrated perspective, where simultaneous learning at both inter- and intra-firm levels occur (Liu et al., 2010). This may be due to the integrated nature of case firm's operations and production.

Moreover, the present findings identify that suppliers have complete responsibility of the whole operation from conception to shipment of final products according to demanded specifications. This support existing studies relating the suppliers' capabilities and expertise with enhancing the manufacturing (Koufteros et al., 2012), and the development of product components (evident in CII and CIII), called the "black box" integration (Handfield, Ragatz, Petersen, & Monczka, 1999).

### **6.2.3 Promotional Management**

The current findings show promotional management as an industry norm and important aspect to develop and present seasonal collections (new concepts, products, and process, etc.) as promotional tools.

Both R&D, reverse engineering (RE) and imitation are the dominant modes to improve existing and/or produce new and innovative products, processes, services and adding new aspects to existing offerings on a seasonal basis as a response to market emerging needs. The cross-case findings suggest that R&D in majority of cases is limited to product development, transition and inspiration, shows their weak R&D capabilities. Therefore, the findings show the dominant role of reverse engineering, imitation, and alternative ways in producing new offerings support those of previous studies (Malik & Kotabe, 2009; Patel & Pavitt, 1995; Santamaría, Nieto, & Barge-Gil, 2009; Shenkar, 2010). Such alternative modes of R&D have spillover of private knowledge from rival products, market-winning processes, designs, and ideas into valuable learning (Gavetti & Levinthal, 2000). This permitted the case firms to enhance their capability to identify and assimilate relevant knowledge components and translate them into meaningful

whole for different purposes (such as offering new products, designs, and washings, etc., as a seasonal collection) in a short time and at lower costs. These findings are in line with earlier work on reverse engineering and imitation as alternatives for innovation and R&D in emerging economies as well as in low and medium technology industries (Malik & Kotabe, 2009; Santamaría et al., 2009). An interesting aspect that emerged from the current findings is that innovative offerings are not solely related to R&D and technological knowledge, but also – and vitally – to creativity and reconfiguration abilities of the case firms. In this regard, the current findings mentioned the radical reconfiguration of technologies, resources, processes and relationships within a broader stakeholder ecosystem. Therefore, the innovation in the case firms (DESSs) is different from what the firms have accessed in advance economies. The innovation and innovative capabilities of the DESSs are based on the active integration of international technologies into local settings in a dynamic way.

Furthermore, trade shows and commercial offices (TFCO) emerged as a vital source of enhancing the promotional management activities across case firms. TFCO plays a double role, as it provides a platform for direct contact with the clients as well as to get market updates. In this regard, the current study supports existing studies viewing TFCO as a vehicle for promotion and selling (Blythe, 1997; Chongwatpol, 2015; Evers & Knight, 2008; Gopalakrishna & Lilien, 1995; Kerin & Cron, 1987). Commercial offices are instrumental in designing customized offerings and marketing campaigns through direct contact with the clients; meanwhile, trade shows are the main way to showcase innovative offerings. The present study links these findings with earlier work mentioning that TFCO is a main mode for knowledge and information acquisition regarding the latest technologies (Rice & Almossawi, 2002), products (Hough, 1988) competitors (Blythe, 2000), potential buyers (Tesar, 1988), suppliers (Godar & O'connor, 2001), and recent advances (Tanner, 2002) for their future developments. In this context, the use of TFCO is the dominant mode of knowledge and information acquisition about the latest market happenings and latent needs. Therefore, the TFCO serves as an important source of market intelligence in all cases.

In addition, the present study identified engagement with experts (designers, developers, technical consultants etc.) as an important source of learning and acquiring external knowledge for the development new products and promotional collections. Due to the inherited knowledge gaps, all case firms actively hire experts or acquire their services to enhance their technical abilities related to the latest production, product concepts, new designs, developing prototypes, market, and other dimensions for new offerings. The

findings support previous studies stating experts as an important source of external knowledge (Creplet, Dupouet, Kern, Mehmanpazir, & Munier, 2001; Huber, 1991), new product development (Haeussler et al., 2012; Smallbone, North, & Leigh, 1993), and learning (Bierly III & Daly, 2007).

#### **6.2.4 Washing/Processing**

Washing and the latest processing were found as the main learning domain learned through three main ways: product partnership, customer specification, and investments in the latest machines/systems.

Customer specifications are the main mode of learning about and acquisition of expertise related to technological, managerial, production (new product development), and marketing spheres by suppliers in offshore outsourcing ties. In outsourcing ties, customers share detailed specifications (Salomon & Shaver, 2005) of their diverse requirements with suppliers in order to get the desired quality and standard (Wei & Liu, 2006) in their orders. These specifications and requirements are the main sources for suppliers to know about and acquire advanced technology, international market knowhow, new product developments, latest trends and R&D (Ernst, 2000). The suppliers participate and integrates in the global value chain (GVC) through working with clients and lead customers. The provision of OEM, ODM and OBM services, creating learning opportunities and developing unique capabilities for the suppliers, as suggested in existing studies (Maskell, Pedersen, Petersen, & Dick Nielsen, 2007; Petersen et al., 2005; Wei & Liu, 2006; Young et al., 1996). The engagement and inclusion in GVC and multiple outsourcing ties over time enhance the suppliers learning and capabilities in both economic and ecological dimensions.

Furthermore, the findings support earlier work on relationship multiplexity, with some exceptions. Relationship multiplexity is the extent of suppliers' diverse contacts and relational links with lead customers; which creates resources and learning support for the firms in relationships (Ferriani et al., 2012).

The present study findings show an interesting aspect that some transactional/arm-length ties also, to a certain extent, enhance the suppliers' learning and resource acquisition related to value-added aspects (detailed specifications and concrete knowledge about finishing, as noted in CII). Thus, adds to the experiential learning of the supplier firms.

Further, sourcing ties and special engagements with world-leading customers, washing houses, and chemical suppliers served as an important mode to become involved in global value chain and acquire the latest techniques and knowledge in washing, laundry, sophisticated finishes, and treatments. The cross-case findings reported advanced washings and finishes as the main ways to improve quality, aesthetics, and functionality, leading to high-value addition in their offerings. In addition to customer specifications, the majority of cases approach chemical suppliers to seek help in the use of alternative explicit dyes, rinse, colors, and shades for unique finishes (as evident in CI, CII, and CIII). This is in line with earlier work on maintaining ties with suppliers to source certain inputs, processes, and services in the transformation processes to value addition (Homburg & Rudolph, 2001). Similarly, strategic alliances with leading international washing houses (as in CI, with Martelli, and CIII, with Tonello) were the basis for learning and acquiring know-how about the latest washing, credence the resource based and international strategic alliance literature (Beamish, 1993; Dong & Glaister, 2006; Inkpen & Beamish, 1997; Liu et al., 2010). The acquisition of knowledge and learning from foreign partners (Inkpen & Pien, 2006) is the main source of developing the latest washing techniques.

Moreover, engaging with lead customers in specific technological projects remained a major source of knowledge acquisition and learning regarding the latest and technologically driven processes and operations. For instance, CI completed an innovative project of “waterless jeans” with one of its prime customer, reducing the amount of water consumption by 40 percent in their washings processes. This enhanced CI’s washing and laundry capabilities, supporting earlier work on knowledge acquisition and learning related to operational assets, process management, R&D skills (Nonaka, 1994), technological support (Wei & Liu, 2006), joint problem solving (Child, Faulkner, & Tallman, 2005; Wei & Liu, 2006), and co-creation and joint innovation (Hensmans; Ramaswamy, 2010). This provides a cooperative environment for involved parties to enhance relationship and remove long-term uncertainties, enable them and especially for DES to work through complex issues together and enhance future capabilities.

These arrangements enhance DES’s learning through direct feedback, intensive communication, and problem-solving arrangements with customers for their customized requirements (Aron & Singh, 2005). So, it is obvious that in all cases the main learning and knowledge base is connected to international network, textile global value chains and ties with foreign outsourcers rather than domestic and parental networks.

Similarly, the acquisition and adaptation of state-of-the-art technology and equipment are the main sources to involve in modern production, and advanced washing and processing. This reflects an interactive learning process that develops competences, narrows down the technology gap to a certain extent, and arms the company with the necessary capabilities to respond to the dynamic needs for the latest washings and processing. This validates existing findings showing that advanced technology is helpful in developing competences (Sohal, Sarros, Schroder, & O'Neill, 2006), coping with variations in product requirements, quality, production capacities, and improving flexibility (Hofmann & Orr, 2005; Nemetz & Fry, 1988).

### **6.2.5 Customer Relationship Management (CRM)**

Establishing good working relations with customers is an important domain, enhanced by constantly meeting customer specifications, implementing the latest machines/systems, becoming involved in innovative/R&D activities, and establishing direct contacts with customers (through TFCO).

Meeting diverse customer/outsourcer specifications is the dominant mode to retain and extend future ties. Meeting specifications is regarded as more dynamic and challenging than ever, as outsourcers/customers prefer one-stop shops, cutting the number of suppliers in their value chain and focusing on ties with specific (lead) suppliers. In this regard, suppliers get heterogeneous, more differential, and customized requirements in meeting recent orders than before, as discussed in earlier studies (Kalaiganam & Varadarajan, 2012; Rangan & Bowman, 1992).

The current study findings relate the supplier's continuous response to customers' specifications (hard and soft) (Hortinha, Lages, & Filipe Lages, 2011; Xu, Yen, Lin, & Chou, 2002), and value addition in their OEM, ODM manufacturing ties enhance interactions, supporting earlier work (Möller, 2006; Möller & Törrönen, 2003; Ulaga, 2003; Ulaga & Eggert, 2006; Walter, Ritter, & Gemünden, 2001).

Furthermore, working with diverse customers and meeting their dynamic specifications remained vital for both customer's and supplier's value creation, support existing studies mentioning the role of suppliers in value creation (Hutt & Speh, 2013; Ulaga, 2003) in business relationship. On one hand meeting the customer specifications enhance customer value through cost reduction, on-time delivery, conflict resolution, corrective action, technical advices, and new product development support (Monczka & Thomas,

1995; Ulaga, 2003; Ulaga & Eggert, 2006). On the other hand, it enhances supplier's learning and acquisition of latest knowledge and creating good image among customers being competent supplier and can get a key supplier status- "lead supplier". In addition to sale growth and revenue, the key supplier role gives them access to vital sources of knowledge about new product ideas, technologies, market access, and most importantly marketing management (Andersen, Narus, & Rossum, 2006; Anderson et al., 1994; Möller, 2006; Walter, 1999).

The supplier's investment and implementation of the latest technology and systems is the main mode to reduce the competence gaps in meeting customer requirements for innovative OEM and ODM. The investment in the latest hardware, technology, and systems is the driving force

that helps the suppliers to develop distinctive competences to cope with the dynamics in international market demand (Hofmann & Orr, 2005; Pandza, Polajnar, & Buchmeister, 2005; Sohal et al., 2006). These findings support earlier work on the acquisition of sophisticated technologies and systems as a vital source of innovation, new product development, and better shaping product ideas into reality in order to meet customer needs (Hortinha et al., 2011; Slater, Hult, & Olson, 2007; Zhou et al., 2005) in a better way. Similarly, the current findings support previous work on the use of sophisticated systems such as production floor automation (Eton stations), sales force automation, online ordering procedures, tracking systems such as Radio Frequency Identification (RFID), customer service, support and market automations, computer-aided design (CAD), and computer-aided manufacturing (CAM) (Chen & Small, 1996; Xu et al., 2002) as important CRM tools.

The acquisition and proximity to novel technologies, systems and processes by developing economies firms combined with low cost base leads to innovation (frugal innovation) different from what developed economies have access to. Moreover, the findings lead to an interesting dimension of unplanned incremental innovation/improvement in existing products and processes during the adoption of the latest technology/systems to local settings. This supports the work of Raymond, Croteau, & Bergeron (2009), who found that advanced technology has a positive impact on small and medium firms' innovation.

Moreover, R&D and reverse engineering/imitation were important modes that the suppliers used to design, develop, and produce innovative offerings as a response to the changing seasonal needs of the market. In this regard, both internal and external

R&D/RE emerged as fundamental sources of innovation and up-gradation of existing offerings and operations. Internal R&D is limited to product development, transition, and inspiration across cases, showing weak R&D capabilities. Therefore, the findings also mentioned the dominant role of reverse engineering, and imitation as alternative modes in producing unique offerings in an effective manner, supporting previous studies (Malik & Kotabe, 2009; Santamaría et al., 2009; Shenkar, 2010). Furthermore, the present study's findings (as evident in all case firms) suggest the use of offshore R&D, design, and product development centers by the case firms to improve their limited internal R&D capabilities and competitiveness (Manning et al., 2008). This supports previous work on the offshoring of R&D and innovation (Farrell, 2005; Fifarek & Veloso, 2010; Lewin & Couto, 2007; Nieto & Rodriguez, 2011). The findings relate the supplier's R&D across borders to a search for technological and knowledge resources to customize its offerings and meet international market demands. This leads to interesting aspects and adds to the outsourcing literature, showing that the offshoring of R&D is not limited to MNEs, but is rather an emerging practice among DES. This help them to better handle emerging demand and customize needs of international customers.

Similarly, trade shows and commercial offices (TFCO) emerged as a vital source of customer relationships across cases. As previously mentioned, TFCO plays a double role as it provides a platform for the suppliers to have direct contact with customers and to stay up-to-date with the evolving market developments. TFCO is a vital mode of keeping existing ties with customers across multiple touch points through tailored-made treatments to create value for them, supporting previous work on CRM (Boulding, Staelin, Ehret, & Johnston, 2005; Kumar & Ramani, 2004). Customer relationship emerged as a customer-centric strategic aspect of a cross-functional synthesis of diverse operations, processes, men, and marketing capabilities, supported through market information, the latest technology, and sophisticated applications. These findings support earlier work on CRM and value creation (for both supplier and customer) (Lambert, 2009; Payne & Frow, 2005, 2006; Payne, Storbacka, & Frow, 2008; Zablah, Bellenger, & Johnston, 2004).

The current study findings identified an important aspect that customer relationship is both top-down and bottom-up, as the involvement in customer relationship is an organization wide process in all case firms. All case firms focus on customer centric approaches, thus encourage an environment where individuals feel “psychologically safe” to think, express and share their views freely in different operations. This has positive effect on various aspects of customer relations and on longevity in business.

## 6.2.6 International and Regional Standards

Consistent with existing studies, the current study identified customer specifications, training and certifications as the main ways to learning about and implement international/regional standards.

International standards is qualifying criterion in the global market and an important element of international trade (Clougherty & Grajek, 2014; Hill & Hill, 2009). They reduce the cost of the supply chain by harmonizing international requirements and lowering monitoring costs, thus enhancing cross-border trade (Christmann & Taylor, 2006). Customer requirements are vital and the main mode of learning and adopting internationally accepted standards in both hard &

soft aspects. Involvement in international/ regional standards emerges in the current study via customers requiring their suppliers to meet specific standards and code of conduct of international trade, regulations, and market requirements related to production, operations, environment and society etc., Therefore, international customers only work with suppliers who work according to their philosophy.

The current findings indicate that DES's adoptions to international standards are response to requirements and pressures from international customers, international institutions and governance, therefore, compliance with standards become the de facto requirements for DESs to engage in international business, supporting existing studies (Kang et al., 2009; Spekman, 1988). In addition to customer strict requirements, there are also instances of suppliers' voluntary involvement in certain standards (such as CI, in CIII in certified ISO 8000, 14001, etc.), supporting the existing literature (Christmann & Taylor, 2001, 2006).

In addition to international standards, the findings further highlight the role of regional (the EU, the American) and customer-specific standards as the main source of learning and involvement in new practices in a legitimate manner. Similarly, certifications and training are important ways of adopting international standards. The suppliers receive training, accreditations, and certifications from world-leading consultants, bodies and independent auditors who regularly monitor and certify their compliance with standard requirements (Cashore, 2002).

To sum-up, the study's findings support the existing literature mentioning that certified suppliers perform better in information collection and analysis, skill development,



global value-chain relationship, management practices, exports, and signaling quality and safety in their offerings (Blind, 2001; Swann, Temple, & Shurmer, 1996).

The cross-case findings identified an important aspect regarding the involvement and inclusion of case firms in the GVC. This not only leads to economic upgrading (product process, technology, learning, sales etc.), but the social and ecological dimensions as well. Therefore, the focus on the learning impact of offshore outsourcing on DESs social and environmental upgrading is an emerging theme and important contribution to the field of outsourcing and global value chain. Hence, validating the recent studies that addresses the environmental upgrading theme in GVCs (Khattak, Stringer, Benson-Rea, & Haworth, 2015; Marchi, Maria, & Micelli, 2013).

### **6.2.7 Innovation**

Consistent with the existing literature, the four main ways of innovation identified in this study include customer specifications, experts, R&D/ reverse engineering, and CEO interest, hence confirming earlier work highlighting the mentioned modes as facilitators of innovation (Hortinha et al., 2011; Li, Wei, et al., 2010; Lisboa et al., 2011; Santamaría et al., 2009; Tsinopoulos & Al-Zu'bi, 2012). Similarly, the findings support existing studies considering innovation as both exploitative and explorative and including market, product development, processes and firm renewal (Bonner & Walker, 2004; Vorhies, Orr, & Bush, 2011; Weerawardena, 2003; Yalcinkaya, Calantone, & Griffith, 2007).

Customer specifications (unique and repeated) emerged as the most influential mode of learning and knowledge, as it exposes the suppliers directly to the diverse knowledge base of their sourcing partner/customers and indirectly to the market/regions in which they are working. The current findings highlight the fact that suppliers' multiple relations and diverse contacts (transactional, relational, co-development, and others) with international customers expose them to various learnings, which supports earlier work (Ferriani et al., 2012; Tuli et al., 2010). As the suppliers obtained detailed specifications and assistance about quality, standards, delivery, technical aspects, the latest treatments, designs, and other dimensions, they boosted their learning and basis for innovative capability in different spheres (Ferriani et al., 2012; Love & Ganotakis, 2013; Salomon & Shaver, 2005; Tuli et al., 2010; Yeoh, 2004; Zahra, Ireland, & Hitt,

2000). This helps suppliers to identify opportunities, create and adjust their offerings according to the international market (Alcacer & Oxley, 2014; Clerides, Lach, & Tybout, 1998). Such exposure enhances learning (single, double loop, exploitative, explorative, etc.) and innovations (incremental, radical). The current study findings showed instances of radical innovations initiated by lead customers, where the supplier actively engage in implementation and production (as seen in CI), termed as joint innovation center. Such engagements provide a collaborative environment for managing the customer-supplier relationship and enhance the long-term cooperative ties. This contributes to both innovation and outsourcing literature by highlighting the role of suppliers (DESSs) in innovation in offshore outsourcing ties.

Similarly, the findings identified experts as an important mode of external knowledge acquisition and innovations (Barney, 1991). In addition to internal experts, the suppliers in case firms approached external experts to develop an in-depth understanding of their current problems, dynamic customer needs, and market trends for new products and processes. The findings support the existing literature on the important role of experts in creating new product concepts, designs, processes, and/or upgrading existing ones (Haeussler et al., 2012; Smallbone et al., 1993), as well as their role as a source of external knowledge (Creplet et al., 2001; Huber, 1991), and learning (Bierly III & Daly, 2007). In a similar vein, Rao & Drazin (2002) related men movement with enhanced innovative abilities and new offerings (new product development etc.).

Correspondingly, in the case firms, CEO support emerged as the most important drive of innovation. It encourages an organizational culture where individual and team members share their views and act freely, which dramatically improve the change aspect and innovation. The support from top management for unpredictable innovative outcomes and profitability is associated with both local and international operations. The current findings support existing studies considering strategic orientation (SO) as a way of acquiring knowledge and resources, as well as a mean to apply the acquired knowledge and resources in a proactive manner (offering new products, processes and services etc.) (Lane et al., 2006; Mavondo, Chimhanzi, & Stewart, 2005; Wiklund & Shepherd, 2003).

The literature relates SO with market orientation (MO) and entrepreneurial orientation (EO) (Li, Liu, & Zhao, 2006; Zhou et al., 2005). The EO reflects the suppliers' operations and decision making that stimulates pro-activeness (such as promotional seasonal collections), innovation (such as continued changes in operations, processes,

and offerings through the latest technology), and risk taking (customer-specific investment, investment in new diversified production and own branding) (Ahuja & Lampert, 2001; Baker & Sinkula, 2009; Li, Wei, et al., 2010; Rauch et al., 2009) are in line with the findings of the current study. However, the current study did not fully support the pro-activeness dimension due to lack of resources and critical technical knowledge. MO reflects the customer-centric philosophy of the supplier to better serve customers and react to the market emerging needs in their OEM, ODM, OBM ties (for instance, by adopting the latest technology, processes, and systems) for innovative and high-end future offerings (Li et al., 2006; Slater & Narver, 1995).

Further, R&D/ reverse engineering and imitation emerged as the main modes across case firms to take part in upgraded and innovative offerings and processes. Both internal and external R&D emerged as vital sources of innovation and up-gradation. The role of case firm's internal R&D capabilities is limited to product development, transition and inspiration in majority of cases. Therefore, the involvement in reverse engineering and imitation are useful to understand market's successful innovations and enhance the absorption of new technologies, knowledge,

processes and concepts (Cohen & Levinthal, 1989; García et al., 2012), which can only guarantee incremental innovation. The current findings support existing work showing that firms with internal R&D have greater R&D spillovers and absorptive capacity (Coe & Helpman, 1995; Cohen & Levinthal, 1990; Jaffe, 1986).

Lastly, findings converge on reverse engineering, emulation and imitation as alternatives to R&D in offering innovative products and operations in a cost- and time-effective manner, supporting previous studies (Malik & Kotabe, 2009; Santamaría et al., 2009; Shenkar, 2010). In addition, the cross-case findings show the use of foreign R&D, design, and product development centers and collaborations as ways of supporting internal R&D capabilities (Castellani & Zanfei, 2007; Manning et al., 2008). This supports previous work on the offshoring of R&D and innovation (Farrell, 2005; Fifarek & Veloso, 2010; Lewin & Couto, 2007; Nieto & Rodriguez, 2011). Further, the findings relate the suppliers' R&D offshoring as a way to search for the necessary technological and knowledge resources to support their innovation endeavors. This contributes to the outsourcing literature, indicating that the offshoring of R&D is not limited to MNEs, but an emerging practice and vital source of innovation among suppliers from developing economies as well.

## 6.2.8 Brand Management

Parallel to innovation and promotional management, the study also identified brand management; that is, original branding manufactures (OBM). Suppliers adopted R&D/ reverse engineering, design studio, and experts as main learning modes across cases, to enhance their branding management and registered collections, which is consistent with existing studies (Chu, 2009; Humphrey, 2004; Zhang, 2011).

The findings relate the suppliers' learning in ties with foreign customers; the frequent OEM and ODM interactions with international customers lead to suppliers' learning and growth. The findings support existing studies on learning by exporting, learning by supplying, and learning by doing (Alcacer & Oxley, 2014; Aw, Roberts, & Xu, 2008; Chu, 2009; Hobday, 1995; Love & Ganotakis, 2013). Moreover, the findings show the suppliers' accumulation of knowledge and capabilities to expand and develop (OEM, ODM, and OBM) in high value-added activities (Aw et al., 2008; Chu, 2009; Zhang, 2011). Over time, the OEM and ODM ties allow the suppliers to acquire market knowledge including- design, manufacturing, and related specifications.

Similarly, the service acquisition of designers, developers, and textiles experts connects the suppliers directly to innovative designs, and new product and process concepts (annual collections) (Bierly III & Daly, 2007; Creplet et al., 2001; Haeussler et al., 2012). The present study's findings support existing work showing that suppliers get help from experts and specialists to introduce technical, market, and other aspects that potentially improve their production and offerings (Berman, 2002; Haeussler et al., 2012; Moorman et al., 1992; Zipkin, 2001). Similarly, the use of experts across the cases emerged as the vital source of new product development and innovative services, supporting earlier work (Bierly III & Daly, 2007; Santamaría et al., 2009; Smallbone et al., 1993).

Further, in addition to internal R&D and reverse engineering capabilities, offshore R&D and design centers connect the suppliers to the latest trends in international markets (Fifarek & Veloso, 2010; Lewin & Couto, 2007; Nieto & Rodriguez, 2011) in general, and specific to the supplier target market. The active involvement of suppliers in outlets, sales, marketing/commercial offices, and sales agents emerge as sources of promotional engines and customer relation in international markets (Payne & Frow, 2006; Zablah et al., 2004).

The findings show clear instances of the suppliers branding endeavors as an important part of their business strategy, which is not in direct conflict with the existing OEM and ODM ties or threatening their buyer's in their main international markets (as seen in CI, CII, and CIII). Further, the supplier branding (OBM) endeavors focus on domestic, regional and international markets (as seen in CI, CII, CIII). They are in their early stage of their branding, as they focus on a niche in the market or certain products line as a strategy to avoid high risk and investments in the supply chain and branding. In addition, the findings further reveal three unique ways that case firms use to augment their branding endeavors, namely acquisitions (CIII), outlet(CI), and sales agents (CII).

### **6.2.9 Design and Pattern Development**

Parallel to OEM, ODM, and OBM, the findings also identified the design development (ODM) and pattern development (PDM) services. Consistent with the existing literature, the servitization aspects (design and pattern developments) (Vandermerwe & Rada, 1988) emerges as the main domain across cases through R&D, experts, vertical production facility, and customer specifications.

The present findings indicate that the supplier's involvement in integrated product support services and solutions is a source of competitive advantage, value creation, and downstream movement for the traditional manufacturers, supporting earlier work (Baines et al., 2009b; Desmet, Looy, & Dierdonck, 2003; Vandermerwe & Rada, 1988; Wise & Baumgartner, 1999).

Customer specifications emerge as the dominant mode for the suppliers to learn and become involved in customer-centric designs and pattern services. The findings support the previous service-centric studies considering customers as both clients and development partners (Gebauer, Bravo-Sanchez, & Fleisch, 2008), as their specifications are vital for learning about technical aspects, the latest treatments, designs, and other dimensions (Baines et al., 2009a; Love & Ganotakis, 2013; Salomon & Shaver, 2005; Yeoh, 2004; Zahra et al., 2000). The suppliers are not only provided with OEM, ODM, but also with tailored solutions and pattern development service (Baines et al., 2009b; Miller, Hope, Eisenstat, Foote, & Galbraith, 2002), which the customers use in their orders with existing suppliers and/or in other sourcing ties. In similar vein, customer specification and involvement in GVC governance are vital for

learning about the social and environmental aspects (Barrientos, Gereffi, & Rossi, 2011; Marchi et al., 2013).

Similarly, the involvement in R&D/design centers and designers/developers emerge as another holistic mode for the suppliers to become involved in design and pattern development across the cases. Such arrangements offer opportunities for suppliers to move up in the value chain and exploit high-end activities besides OEM (Baines et al., 2009b). The importance of experts is equally evident in all cases. Creating a service-oriented environment the case firms acquired and involved in both soft skills (latest knowhow through experts) and hard competencies (through investments in the latest machines/systems and expertise). The current findings support the existing literature on the important role of experts for the service dimensions and as a vital success factor (Baines et al., 2009a; Gebauer et al., 2008; Mathieu, 2001) in creating service environment. Designers and developers creating new concepts, designs, and patterns and/or upgrade existing ones (Haeussler et al., 2012; Smallbone et al., 1993); they also bring external knowledge (Creplet et al., 2001; Huber, 1991), and learning (Bierly III & Daly, 2007). Rao & Drazin (2002) mentioned that men movement enhances firms' innovative abilities. Moreover, the current study supports earlier work specifying the importance of R&D/design centers in providing customized pattern developments, knowledge of complex design and patterns, and solutions to clients' emerging challenges (Gebauer et al., 2008; Gebauer, Edvardsson, Gustafsson, & Witell, 2010). Similarly, the current study's findings support the study conducted by Gebauer et al., (2008), which found that a special R&D team and resources are vital for better performance.

Finally, the active investment and application of vertical infrastructure emerge as a vital source to develop design and pattern services. The cross-case findings mentioned that the output of one unit is the input of another in a composite production. The pattern development is the combined task of different units, from idea to the final sketch on the fabric, which is out of question without the integrated facility. This supports earlier studies on the use of integrated manufacturing (IM) driven by the adoption of the latest manufacturing technologies and processes in an integrated manner to improve design and pattern development services (Dean Jr & Snell, 1996; Schmenner, 2009).

### **6.2.10 Integrated Production**

Involvement in the latest integrated production was found to be the main learning domain across the cases, and was learned mainly through customer specifications, implementation of new machines/systems and vertical production facility.

Customer specifications emerged as the dominant mode for the suppliers to learn about and become involved in customer-centric and market-driven production (such as OEM, ODM, and related services across cases). The current study findings support existing studies on customer-centric operations as way of continually learning through collaborating with customers, where the suppliers (DESSs) consider the customer a necessity (for continuity of business) and an opportunity (to learn and acquire new trends) (Baines et al., 2009a; Covin & Slevin, 1989; Gebauer et al., 2008; Matthing, Sandén, & Edvardsson, 2004). In this regard, working and dealing with customers' and their specifications are vital for learning and gaining knowledge about new ideas, technical aspects, the latest treatments, designs, and other dimensions (Gebauer et al., 2011; Love & Ganotakis, 2013; Zahra et al., 2000).

Further, to address the latest specifications and customer preferences for a one-stop-shop, the suppliers invested in the latest integrated infrastructure, hence, supporting existing studies (Lumpkin & Dess, 1996). Parallel to customer specifications, the study's findings invariably identify strategic investments in the advanced manufacturing technologies, systems, latest techniques, and processes to produce in an integrated manner. The findings support the existing literature on the strategic nature and

importance of integrated manufacturing and technological orientation (Dean Jr & Snell, 1996; Gebauer et al., 2011). The findings show the suppliers' commitment to R&D, acquisition and application of new technology, systems, and techniques to mechanize their production in an integrated way (Gebauer et al., 2011; Helfat & Raubitschek, 2000; Li, Wei, et al., 2010; Svetličič & Rojec, 1994), which creates value (Ulaga, 2003) in their relationship with customers.

### **6.2.11 Industry Trend**

The current study identified customer specifications, experts, imitation, and commercial office/tradeshows as the common ways to learn about and implement latest trends in their operations and offerings. Thus, confirming earlier findings highlighting industry trends as providing strategic market orientation, market sensing, and market learning (Atuahene-Gima, 2005; Matthing et al., 2004; Mintu-Wimsatt & Gassenheimer, 1996).

As usual, across cases, customer specifications remained the most influential mode of learning about and acquiring the latest market happenings and emerging trends in international markets. The findings support the existing studies mentioning customer interaction as a mode of learning about the market and facilitating market sensing about wide aspects and developments, including- technology, fads and fashion, standards, rules and regulations, materials, processes, competitors etc., (Brooks & Rose, 2008; Ferriani et al., 2012; Fifarek & Veloso, 2010; Love & Ganotakis, 2013; Mintu-Wimsatt & Gassenheimer, 2000; Salomon & Shaver, 2005; Zahra et al., 2000). For instance, CI participating in key project(s) with Levi's bring cutting-edge ideas about production and processing of waterless jeans.

Similar to customer specifications, experts emerged as the widely-used mode to keep the suppliers updated with the dynamic needs and new trends of international markets. The findings support existing studies suggesting that experts develop deep understanding of the current market and formulate future market knowledge through a mix of ideas, creativity, and visions according to the market's current and emerging needs (Creplet et al., 2001; Haeussler et al., 2012; Nieto & Rodriguez, 2011).

Similarly, imitation and its advanced variants – emulation and reverse engineering – emerged as an important mode across the cases to know about and acquire the latest market information, practices, processes, market-winning products, and strategies. The findings showed that case

firms used open and flexible approaches (such as imitation, emulation, reverse engineering etc.) to get new ideas and market information for their updates. The findings are consistent with existing studies showing developing-country suppliers' involvement in imitation, emulation (Bessen & Maskin 2009; Brooks & Rose, 2004; Shenkar, 2010), and reverse engineering (Malik & Kotabe, 2009) to flatten their learning curve. Further, the findings are in line with earlier work mentioning imitation as a short-



term device used to learn about a specific task or certain aspects and to absorb only relevant knowledge (Brooks & Rose, 2004; Hobday, Rush, & Bessant, 2004; Malik & Kotabe, 2009). Similarly, DES builds their own competences through emulation and reverse engineering in the long-term (Davies, 2000; Minagawa, Trott, & Hoecht, 2007).

Finally, trade shows and international commercial offices emerged as a central mode across the cases to update the suppliers with the latest happenings in international markets. The current findings support existing work showing that trade shows are the main vehicle for knowledge and information acquisition related to new offerings, competitors, state-of-the-art technologies, suppliers, and the latest trends and developments (Blythe, 2002; Ernst & Kim, 2002; Kogut & Zander, 1992; Li et al., 2008; March, 1991; Tanner, 2002). The current findings mentioned commercial offices are instrumental in direct contact with the markets and obtaining first-hand information about the latent needs of the markets. Hence, contribute to earlier work considering direct contact with clients in their respective markets as an effective way to know about their markets (Matthing et al., 2004; Nonaka, Krogh, & Voelpel, 2006; Sachs & Warner, 1995).

### **6.2.12 Conflict Resolution**

The current study's findings identified negotiation and discounts as a multi-dimensional mode to settle issues and problems arising in relations with customers. Due to the nature of the outsourcing relationship between firms, conflict is inevitable and unavoidable. Conflict in offshore outsourcing is particularly problematic, given the integrated nature of the garments/home textile production, complexity in technology, interpersonal relationships, level of details in specifications and in contracts, and cultural differences. The way conflict is resolved has implications for the relations between outsourcees and outsourcers and inter-organizational relationships in general (Goles & Chin, 2005)

The findings identified negotiations and other dynamic corrective measures (such as discounts, alternative mode of transport, etc.) applied according to the nature of problem, products, customers types, and market for smooth and long-term working relations (Jelinek, 2014). Following the customer-centric perspective and long-term relations with transactional, seasonal and lead customers, the current findings contribute to existing studies on collaborative and integrative negotiations (Doh, 2005; Jelinek,

2014). In case of any issues (such as a mismatch with required specifications, quality, delivery schedules, etc.), the suppliers openly share information, and make sincere efforts to handle and mutually settle the matter through different corrective measures and means, supporting the existing literature (Baldwin, 2001; Mikkola, 2003; Smith & Mckeen, 2004).

### **6.2.13 Product Diversification**

The product diversification in the current study emerged as an important learning domain, and learned through R&D/ reverse engineering and improvisation. Other important ways for learning include customer specifications, imitation, experts, investment in machines and systems, and sourcing materials are adopted by specific case firms. R&D and reverse engineering remained the most common mode among the identified ones. Although product diversification is not prominent across the cases (as evident in CI and CII only), it still emerged as an important dimension for the suppliers to enrich its product offerings, increase sales through meeting customers' dynamic demands and flexible manufacturing strategies (Monczka & Thomas, 1995).

The findings of the current study support existing studies that consider customers both a necessity and an opportunity (Baines et al., 2009a; Covin & Slevin, 1989; Gebauer et al., 2008; Matthing et al., 2004). In this regard, customer specifications are vital for learning about new ideas, technical aspects, and exposure to new competitors and suppliers (Gebauer et al., 2011; Love & Ganotakis, 2013; Shamis et al., 2005; Zahra et al., 2000) in managing product diversification. Similarly, the findings show that the integration of internal resources and production competences with the external knowledge from customers – through flexible production routines, reverse engineering, and experts – to get into successful related product diversification support the findings of previous studies (Domberger, 1998; Jahns et al., 2006; Malik & Kotabe, 2009; Monczka & Thomas, 1995; Prasad & Prasad, 2007).

It is important to note that the identified product diversification in this study is incremental and in the same product line (related diversification), and represents a small portion of the total business (at the time of interview). This supports previous studies that see product diversification as a strategic tool for international expansion, but not as a successful response to global economics dynamics.

### 6.3 Identifying Learning Reasons Through Specific Learning Modes

This section will discuss the link between the use of the most commonly identified modes/ways and main motivations for suppliers to engage in very specific ways. Due to the complex nature of the phenomena, the question “why do suppliers learn” is addressed widely and as openly as possible. A total of 12 reasons have emerged for the involvement of suppliers in unique and/or overlapping ways, as shown in Table 6.2.

Table 6.2: Learning reasons through ways across cases

Learning Ways	Reasons
Experts (Insider/Outsider)	Ability to innovate, Improving performance, Improvement in textile production/processes, Develop contacts
Imitation and emulation	Meet latest demand, Develop contacts, Improving performance, Improvement in textile production
Training	Improvement in textile production, Improving performance, Latest processing techniques, Compliance with regulations
Customer specifications	Meet latest demand, Ability to innovate, Compliance with regulations/standards, Develop contacts.
Certification	Latest demand, Compliance with regulations/standards, Enhance positive image of suppliers
Implementation of new machinery and systems	Improvement in textile production, Improving product quality, Meet latest demand, Improving overall performance
Vertical production facility	Supply chain control, Meet latest demand, Develop contacts
R&D and Re-engineering	Ability to innovate, Improvement in textile production, Meet latest demand, Develop contacts
Trade fairs and commercial Office	Develop contacts, International market presence, Meet latest demand
Design studio	Meet the demand, Ability to innovate, Develop contacts, Commercial services (design and pattern development)
CEO/Owner interest	Improving performance, Meet latest demand, Ability to innovate
Negotiations and discount	Develop contacts, Enhance positive image of firm
Strategic/Market partnership	Improvement in textile production, Latest processing techniques, Improving performance, Develop contacts

In the following section, a close examination is provided onto learning ways, and the main the main reasons for learning in the light of exiting stream of literature.

### 6.3.1 Experts

The most common reasons to use experts identified in this study include the ability to innovate, improve performance, improvement in textile production/processes, and develop contacts; these reasons are consistent with the existing literature and confirm to earlier studies highlighting the motivations for using experts and consultants (Berman, 2002; Creplet et al., 2001; Robinson & Kalakota, 2004; Santamaría et al., 2009; Tsinopoulos & Al-Zu'bi, 2012; Zipkin, 2001).

The use of experts and specialists emerged as a vital source of knowledge and learning (Creplet et al., 2001) to fill the inherited knowledge gap (Simon, 1991) associated with the case firms. The present study's findings support existing work showing that suppliers get help from experts and specialists to introduce technical, market, and other aspects that potentially improve their production and offerings (Berman, 2002; Haeussler et al., 2012; Moorman et al., 1992; Zipkin, 2001).

Similarly, the use of experts across the cases emerged as the vital source of new product development and innovative services, supporting earlier work (Bierly III & Daly, 2007; Santamaría et al., 2009; Smallbone et al., 1993). For instance, Smallbone et al., (1993) pointed out the potency of experts and consultants in new product in mature industries. In a similar vein, Santamaría et al., (2009) in their study on Spanish firms, found the hiring of technical experts and specialists highly relevant for new product development and innovations in low- and -medium technology firms. In addition, experts help the case firms' design teams in providing innovative ideas and concepts for future products in order to upgrade existing products and processes or produce novel ones (Haeussler et al., 2012).

The present study findings show the acquisition of foreign designers and developers services by the case firms in addition to their internal product development (PD) and R&D as a way to introduce unique, innovative aspects and processes in firms' offerings. The findings indicate that the development of seasonal collections on a continuous basis is a common practice in apparel and home textiles, serving as a promotional tool to retain existing clients and attract potential ones.

It was found that involvement with experts is not limited to technical and product-related expertise; it also stretches to market, logistic, supply chain, sales, IT, and other areas to enhance the suppliers' presence in international markets. It should be noted that experts

and consultants help the case firms in getting certifications and accreditation in societal and environmental spheres as well.

Furthermore, the speedy development of new product emerged as an important reason for involvement with experts across the cases, due to the short product life and seasonal needs of the market. The findings validate existing studies showing speedy product development processes, ideas, and concepts (Fine, 1998; Mendelson & Pillai, 1999), through involvement with product experts (Rao & Drazin, 2002; Sanders , Locke , Moore , & Autry 2007; Tsinopoulos & Al-Zu'bi, 2012). Also, the current findings relate the use of experts with new product concepts, product development and processes in an agile manner on one hand. On the other hand, experts harness the capabilities of suppliers' product development (PD) units to learn about market-centric ideas, thus avoiding time-consuming trial-and-error. These findings support and contributed to the exiting studies (Bierly III & Daly, 2007; Crawford, 1992; Harhoff et al., 2003; Kakabadse & Kakabadse, 2000; Rindfleisch & Moorman, 2001) on external sources of learning.

### **6.3.2 Imitation and Emulation**

The findings indicate imitation and emulation as an important way adopted by the case firms to meet the latest demands, develop contacts, and improve performance and textile production. The current findings showing strong evidence of both imitation (discovering and copying of others' successful products, technology, processes, routines, etc.) and/or emulation (discovering alternatives for achieving the same functionality based on the market's successful products and processes) support the existing literature (Bessen & Maskin 2009; Ordanini, Rubera, & DeFillippi, 2008; Shenkar, 2010; Teece et al., 1997).

The findings reveal imitation, emulation, and reverse engineering as alternative modes to improve production and meet the demands for latest products and processes, due to the suppliers' relatively weak R&D capabilities. Suppliers imitate, emulate or reverse engineer certain aspects of the market's successful products, processes, ideas, practices and knowledge into new offerings and operations. Therefore, this is considered as a preferred strategy to improve, transform, and absorb new technology and develop product/service, through identifying important and relevant product components that meet market demands in the shortest possible time. This support earlier work which

considering imitation and reverse engineering as alternative modes of R&D (García et al., 2012; Kerin et al., 1992; Malik & Kotabe, 2009; Shenkar, 2010).

Furthermore, and particularly regarding outsourcing ties, the findings show that suppliers imitate or emulate customer ideas and products (Von Hippel, 1988), management systems, operational and marketing tactics, and other business functions (Osland & Yaprak, 1995) to improve the overall firm operations in a coherent manner (Teece et al., 1997), depending on each individual supplier's strategic intent, target customers, target market and resources.

Similarly, the present study's findings show that suppliers imitate for short-time, specific functions, or in uncertain situations to be more competitive, while emulating in the long run, based on their assets and absorptive capacity, supporting earlier studies (Brooks & Rose, 2004; Insinga & Werle, 2000; Lieberman & Asaba, 2006; Ordanini et al., 2008).

Finally, the current study findings show an interesting aspect, that suppliers replicate or emulate their own successful offerings, practices, techniques, systems and business model to other clients according to their market's needs.

### **6.3.3 Training**

In the current study, training emerged in all cases as an important way with respect to four main reasons: improvement in textile production, performance, the latest processing techniques, and compliance with standards. The findings show training as a key activity and direct source of exposure of suppliers to the latest knowledge and updated market practices and processes in their operations, increasing their competences and absorptive capacity, and thereby improving performance, which is in line with the existing literature (Cohen & Levinthal, 1990; Loo, 2002). The findings unanimously showed guidance and need-based training from lead customers, consultants, suppliers, and other market actors as vital in improving quality, getting latest processing and production techniques, on-time delivery, compliance with standards, and others, on a continuous basis.

Further – and more specifically – the technical advices and training (in both soft and hard aspects) from sourcing partners (customers) are vital for suppliers in developing

their ability to know about and assimilate new technology, tactics, techniques to improve quality, productivity, and innovativeness. This supports the existing studies suggesting that training enhances innovative capabilities and overall performance (Contractor et al., 2010; Loo, 2002; Ulaga, 2003).

In addition, the current findings related to investments in developing resources and skills through on-job training in different operational areas such as marketing, product planning and control, waste control, washing, cutting, and others, support existing studies (Bartlett & Ghoshal, 1989; Cohen & Levinthal, 1989; Kotabe & Murray, 2004; Loo, 2002; Porter, 1986; UNCTAD, 2004; Zaheer & Manrakhan, 2001).

### **6.3.4 Customer Specifications**

Customer specifications emerged as the main way in the current study to meet the latest demands, ability to innovate, comply with standards, and develop contacts.

The current study's findings clearly showed that customers communicate detailed specifications and information about each and every single aspect(s), as they want consistent quality products and processes from suppliers, support previous studies (Salomon & Shaver, 2005; Wei & Liu, 2006; Wilson, 1995b). The findings mentioned that each case firm is export-centric and has supplies ties of OEM, ODM with world-leading brands. Therefore, matching with customers' diverse and customized requirements is the key to know about, meet their latest demands and create value for the respective customers, support existing studies (Monczka & Thomas, 1995; Payne et al., 2008; Ulaga, 2003; Wei & Liu, 2006).

Similarly, the ability to innovate emerged as a main reason in all cases. In addition to meeting diverse innovative OEM, ODM, OBM requirements, the suppliers received orders that were totally new to them or to the market, enhancing their abilities to handle new aspects and innovate on areas they had never experienced before. Such unique orders are addressed by the supplier with different approaches (such as changes in original specifications based on productive irritation and conflict in ideas, investment in machines, consulting their suppliers, experts, and other market actors) to assimilate the new and unique dimensions of the orders (Loo, 2002). Further, these unique orders and specifications are the main sources of advanced technology, market knowhow, new product developments, R&D, and emerging aspects which accumulate resources (Ernst,

2000, 2006; Young et al., 1996) to boost the innovative capacity of the suppliers, supporting earlier work (Aw et al., 2008; Love & Ganotakis, 2013; Petersen et al., 2005; Rugman & Verbeke, 2004).

The current findings showed that regularly meeting diverse customer specifications and emerging needs leads to improve existing and/or developing new ties with existing or potential customers. The findings support existing work showing that in response to the growing trend of commoditization and customization, suppliers find new ways and techniques to differentiate themselves, improve their interaction in the market, and sustain and/or develop new ties (Ohmae, 1985; Rangan & Bowman, 1992; Sanders et al., 2007; Ulaga & Eggert, 2006). In addition, the study's findings are also in line with the value creation aspect in business-to-business relationships, as collaborative ties in the market offer significant opportunities and remain a source of value addition and competitive advantage for both suppliers and clients (Barney, 1991; Ulaga, 2003; Ulaga & Eggert, 2006; Wernerfelt, 1985). More specifically, continuously meeting specifications creates trust among customers, indicating that suppliers are technically sound and responsible (Barber, 1983) in their operations and dealings. This in turn, this leads to reduce uncertainties, establish long-term relationships and gain the status of lead supplier (Möller, 2006; Ulaga & Eggert, 2006), as identified in number of cases (CI and CIII).

Finally, in all cases compliance with standards emerged as an important reason for case firm in meeting customer specifications. Most of the clients are market-leading players and initiators of different standards and criteria to reduce their business impact on society. Therefore, they only do business with suppliers who comply with their specific, regional, and international standards, supporting the existing literature (Barney, 1999; Porter, 1986; Wernerfelt, 1985). It is worthy to note that meeting clients' specifications (both hard and soft) not only enhance the suppliers' ability to gain necessary capabilities and knowhow regarding the latest aspects, but also served as a signaling tool to potential clients by the suppliers being technically and ecologically competent.



### 6.3.5 Certification

Certification and accreditation emerged as the main learning way in the current study to meet the latest demands, complying with standards, and enhancing the image of the suppliers.

The current study findings show that accreditations and certifications (such as ISO, REACH, GOTS, OEKO TEX, WRAP, etc.) are the main sources for meeting international clients', global value chain and institution's strict requirements for high-value products and processes, supporting the existing literature (Best, 1990; Christmann & Taylor, 2001; Potoski & Prakash, 2004; Slater & Narver, 1995). Further, the current study's show other reasons such as trust in suppliers' operations and signaling goodwill to acquire new customers, which also support existing studies (Barney, 1999; Wernerfelt, 1985).

More specifically, the supplier's (CI & CIII) adoption of voluntary standards such as ISO 14000 and SA-8000, support existing studies (Christmann & Taylor, 2001, 2006; Porter, 1985). The findings showed that those suppliers have comparatively well-known brands as customers in their accounts than others case firms. This may be due to the strategic choice of the case firm being proactive in taking care of society, environment, and concerned with reputation in the long-term (Li, Wei, et al., 2010). This enabling them to be leading supplier and actor in the region.

Also, the current study identifies an important aspect regarding the involvement and acquiescence of international certifications and accreditations by the case firms. This involvement leads to economic upgrading, social and ecological dimensions of the case firms, as well as overall development of the region (home country). Therefore, the focus on the learning impact of offshore outsourcing on DES social and environmental upgrading in global value chain (GVC) is an emerging theme and an important contribution to outsourcing and GVC literature (Barrientos et al., 2011; Marchi et al., 2013). This also contribute to the literature by indicating that relational network such as offshore outsourcing ties create conditions under which economic upgrading can result in social upgrading.

### **6.3.6 Implementation of New Machinery/Systems**

Implementation of new machinery emerged as the main learning way in the current study to meet the latest demands, improve textile production, product quality, and overall performance, confirming existing studies that highlight the reasons for implementing the latest machines and systems (Baines et al., 2009a; Graf & Mudambi, 2005; Slater et al., 2007; Sohal et al., 2006; Ulaga, 2003; Xu et al., 2002), according to individual needs of the case firms.

The current study shows that the active investment in the latest machines, systems, technology, design facilities, and processes emerged as a vital modes in all cases to mitigate technological gaps and to better meet unique and diverse customer needs for highly value-added products and processes, supporting existing studies (Gebauer et al., 2011; Graf & Mudambi, 2005; Li, Wei, et al., 2010; Sohal et al., 2006; Svetličič & Rojec, 1994; Xu et al., 2002).

Similarly, the current study shows evidence that investments in advanced manufacturing technologies and processes are a strategic way to innovate and/or upgrade existing offerings and operation. This enhances the supplier's capability to shift its role from not only supporting market strategies (demand OEM, ODM), but also strengthening their market positions

(via OBM and promotional collections). In addition, this supports the existing literature on the strategic nature and importance of new technologies and technological orientation (Dean Jr & Snell, 1996; Gebauer et al., 2011; Slater et al., 2007).

Similarly, investments in machines and systems are evident, in all cases, as a way to improve their overall performance and flexibility. In terms of improving quality and performance, it is evident that suppliers face increasing pressure for differentiation, continuous improvements in quality and reliability in their offerings in a consistent manner. The findings are in line with existing studies mentioning advanced manufacturing systems (AMS) and advance manufacturing technology (AMT) as pre-requisites for automation and a high level of conformance and flexibility to innovate and accommodate diverse products and processes in an agile manner (Brown & Eisenhardt, 1997; Chen & Small, 1996; Hofmann & Orr, 2005; Ulaga, 2003; Weigelt, 2009).

Moreover, the cross-case analysis leads us to a mix of interesting insights when it comes to the implantation of machines by each individual case firm. It show that individual

case firms installed the latest machines and systems in a way that tailored to their strategic orientation to enhance their performance (Helfat & Raubitschek, 2000).

### **6.3.7 Vertical Production Facility**

Vertical production facility emerged as the main learning way in the current study to have control for the supply chain, meeting the latest demands and developing contacts emerged as the main reasons.

The current findings are consistent with the existing literature, and invariably mentioned investments in state-of-the-art production infrastructure and facilities in an integrated manner (Gebauer et al., 2011; Helfat & Raubitschek, 2000; Li, Wei, et al., 2010; Svetličič & Rojec, 1994) as vital mode of addressing heterogeneity in product varieties, stability in quality, specifications, and timely delivery (Brady & Davies, 2004; Ulaga, 2003), and offer customized solutions and services from conception to delivery.

Similarly, and in accordance with earlier studies, the findings mentioned that integrated production is a mix of both spontaneous and responsive processes (Chandler, 1990; Hamel & Prahalad, 1994; Richardson, 1972) to address the customers' dynamic needs and preferences for a one-stop shop (Wells, 1983). Vertical production facility creates value for the customer (Ulaga, 2003; Ulaga & Eggert, 2006), as the supplier consolidates its supply base and delivers a broad range of products and services as per mass customization and fully customized manner. Further, the vertical production facility enables suppliers to differentiate themselves in reducing costs as well as headaches associated with the coordination, meeting specifications, and delivery time in their supplies (Cantwell & Tolentino, 1990; Ulaga & Eggert, 2006). Moreover, it facilitates long-term relations with customers by earning the supplier key supplier status, creating business longevity (as noticed in CIII and CIV) with specific customers.

Moreover, findings mention the supplier's integrated production as an efficient way to combine various production stages and processes in-house to have control of the supply chain, partially confirming results from existing studies (Brady & Davies, 2004). Similarly, in all cases the vertical production capabilities enabled suppliers to produce and offer a wide range of products, processes, and services in an efficient manner, as well as respond to the changes in demand (Fernhaber & Patel, 2012).

Furthermore, the findings show that the offering of successful services (evident in all cases) and products validate existing studies on the hot topic of integration of manufacturing and services, and servitization/product-centric services (Aggarwal & Weekly, 1982; Baines et al., 2009b; Brady & Davies, 2004; March, 1991; Vandermerwe & Rada, 1988).

Overall, the current study identified the importance of integrating the pre-production, production, postproduction processes, and services in apparel/home textile production to achieve integrated manufacturing systems.

### **6.3.8 Research and Development (R&D)/Reverse Engineering(RE)**

The current study identified R&D/ reverse engineering as the main learning mode across cases to acquire the capability to innovate, improve existing production, meet market demands, and develop contacts as the main reasons.

The current findings mention R&D/RE for innovation and/or improvement in existing offerings and operations. Due to the lack of resources and R&D-related capabilities most case firms R&D is limited to product development, transition, and innovations/inspirations (promotional collection). In addition to local R&D, reverse engineering emerged as the dominant alternative modes in all cases for innovation and improvement in existing offering and operations, supporting existing studies (Arrow, 1969; Chikofsky & Cross, 1990; Davies, 2000; Malik & Kotabe, 2009; Santamaría et al., 2009).

Likewise, the current study's findings mention the involvement of all case firms in local R&D and related operations backed by offshore R&D and design facilities. Such involvement enhances the case firms' innovativeness, reduces technological risk, and reduces time to market (lead time) in their offerings, as well as meet the international demands for high-quality and value products and services in an agile manner. This supports existing work on the offshoring of R&D and innovation (Bontis, Crossan, & Hulland, 2002; Farrell, 2005; Fifarek & Veloso, 2010; Fine, 1998; Lewin & Couto, 2007; Middleton, 1967; Nieto & Rodriguez, 2011; Zollo & Winter, 2002). The involvement in offshore R&D by the case firms add to our understanding that such capabilities are not only limited to developed economies firms, but to developing economies suppliers (DESS) as well.

Also, the current findings mentioned that R&D and RE are instrumental in matching with innovative specifications or developing new products and processes over time leads to establish new ties and longevity in existing relations. This is consistent with the work of (Moorman & Miner, 1998a; Ulaga & Eggert, 2006).

### **6.3.9 Trade Fairs and Commercial Offices (TFCO)**

The current study identified TFCO as the main learning mode across cases to develop contacts, international market presence, and meeting the latest demands as the main reasons, thus validating existing findings (Blythe, 2002; Chongwatpol, 2015; Dutton & Thomas, 1985; Evers & Knight, 2008; Kerin & Cron, 1987; Kogut & Zander, 1992; Miner, Bassoff, & Moorman, 2001).

The current study reveals two broad dimensions, namely selling and non-selling, by the active involvement of case firms in TFCO. The selling aspects are more evident across cases due to the high focus on customer-centric strategies and exports orientations. The selling consists of both on-site sales (where customer choose from case companies' collections) and/or OEM, ODM, OBM orders from existing and potential clients. The commercial offices are

instrumental in designing customized offerings and marketing campaigns through their direct contact with clients. TFCO is the main mode for suppliers to approach prospective clients directly, reduce the communication gap, react in a timely manner to customized needs, address complaints, enhance promotional activities and engage in sales and after-sales activities,

supporting earlier studies (Blythe, 1997; Chongwatpol, 2015; Evers & Knight, 2008; Gopalakrishna & Lilien, 1995; Kerin & Cron, 1987; Levitt, 1966; Teubal, 1996). With respect to selling all cases are active in follow up activities to boost their sales and profit.

With respect to non-selling aspects, the findings show information and knowledge acquisitions as strategic motives for future developments in all cases. The current findings support existing work regarding the involvement of suppliers in TFCO as a main mode for knowledge and information acquisition (Munuera & Ruiz, 1999), the latest technologies (Rice & Almosawi, 2002), products (Hough, 1988), potential buyers (Tesar, 1988), and recent advances (Tanner, 2002) in the market and industry. The acquisition of such information and knowledge is a vital source for resource-deficient

suppliers in all cases to know about dynamic customer needs in international markets. This outside-in approach enhances suppliers' abilities to design, develop, and offer innovative ideas, market-oriented products, and customer centric services, which result in establishing and enhancing relationships (Chongwatpol, 2015; Von Hippel, 1988), in international markets.

Hence, the adaptation and accumulation of knowledge and international market trends enhance the case firms' capabilities to engage in latest operations and offer high value products and services, thus move in the value chain.

### **6.3.10 CEO Interest (CEOI)**

The current study identified CEO interest (CEOI) as the main learning mode across cases to improve performance, meet the latest demands, and get the necessary support for innovation and change in existing processes, offerings, and organization. The findings validate earlier studies considering entrepreneurship and top management commitment as strategic orientations to innovate and/or rejuvenate products, processes, services, exports, operations, and overall organization structure in a proactive manner (Baum et al., 2000; Dutton & Freedman, 1985; Lieberman & Asaba, 2006; Ordanini et al., 2008).

The current findings converge on CEO interest (CEOI) and top management's role towards new operations, directions, and organizational structure as a top-down approach, as well as a form of decentralized decision-making. Thus, such organization culture creates an environment where each individual feel psychologically safe- share their view and act freely, thus contribute in innovate ideas and overall organizational change. The findings repeatedly show the CEOs' involvement and support in strategic decisions (such as acquisition of the latest machines, systems, professionals, processes, alliances, certifications, and international contracts) for renewal and innovations to effectively respond to international markets demands. Such entrepreneurial support is conducive to developing resources and capabilities, build competitiveness, and create value in international markets, support pervious work (Barney, 1991; Chi & Sun, 2013; Li, Wei, et al., 2010; Slater & Narver, 1995; Zahra et al., 2006).

CEOI is a strategic orientation; that is, how a firm adopts specific aspects of entrepreneurial decision-making styles, methods, and practices (Lumpkin & Dess, 1996) in order to compete (Wiklund & Shepherd, 2003). It encompasses innovativeness, reactivity, and risk-taking aspects (Covin & Slevin, 1989; Lisboa et al., 2011; Wiklund & Shepherd, 2003), which emerged across cases with some exception. The innovativeness aspect was found to be very vital for creativity and R&D/RE in product development, processes, and services, but incrementally support existing studies (Atuahene-Gima, 2005; Hughes & Morgan, 2007; Yalcinkaya et al., 2007). This is due to the reason that CEO and top management are actively involved in finding new ways and sources to fill and support the resource gaps necessary for innovation in high value-added segments, which in most cases warrant incremental innovation.

In addition, all cases are actively involved in innovative designs, product, processes, and services concepts, and prototypes as seasonal collections, which are new not only to the cases but also to certain customers and their respective markets, and therefore are a source of competitive advantage for a short period of time. In certain instances, these annual collections are a form of path-breaking improvisation, but do not qualify as radical innovation, supporting existing studies (Atuahene-Gima, 2005; Yalcinkaya et al., 2007).

Similarly, pro-activeness emerged as a dominant aspect in all cases to respond to emerging market needs and to anticipate latent customer needs and specifications with improved offerings in a timely manner. The findings depict the acquisition of the latest machines, technology, systems, processes, and experts as the CEOI to operate in a proactive way and ahead of competitors (in the region) in addressing international market preferences. The findings validate existing studies which considering pro-activeness as forward-thinking approach in anticipating international market needs (Ahuja & Lampert, 2001; Li, Wei, et al., 2010; Lisboa et al., 2011; Lumpkin & Dess, 1996; Yli-Renko & Janakiraman, 2008).

The risk-taking aspect emerged as important but less prominent across the cases. This is due the fact that the inherited resource constraints limited the risk-taking endeavors in all cases. Risk taking is limited to calculated risks and small projects with lead customers and/or in areas of expertise (such as production), partially supporting existing studies (Baker & Sinkula, 2009; Lumpkin & Dess, 1996; Rauch et al., 2009; Wiklund & Shepherd, 2003).

In majority of cases, the CEO belongs to the owner's family, taking special interest in organizational change in general and exports in specific, along with international marketing and strategic decisions. The management sends a clear message to employees to play their role in addressing the emerging needs of the international markets and export. This is in line with existing studies explaining firms' decisions to follow opportunities in international markets (Chi & Sun, 2013).

The current findings show an interesting aspect of considering CEOI a vital mode in new offerings, organizational change, and developing international market-related capabilities. However, the case firms' international market-related capabilities are more exploitative than explorative due to the lack of market-related experience, infrastructure, and nature of offerings. This contributes to the recent findings, which mentioned that entrepreneurial orientation (EO) also stimulates the exploitative capabilities of product and market development (Lisboa et al., 2011).

Overall, the role of CEO in majority of case firms is the precursor to organizational change and innovation (in product, technology, systems, operations, market and business model) (Zhou et al., 2005), as well as leads in time response to the international market needs.

### **6.3.11 Negotiation and Discounts**

The current study identified negotiation and discounts as the main learning mode across cases to develop contacts and to enhance the company's image as the most common reasons.

Maintaining long-term relationships with sourcing partners and clients (both long-term and transactional) emerged as the most common and important reason in all cases. This is due to that fact that all case firms have a strategic focus (such as learning, resources acquisition and sales) on export lines and business ties across borders. In the case of any mishaps and deviations in meeting the required specifications, variations in quality, shades, delivery schedules, etc., the suppliers – in all cases – addressed such issues with an open-door policy to mutually settle the matter to have smooth ties and longevity in business, supporting existing studies (Baldwin, 2001; Brooks & Rose, 2008; Doh, 2005).



The findings mentioned both instances, in which some clients showed flexibility to a certain extent to accommodate variations in quality, specifications, and delays in delivery, but others did not accommodate any variations at all. In such situations, the case firms take real-time corrective measures to replace defective lots, offer special discounts on agreed prices, ship the consignment through a fast transportation mode (such as air cargo) and others, according to the situation. This supports previous work that considers negotiation to be affected by personal, organizational, and contextual contexts (Brooks & Rose, 2008; Mintu-Wimsatt & Gassenheimer, 1996, 2000). Further, the current study showed that suppliers collaborate, freely share information and solve problems in an integrated manner, to maximize the benefits in a mutual way. This supports the existing literature, where such approaches are termed as integrative bargaining (Lewicki & Litterer, 1985) and collaborative orientation (Brooks & Rose, 2004, 2008).

Further, such negotiation orientations reduce uncertainties in relationship, create a good image for suppliers among clients, being responsible, enhance trust and thus resulting in future business engagements. It is worth noting that all case firms employ the “future-oriented approach” following this philosophy, relations with certain sourcing partners and lead clients progress from bilateral transactional to bilateral relational (Jelinek, 2014, p. 279) over time.

### **6.3.12 Strategic Partnerships**

The current study identified strategic partnerships and alliances as the main learning mode across cases to improve textile production, introduce latest processes, improve performance, and to develop contacts as the most common reasons.

This validates existing studies on the relational capital view and its role in partners’ (suppliers’) learning and building capabilities (Bonaglia et al., 2007; Dhanaraj et al., 2004; Kotabe et al., 2003; Liu et al., 2010). However, the current study findings show heterogeneity with respect to suppliers’ approach towards partnering and establishing ties, due to their individual needs, and managerial and strategic intent. Improvement in efficiency, managerial, technological, and sales/marketing expertise emerged as the dominant objectives for partnerships across cases, supporting existing studies in general

(Alcacer & Oxley, 2014; Bonaglia et al., 2007; Liu et al., 2010; Osland & Yaprak, 1995), and more specifically in the context of emerging economies (Hitt et al., 2004; Uhlenbruck et al., 2003).

Technical and technological learnings emerged as the most dominant aspects of strategic partnerships across cases. Marketing is regarded as more important but less salient across the cases (as evident in two cases). Further, the overall marketing aspect is more inclined towards promotional activities and sales, which is evident in all cases. This is the indication that case firms are focusing more on the exports and expansion into international markets. Concerns with improvements in performance and efficiency in ties with sourcing partners (lead customers and suppliers), besides other alliances, are prominent and multi-dimensional in all cases.

The current findings mention the suppliers' ties with leading market players, suppliers, and customers as an ongoing mutual adjustment in technical aspects such as design, production (such as planning, testing, and prototyping), and services. This entails sharing technical information, engineering knowledge, problem solving, and managing customer specifications to enhance products, processes, and performance, thus supporting previous work (Kotabe et al., 2003; Liu et al., 2010; Payne et al., 2008; Takeishi, 2001). In similar vein, Gao and Lyer (2009) found that firms generated greater value when forming alliances within the same industry compared. For instance, cases CIII and CI have specialized alliances with leading Italian washing houses in order to obtain the latest processing and washings techniques for high-quality offerings. Similarly, the current findings show evidence for the technology transfer between sourcing partners and customers. Such transfers allow the case firms to replicate technological capabilities, efficient production techniques, and improvement in technological competence over time, validating previous studies (Klark & Fujimoto, 1991; Lamming, 1993).

The two cases (CI and CIII) started their new operations through a strategic alliance with technology transfers from American and Italian partners, respectively. In addition to active customer support in all cases, evidence also exists that lead customers and sourcing partners transfer technology and technical knowledge to specific projects. This enhances relation-specific assets and value, supporting existing studies (Kotabe et al., 2003; Liu et al., 2010). It is interesting to note that the scope and magnitude of such technical and technological gain is narrow and for short-term, but are useful in gaining technical competences that are successfully extended to other customers and relations

in similar contexts by all case firms. The findings indicate that continuous technical interaction and project-based technology transfers enhance the ability of the case firms to respond to market changes in the short term (perspective knowledge), learning (propositional knowledge) in the long term, and provide a source of competitive advantage, supporting existing studies (Bonaglia et al., 2007; Mokyr, 2002; Vargo & Lusch, 2004).

Furthermore, the findings show all cases as consistently involved in ties with suppliers and other actors to get the necessary inputs and expertise to upgrade existing product lines and develop their own designs, brands/promotional collections, and marketing capabilities. In order to create value from resources, a firm needs the ability to achieve integration, cooperation, and coordination between partners (Teece, 2014).

Finally, the findings traced weak marketing skills and infrastructure at the international level in the majority of cases, supporting existing studies mentioning a lack of marketing skills by small firms (Rawwas & Iyer, 2013; Rawwas et al., 2008). In order to mitigate deficiencies in marketing skills and infrastructure, the majority of case firms have ties in marketing, sales, and distribution to improve their sales volume and develop contacts in international markets.

Overall, it is interesting to note that the case firms mainly focus on partnering and networking with international players rather than domestic and parental ties as mentioned in earlier studies (Elango & Pattnaik, 2007) in emerging economies context. Hence, reject the prevailing idea of domestic clusters and parental ties in emerging economies, which in most cases do not warrant international learning and capabilities.

### **6.3.13 Design Studio**

The current study identified design studio as the main learning mode across cases to meet the demand, ability to innovate, develop contacts and design and pattern development services as the most common reasons.

The current study identified two main strategic explanations for involving in designs facilities (internal and external): to be both reactive as well as proactive in meeting emerging needs for differentiated, higher-fashion design content, innovative styles and fits of the highly volatile fashion industry, supporting existing studies (Abecassis-

MoedasAbecassis-Moedas & Benghozi, 2012; Celine; Abecassis, Caby, & Jaeger, 2000; Chiva & Alegre, 2009; Christopher, Lawson, & Peck, 2004; Hines & Bruce, 2007; Verganti, 2006).

The current findings show that internal designing capabilities do not accommodate design-related technological changes and innovations in the majority of cases, partially or weakly supporting studies on internal design (Abecassis-Moedas & Mahmoud-Jouini, 2008; Beverland, 2005; Veryzer, 2005). In order to obtain buyer-driven new product designs, innovative styles and fits, the case firms became actively involved with external (offshore) design centers/designers, validating previous work (Rindova & Petkova, 2007; Verganti, 2008).

It is interesting to note that all case firms have offshore design facilities, located in the same market and the main region of their operations in order to get genuine, fresh designs and effective solutions according to that specific market's needs (Munsch, 2004; Ravasi & Lojcono, 2005). Furthermore, external design facilities and designers bring diversity and creativity that lead to innovativeness and novelty in designing. The current findings showed the existence of both internal and external designing facilities (centers). These facilities help the case firms to differentiate and position their offerings to meet the customers emerging demands for special fits, styles, and innovative designs. Additionally, design centers are instrumental for case firms in offering new product concepts and annual collections on a regular basis as promotional tools to retain existing clients and attract new ones, supporting existing studies (Abecassis-Moedas & Benghozi, 2012; Rindova & Petkova, 2007). The involvement in designing also enhancing the case firms' branding and retail business.

Additionally, in all cases, involvement in the latest designs is the main way to meet the need for the latest styles, fits, and silhouettes. The apparel and home textiles industry is heavily affected by changes in new product designs, technical designs, and short shelf life. On the one hand, the respective design centers enhance the creation of customized new product designs to include all aspects, from preliminary design sketch to the selection of colors and fabrics (Abecassis-Moedas, 2006), while on the other, it enable the case firms to design either new patterns or make changes to existing one (Abecassis-Moedas, 2006), as future concepts (such as fabrics, fit, washing, styles, etc.) on a seasonal basis. For instance, CI, CII, and CIV offer two collections per year, where CIII runs four collections annually.

Moreover, the current study identified the important role of R&D/design centers for case firms in acquisition of knowledge about complex design and patterns, solutions to the clients emerging challenges in designing, and provision of customized design and pattern developments services. This further, enhances case firm's capabilities in provision of commercial services in tailored solution related to designing and pattern development in addition to OEM, ODM. Which the customers use in their orders with existing suppliers and/or in their other sourcing ties. Hence, these designing facilities serve as design centers for international clients as noted in CI & CIII.

This contribute to existing work mentioned the transition to product-centric services as well as servitization (Baines et al., 2009b) , which will accumulating level of services overtime (Heim & Ketzenberg, 2011), and will result in further improve cross operations and sales growth (Kastalli & Van Looy, 2013) .

#### **6.4 The Integrated Impact (Development and Value-Chain Movement) of Dimensions: Suggested Propositions**

In the current section, the refined model presented in Figure 5.9 will be revisited, as it represents the most common and prominent dimensions related to the learning impacts (that is, learning domain, ways, and reasons). Each of these dimensions is discussed separately with respect to its main modes and identified reasons challenged with existing relevant literature in Sections 6.2. and 6.3, respectively. It is important to note that multiple streams of literature related to learning, movement in the value chain and developments (internationalization), production, marketing, and exports were discussed due to the complex nature of the phenomenon under investigation. Here, the combined effect of each of the discussed dimensions, modes and reasons will be presented. Further, this Section will conclude with the discussion with respect to the existing literature and possible propositions.

##### **6.4.1 Development from Traditional Actor to Experimental Outsourcee (TA to EO)**

The development from TA to EO was mentioned in two of the four cases, where it was the result of learning about and implementing new production and manufacturing and

start-up. Initially, the case firms started standardized and low-value offerings and operations on limited scale in local markets for years. Investment in new machines remained the main learning way for initiating new start-up and production. Similarly, product partnerships, customer specification and experts remained influential learning ways. It was found that investments in new machines, foreign partnerships and clients' orders and their specifications have a frequently mentioned effect on the initiation of new production, operations and exports consistent in all cases in general. Experts (engineers and consultants) had frequently identified effect on the erection phase, but a limited effect in new start-ups and manufacturing at TA to EO. Therefore, it is proposed that such involvements (learning domains and modes) have an overall positive effect on the nature of offerings, market location(s), and entry mode in all cases investigated in this study.

Overall, the current study's findings, with respect to main learning domains, learning modes, and learning reasons, seems to support the existing literature with respect to developments from TA to EO.

The cross- case finding mentioned that majority of case firms operating in local markets as TA, their development to EO was observed as a result of reactive responses to unsolicited order(s) or search for information and undertaking exports; these were the typical approaches of emerging-economy firms (Cavusgil, 1984; Tsai & Eisingerich, 2010; Zeng, Shen, Tam, & Wan, 2010) towards cross-border operations. Besides active local involvement, export sales account for a small portion of the total sales and are limited to one or more customer(s) (market) (Cavusgil, 1984), and mostly consist of low value-added, standardized products, processes, and services (Li, Wei, et al., 2010; Luo & Peng, 1999; Tsai & Eisingerich, 2010).

Furthermore, the findings showed that all case firms were interested and active after the initiation of their first export and international engagement. This indicate the push mechanism or external stimuli that initiate export, and then firms internal change agent that motivate them for further commitment (Andersen, 1993) international operations. Therefore, meeting specifications and following customers have a frequently mentioned effect (Child & Rodrigues, 2005; Li, Wei, et al., 2010; Monczka & Thomas, 1995), investments in machinery have a major effect (Li, Wei, et al., 2010; Sabel & Zeitlin, 1985), and acquisition of experts have a less mentioned effect weak effect (Berman, 2002; Haeussler et al., 2012; Moorman et al., 1992; Zipkin, 2001) on firm's involvement

in certain value-added products and cross border operations at development from TA to EO. Overall, the mentioned ways enhance the production and development of operational capabilities and technological knowhow that are vital for trading, exporting, learning and market-seeking motives (more specific to international sales) in all cases.

It is interesting to note that, the development from TA to EO indented in this study (only 2 cases) is in linear and incremental manner, supporting the incremental progression view (Johanson & Vahlne, 1977). But the case firms undertake their first export to European and American markets, which did not support the close geographic proximity and psychic distance view as discussed in incremental process models of internationalization (Johanson & Vahlne, 1977; Tsai & Eisingerich, 2010). It may be due to the fact that the products produced by the case firms have high demand in international markets. And or the international clients were active in searching for suppliers from low cost and or resources rich locations in textiles because of de-regulations in emerging economies.

Therefore, in accordance with the mentioned argumentations and findings in the current study, the following propositions are suggested:

**Proposition 1.a.** The more TA firms learn about and acquire new setup through investment in machines and equipment the more likely they are to transform into EO firm with time.

**Proposition 1.b.** The more TA firms learn about new production and manufacturing through experts, product partnerships, customer specifications and investment in machines and equipment the more likely they are to transform into EO firm with time.

#### **6.4.2 Development from Experimental Outsourcee to Active Outsourcee (EO to AO)**

The progression from EO to AO has been mentioned as a result of learning about and acquiring capabilities in new production and manufacturing, integrated manufacturing, customer relations, and international standards in all cases.

It was found that foreign clients' orders/specifications and follow-up investments in vertical production facilities remained common learning ways and have a frequently mentioned effect on case firms learning about and acquiring new capabilities in

production and customer relations in markets. Further, product partnerships and alliances with international market actors and clients in particular were found to be highly influential in gaining production-related capabilities and technologies in an integrated manner in all case firms. Similarly, acquiring certifications and complying with the demanded international, regional, and customer-specific standards have an overall positive effect on economic dimensions (customer relations, introducing the latest trends in manufacturing, and processing), as well as on societal dimensions such as dealing with social and environmental aspects. Lastly, it was found that international commercial offices and involvement in export related activities (sales and marketing) have a positive effect on cross-border customer relation and sales. Therefore, it is suggested that such involvements (learning domain and modes) have an overall positive effect on movement in the value chain and nature of offerings, operations, expansion (location), speed, entry modes and ecological aspects in all cases investigated in this study.

Overall, the current study's findings support the existing literature with respect to the impact of learning, modes, and reasons on value-chain movement and development (such as EO to AO).

In all cases, outsourcing ties to foreign clients (inward internationalization) and exports remained as one of the first and most important modes that ignite further development into value-added operations and expansion to foreign markets as identified in (Hansen et al., 2008). This supports the incremental learning and progression view (Johanson & Vahlne, 1977, 2006; Tsai & Eisingerich, 2010; Welch & Luostarinen, 1988) to certain extent (evident in CII and CIV), but with different intensity and varying arrangements. Further, the current study did not support the logic of psychic distance in offshoring ties (Hätönen & Eriksson, 2009; Johanson & Vahlne, 1977), as noticed from the findings that all case firms (CI and CII from their inception) engaged with Western clients and markets (European and American) irrespective of their home culture and home market preferences. It was found that management in all case firms was interested in international business and willing to cultivate growth. Thus, further deepen the cross-border operations for learning and assets seeking (Cavusgil, 1984; Li, 2007; Mathews, 2006), in addition to the exploitation of local resources (Joshi, 2003). This support existing findings in emerging economy context (Chittoor & Ray, 2007).

Being a subordinate partner and supplier to foreign clients and MNCs in OEM, ODM, and related value-creating operations, all case firms adopted different modes to learn and upgrade their resources in order to meet demands and develop future capabilities. A



number of studies implicitly reported on suppliers learning from and working with customers, thus validating the learning by doing and learning by exporting (Tyre & Von Hippel, 1997; Von Hippel, 1994). Moreover, the need-based investments in sophisticated machines, systems, equipment, and labs in all cases have a frequently mentioned effect in reducing the technological gap in producing market-demanded products, processes, and services (Li, Wei, et al., 2010; Svetličič & Rojec, 1994) to a certain extent. Similarly, such investments have positive effect on supplier's competences to cope with the dynamics in international demand (Hansen et al., 2008; Hofmann & Orr, 2005; Pandza et al., 2005; Sohal et al., 2006), while has direct effect on new manufacturing and customer relationships (Ulaga, 2003; Ulaga & Eggert, 2006; Walter, Müller, Helfert, & Ritter, 2003). Equally, investments in vertical production facilities have a direct effect on customer relations, meeting their requirements for a one-stop shop (Lumpkin & Dess, 1996; Möller & Törrönen, 2003; Ulaga, 2003), thus, locking the clients to certain extent in a relation (loyal clients) with case firms in the future. This has also been signaling to the customers that the case firms are sincere and committed in long-term relationships, thus reduce uncertainties and create competence trust to certain extent for longevity in relationship.

Congruently, meeting customers' specifications and acquiring certifications by the case firms have a direct and frequently mentioned effect on meeting latest demand, complying with required standards and develop cross border contacts in a legitimate manner. This support existing studies relating customers specifications and compliance with standards as a qualifying criterion for international trade and improve customer relations (Blind, 2001; Cashore, 2002; Clougherty & Grajek, 2014; Kang et al., 2009; Spekman, 1988; Ulaga, 2003). Further, current study identified the acquisition and implementation standards with upgradation of both societal and economic dimensions of the case firms, as well as their region of operations. This contribute to the under theorized debate which highlights that social and the ecological dimensions of the globalization of production and trade (Barrientos et al., 2011; Marchi et al., 2013). Moreover, the current findings identified that societal upgradation lead to economic upgrading, hence, contradicts the view that economic upgrading effect societal upgrading. Similarly, establishing marketing and merchandizing departments and sales offices (Cavusgil, 1984) has a positive effect on developing new ties, as well as on customer communication (Chen & Popovich, 2003; Hauser, Simester, & Wernerfelt, 1996; Verhoef & Leeflang, 2009), and represents a step towards customer relations management (CRM).

In particular, the linkages, partnerships, and inclusion in global value chain were found to be important sources of learning and effect on firm developments, support the role of such partnerships and ties. Most authors found direct effects of collaborative interaction on knowledge transfer and partners learning (Inkpen & Pien, 2006), having a direct effect in technology and knowhow acquisition by developing-economy firms (Hansen, Pedersen, & Petersen, 2009). Similarly, OEM, ODM ties, and product-related partnerships were found to have a direct effect on learning and acquiring critical skills related to new production (Li, 2007; Liu et al., 2010; Peng & Heath, 1996; Savva & Scholtes, 2014), and processes, which indirectly enhance customer and market relations (Möller, 2006; Ulaga, 2003; Ulaga & Eggert, 2006).

Overall, this contradicts the stage models (Uppsala and Innovation model), while supports the network approach.

Furthermore, an interesting aspect emerged in the current study, where a certain unit(s) has a partnership(s) or alliance(s) with foreign firms and other market actors, having a direct effect on learning and knowhow acquisitions at both intra- and inter-firm levels simultaneously. This contributes to the study of Liu et al., (2010), which found the same results.

Therefore, in accordance with the previously mentioned reasoning and findings in the current study, the following propositions are suggested:

**Proposition 2.a.** The more EO firms learn about new production and manufacturing through customer specifications, investments in latest machines, product partnerships and vertical production facility, the more likely they are to transform into AO firm.

**Proposition 2.b.** The more EO firms learn about international standards through customer specifications, certification and marketing offices the more likely they are to transform into AO firm.

**Proposition 2.c.** The more EO firms learn about customer relations through customer specifications, investments in latest machines, vertical production facility and marketing offices the more likely they are to transform into AO firm.

**Proposition 2.d.** The more EO firms learn about and involve in integrated production through investments in latest machines, product partnerships and vertical production facility the more likely they are to transform into AO firm.

### **6.4.3 Development from Experimental Outsourcee to Explorer (EO to EXP)**

The development from EO to EXP mentioned in two cases, was because of learning about and acquiring capabilities in washing/processing, customer relation, integrated production, and emerging industry/market trends.

It was found that constant adaption to customer specifications for OEM, ODM, related processes, and services remained as the major drive for and has a frequently mentioned effect

on supplier acquisition of capabilities. Meeting customer specifications and demands has a positive effect in acquiring the latest techniques related to production, processes, and services, consequently creating customer value and strengthen relations. Similarly, it was found that investment in machines, washings, and processing technologies in an integrated manner have a frequently mentioned effect on the development of new products and processes. It has also a positive effect on serving multiple needs of customers and customer relations(retention). Further, it was found that investment in machines, processing, and washings units in an integrated way has a positive effect on new production and is vital to control the up-stream value chain (manufacturing). Likewise, reverse engineering and imitation enhances the adaptation and incorporation of new aspects, features, and contemporary trends in existing products, processes and customized OEM and ODM, thus has strong positive effect on customer relation.

Finally, it was found that international sales and marketing offices have an important but infrequently mentioned effect on customer relation, while having a frequently mentioned effect on obtaining international market information. This is due to the fact that the suppliers mainly focus on export and sourcing ties with foreign customers, therefore using their international marketing offices as an engine of market intelligence to directly get in touch with the respective clients, obtaining updated market information and the latest happenings in their target regions to best meet their requirements.

Therefore, it is proposed that involvement in the mentioned learning and modes has an overall frequently mentioned effect on developments and movement in the value chain.

Overall, the current study's finding supports the existing literature with respect to the impact of learning, modes, and reasons on value-chain movement and development (such as EO to EXP).

The existing literature tends to support the current study's findings with respect to the impact of customer specifications on suppliers' learning and development of technical aspects, latest treatments, designs, and other dimensions (Love & Ganotakis, 2013; Salomon & Shaver, 2005; Yeoh, 2004; Zahra, Ireland, & Hitt, 2000). Meeting customers' specifications and requirements has a significant direct effect on suppliers learning and developing unique capabilities related to the latest production and processing techniques (Maskell et al., 2007; Petersen et al., 2005; Wei & Liu, 2006; Young et al., 1996). Similarly, continuous response to customers' specifications has a positive effect on existing and/or new ties (Möller, 2006; Möller & Törrönen, 2003; Ulaga, 2003; Ulaga & Eggert, 2006; Walter et al., 2001) with existing one with some exception. It was interesting to note that the study showed certain instances, where the said effect was negative, the customer and or the case firms did not proceed further for a specific time or totally suspend their working relation (evident in case CI and CIV).

Moreover, the OEM and ODM ties with particular customers have a positive effect on supplier's gaining market information, emerging trends, and access to relevant market actors (Fifarek & Veloso, 2010; Love & Ganotakis, 2013; Möller & Törrönen, 2003; Walter et al., 2001).

The current study identified supplier's different ties (one time, seasonal and all time) with diverse customers, where a one-time (uniplex) relationship turn into more and repeated ones' overtime, create trust, resources and learning support for the firms in the relationship and in particular for the resource-deficient ones. This is in line with the relationship multiplexity perspective (Ferriani et al., 2012).

Most studies identified the positive effect of investment in latest machine and systems on firm flexibility in accommodating innovative aspects in offerings and operations and meeting latest demand in an agile manner (Brown & Eisenhardt, 1997; Ulaga, 2003), investment in an integrated facility has positive effect on meeting demand for a one-stop-shop (Lumpkin & Dess, 1996), direct effect on value creation (Ulaga, 2003; Ulaga & Eggert, 2006) for both case firms and clients, and significant effect in reducing costs

as well as headaches associated with the coordination, meeting specifications, and delivery schedules (Cantwell & Tolentino, 1990; Ulaga & Eggert, 2006).

Similarly, this study's findings support existing studies with respect to the impact of reverse engineering on innovation and upgradation. Most studies identified reverse engineering and emulation for enhancing absorptive capacity of the firms (Kotabe, Jiang, & Murray, 2011; Viotti, 2002). Most authors identified direct effects of reverse engineering on learning and development of innovative and R&D related capabilities in both developed and emerging economies firms (Kale, 2010; Patel & Pavitt, 1995), have significant effect on performance (Li & Kozhikode, 2008; Malik & Kotabe, 2009). Furthermore, and more specifically, in terms of meeting latest demand, R&D and reverse engineering was found to have enhanced firm's propensity to meeting latest and customized demand (Chikofsky & Cross, 1990; Davies, 2000).

In terms of international sales and marketing offices, the current study identified direct relational aspect with clients, as well as their respective markets ecosystem. Thus, enhancing relational aspects (Coviello, Brodie, Danaher, & Johnston, 2002; Gummesson, 1987), direct connection with customers and timely response to enquiries and complaints in international markets (Malhotra, Ulgado, Agarwal, & Baalbaki, 1994).

Therefore, in accordance with the argumentation and findings in the current study, the following propositions are suggested:

**Proposition 3.a.** The more EO firms learn about washing and processing through customer specifications, investment in vertical production facility and experts, the more likely they are to transform into EXP firm.

**Proposition 3.b.** The more EO firms learn about customer relations through customer specifications, investment in vertical production facility and international marketing offices, the more likely they are to transform into EXP firm.

**Proposition 3.c.** The more EO firms learn about integrated production through customer specifications, investment in vertical production facility and experts, the more likely they are to transform into EXP firm.

**Proposition 3.d.** The more EO firms learn about latest industry trend customer specifications, RE/Imitation, investment in vertical production facility, international commercial office and experts, the more likely they are to transform into EXP firm.

#### **6.4.4 Development from Active Outsourcee to Explorer (AO to EXP)**

The development from AO to EXP is mentioned in all cases. This was the combined result of learning about and gaining capabilities related to new production and manufacturing, promotion management, innovation, customer relations and design and pattern development.

The frequent interactions, and response to diverse customer specifications was the most influential way for suppliers to learn about and get acquainted with crucial competencies required for new products, processes, services and operations. It has overall positive but varying effect on suppliers' learning about and introducing new product concepts, designs, latest fashion contents, treatments, and latest production techniques across case firms. Similarly, the case firms upgrade existing processes, systems, and offerings which have a positive effect in meeting the latest market demands and developing contacts (establishing new and retaining existing), and thus enhance supplier value. In addition, customer specifications are vital in enforcing, adopting, and bringing international standards into suppliers' operations, having an overall positive effect on their ability to meet the demanded quality, customize offerings, comply with standards and develop ties. It is worth noting that such positive effect was consistent in all cases, but with varying degrees due to each individual case's response and strategy depending on its target customers and markets.

Similarly, investments in new machines and systems, designing facilities, R&D/RE, testing tools/labs, and processes in an integrated way have an overall positive effect on suppliers' capabilities, in creation of new value-added offerings and improve existing ones on a continuous basis, as a response to the emerging market needs. Further, the investment in advanced manufacturing technologies and lean production practices enhance performance, quality, and flexibility in production. Overall, the positive effect of such investments was consistent in all cases, but in certain cases for a limited duration based on project- or customized needs. Customer-specific investments have mixed effect on suppliers. It positively affects certain suppliers' future capabilities, as they

further extend to similar customer, other customers in meeting their innovative OEM, ODM and/or introduce the new aspects in their own offerings and seasonal concepts. In certain cases, the project-specific or customers' specific investments became a liability or sunk cost for the suppliers (case firms), as it become obsolete with the completion of a specific order or project, but have an overall positive residual effect on supplier's learning and acquisition of new capabilities. Similarly, the supplier undertakes unilateral investment as strategic value maximization strategy for building long-term relations with specific partners and customers.

The acquisition of experts and their services was found to be an important mode of external knowledge acquisition, in-depth understanding of current problems, and inducing trendy and new features into products/services (ability to innovate), all of which have a positive effect in response to the changing customers' needs and markets trends for a diverse range of innovative products and processes. With respect to promotional collections, the experts have a positive effect in designing and developing new products, processes, and concepts, but not necessarily a success factor, as in certain instances, the promotional collections are change according to customer's needs. This may be due to the differences in customers' taste and preferences, as per their market needs.

Similarly, the acquisition of designers, developers, and their services by the supplier firms have a positive effect on introducing technical aspects, innovative designs and concepts, latest market trends, and other dimensions that potentially improve their offerings. It further enhances the supplier's ability to meet demands for high-end product, processes, and services. Moreover, the experts assist and train the suppliers' design teams in providing innovative ideas, designs, and future concepts to upgrade existing offerings or to produce something novel.

In addition, the role of experts was found to be vital in implementing international standards and certificates, positively enhancing suppliers' abilities to incorporate value-added operations and the latest trends in an acceptable way, further adding to their reputation and business development.

Moreover, it was found that investment and acquisition of R&D and reverse engineering/imitation were important modes of innovation and incorporating the latest aspects of market-winning products, processes, practices and ideas in existing offerings and/or developing new ones as a response to the emerging market needs. It has frequently mentioned effect on external knowledge acquisition and absorptive capacity,

which in turn positively affect supplier's capabilities (production, improvement and innovation) related to organizational changes, operations and offerings. R&D and reverse engineering are the main ways of innovation and upgradation. The reverse engineering and emulation is active form of learning and the absorption of innovations produced elsewhere, and the generation of improvements in the vicinity of acquired techniques. Hence, considered as the dynamic engine and has positive effect on learning, enhancing absorptive capacity and upgradation in the shortest possible time in general and specific among developing economies suppliers.

Likewise, different types of product partnerships and alliances with leading market players, customers, and suppliers were found as the main way to know about, acquire the latest techniques in production, processing/washing, systems, sales, and logistics. Such partnerships have an overall positive effect on the supplier's innovative capabilities and involvement in latest textile productions and operations to meet the latest demands, which further improves overall firm performance and sales.

In addition to the most common learning ways, other important ways for learning include- certifications, TFCO, reverse engineering and imitation as well as vertical production facility, each of which is associated with a specific learning domain. Therefore, it is suggested that involvement in the mentioned learning domains and specified learning ways have an overall positive effect on firms' development and movement in the value chain (such as development from AO to EXP). Overall, the current study's findings support the existing literature with respect to the impact of the above-mentioned learning domain, learning ways, and main reasons on value-chain movement and development. The available stream of relevant literature tends to support this study's findings with respect to the impact of customer specifications on suppliers' learning and developing capabilities.

In their studies Pitta & Franzak (1996), Wikström (1996), and Romero & Molina (2011), explicitly connected supplier's learning with customer involvement (global value chain). Other studies identified the vital role of customers and their specifications in latest designs, processes, innovative offerings, new solutions (Enkel, Perez-Freije, & Gassmann, 2005; Marsili & Salter, 2006; Romero & Molina, 2011), and services (Alam, 2002; Matthing et al., 2004), which positively affect suppliers' capabilities in two ways: first, it helps the suppliers to exploit and craft the desired products, processes, and services to meet the present demand (Benner & Tushman, 2003; O' Reilly & Tushman,



2004); second, customer interactions have positive effect on the supplier existing knowledge, as it help them to explores new capabilities to anticipate customers' latent needs and develop new products, innovative designs, patterns, and other related services (designing, pattern development, logistics auditing, and others) (Katila & Ahuja, 2002; Matthing et al., 2004), for future movement in value chain.

Similarly, Baines et al., (2009a) and Gebauer et al., (2008) identified customers as both partners and clients, as they provide product designs and technical assistance in addition to specifications to their suppliers, has positive effect on supplier capabilities. García et al., (2012) found that exporting and engagement with foreign customers has effect on knowledge acquisition and absorptive capacity in upgrading their existing production techniques and technology meet demand for customized OEM, ODM, solutions, introducing new features and designs in their offerings. Kang et al., (2009), Miller et al., (2002) and Möller (2006) found positive effect on product centric services, while Cashore (2002) and Christmann & Taylor (2006) relate it with compliance with international standards. Overall, engagement with foreign clients and ties have positive effect on producing value-added offerings (Aw et al., 2008; Love & Ganotakis, 2013; Petersen et al., 2005; Potoski & Prakash, 2004; Rugman & Verbeke, 2004), services (Baines, Lightfoot, Benedettini, Whitney, & Kay, 2010; Baines, Lightfoot, & Smart, 2011), and developing new ties (Kang et al., 2009; Möller, 2006; Wernerfelt, 1985).

Equally, number of studies have identified the impact of customer specifications on suppliers' learning, developing, and enhancing unique capabilities related to the latest production and processing techniques (Maskell et al., 2007; Petersen et al., 2005; Wei & Liu, 2006; Young et al., 1996), designs (García et al., 2012), and certifications (Christmann & Taylor, 2006). Overall, the continuous response to specifications has a positive effect on new and existing ties (Ulaga, 2003; Ulaga & Eggert, 2006; Walter et al., 2001).

Moreover, the supplies ties with foreign customers have positive effect on suppliers learning about latest market trends, access to relevant market actors (Fifarek & Veloso, 2010; Love & Ganotakis, 2013; Möller & Törrönen, 2003; Walter et al., 2001), designs, new product development and technical support (García et al., 2012; Salomon & Shaver, 2005). Hence, matching with specifications exposed suppliers directly to observe customers actions (Martin Jr & Horne, 1995; Thomke, 2003), which in turn enhances their abilities to match with demanded specifications, offer customized solutions

(Möller, 2006), and learning about customer latent needs (Matthing et al., 2004), and their market preferences.

In addition to the suppliers' economic upgradation, the current study identified societal and environmental upgradation based on working and engaging in global value chain, thus contribute to exiting studies. Very recently, a limited number of studies identified the direct effect of global value chain and governance effects on firms societal and environmental upgradation (Barrientos et al., 2011; Khattak et al., 2015; Marchi et al., 2013).

In terms of investment in the latest machines, systems, technology, R&D, and designing facilities the current study support previous studies, mentioning that such investments have a frequently mentioned effect on external knowledge acquisition, absorptive capacity, innovation and productivity. Overall, with respect to investment in the latest technology, R&D, and designing facilities, and systems existing studies support the effect identified in this study. Basant & Fikkert (1996) and Cohen & Levinthal (1990) found a positive effect of technology purchase on higher productivity in Indian firms. Sohal et al.,(2006) showed that the implementation and use of advanced technology potentially develops suppliers' competences and knowledge base. Santamaría et al.,(2009) found direct effect on innovation and output and specially in low and medium technology industries. Hofmann & Orr (2005) identified direct effect on addressing changes in product and production capacity, enhances flexibility and overall performance. Khanchanapong et al., (2014), based on their study on Thai manufacturing firms, found that investments in advanced manufacturing technologies and lean production practices affect performance, including quality, lead time, cost, and flexibility. An exception here is a study by Sohal et al., (2006) who did not find a link between investment and adoption to latest technology and export in Australian manufacturers. The reason for this may be the sample firms belongs to Australia (a developed economy) and have already adopted the new technology and involved in latest practices compare to DES in the current study.

In a similar vein, some studies support the current study's findings with respect to investments in design-related activities and found positive affect on innovative output (Marsili & Salter, 2006), and export performance (Sterlacchini, 1999). An exception here is a study by Roy & Riedel (1997), who did not find a direct link between investment in designing and successful offerings in small and medium British firms.

The current findings are supported by existing studies showing that design, when integrated with other areas such as product development, production, marketing, supply, and after sales, can warrant successful products and better performance (Walsh, Roy, Bruce, & Potter, 1992).

In addition to investments in the latest machines and technology, the current study identified the suppliers' unilateral project-based or customer-specific tangible and intangible investments, contribute to existing studies. Interestingly, this contradict the rational of transaction cost economics (Williamson, 1979, 1989, 1996), where the suppliers do not receive any kind of commitment from the buyer. The current study support existing studies, which identified unilateral investment as relational strategic moves for learning and economic value maximization in future (Kang et al., 2009; Rokkan, Heide, & Wathne, 2003), rather than considering them as poor managerial practice. Such unilateral investments enhance long-term exchange relationships and warrant continuity of business with a particular customer (lead), as well as the acquisition of new knowledge, capabilities, and reputation necessary for future engagements (Barthélemy & Quélin, 2006; Parmigiani, 2007; Rokkan et al., 2003). Rokkan et al., (2003), empirically tested and found supporting evidence that suppliers make relationship-specific investments if the inter-project knowledge spillover is greater and enhance capability.

Investments in the latest foreign technologies and R&D are necessary to facilitate understanding of market-winning products, processes, and services and are an integral part in assimilation and absorption of new technologies and techniques (Cohen & Levinthal, 1989; García et al., 2012). The study identified R&D/ reverse engineering as an important mode of learning, assimilation and absorption of new technologies, support existing studies.

This study findings show a dual route to enhance the absorptive capacity and innovative capabilities of suppliers through involvement in R&D (both in-house and offshore R&D expertise) and exploitation of external knowledge through reverse engineering from competitors, customers, market, and foreign technologies, thus enhanced their innovate capabilities (Cohen & Levinthal, 1994), and flow of the latest market information (Deeds, 2001). In their studies, García et al.,(2012), Cohen & Levinthal (1994), Deeds (2001), and Marsili & Salter (2006), mentioned that involvement and investment in R&D and related activities have a positive effect on suppliers' absorptive capacity, technological, and innovative capabilities. Aw, Roberts, & Winston (2007) found that

firm that simultaneously involve in exports and R&D have higher productivity than firm that involve only in exports or R&D.

Meanwhile, other studies, such as Malik & Kotabe (2009), Santamaría et al.,(2009) and Shenkar (2010), have mentioned that alternative R&D modes (such as reverse engineering, imitation, etc.) have a positive effect on the absorptive capacity and innovative spillovers. Similarly, Basant & Fikkert (1996), found a positive and frequently mentioned effect of firm's R&D activities and foreign R&D spillovers enhancing adaptation and reverse engineering for new offerings in Indian firms.

Similarly, in Indian pharmaceutical firms, Chittoor & Ray, (2007) mentioned reverse engineering as vital in developing new products. Tsai & Eisingerich (2010), mentioned that imitation through the use of advanced technology enhances emerging-market firms' entry into international markets and allow them to compete in global markets (Svetličič & Rojec, 1994). Malik & Kotabe (2009), in their study on Pakistani and Indian manufacturing firms, found a significant positive effect of reverse engineering on the identification and absorption of market knowledge, new technology, and product development to meet demands and improve performance. In order to mitigate their limited in-house R&D and design capabilities, suppliers, in all cases, actively engage in offshore R&D and design units, supporting exiting studies which indicate the important role of cross border R&D (Manning et al., 2008; Nieto & Rodriguez, 2011), and alternative R&D modes (Malik & Kotabe, 2009; Santamaría et al., 2009; Shenkar, 2010), and R&D and design ties to enhance their ability to innovate, customized designs and offerings as per international standards. This contributes to the existing view that any type of firm can develop overseas R&D facility (inter-firm and intra-firm activity) (Howells, 2008) to improve their capabilities related to R&D and innovation. Hence, such capabilities are not only limited to developed economies firms, but to developing economic suppliers as well.

Moreover, the current study complements the findings of existing studies on the important role of experts (designers, developers, technical consultants, etc.) in new product development, R&D, innovative offerings, and marketing. Regarding the role of experts, most studies found a significant direct effect on filling the competency gap in learning, acquiring external knowledge for new offerings, and developing innovative seasonal collections (Abecassis-Moedas & Benghozi, 2012; Bierly III & Daly, 2007; Haeussler et al., 2012; Harhoff et al., 2003; Rao & Drazin, 2002).

Similarly, in their studies Bessant & Rush (1995), Arora & Gambardella (1990), and Creplet, Dupouet, Kern, Mehmanpazir, & Munier (2001), mentioned that technological consultants, R&D outsourcing, and qualified researchers are vital in acquiring knowledge related to the latest designs, technical aspects, market, and other dimensions, which potentially improves a supplier's ability regarding product concept, development, innovative designs, and processes. Moreover, Berman, (2002), Fine (1998), and Mendelson & Pillai (1999) empirically tested the learning-by-hiring concept to access and develop external knowledge, while Rao & Drazin (2002) showed that human mobility is an antecedent of product development and innovation.

Furthermore, Tsinopoulos & Al-Zu'bi (2012) found that product experts have a positive and statistically significant impact on the speed of new product development in European manufacturing firms. Berman (2002) and Zipkin (2001) mentioned, within a manufacturing context, that firms benefit from the industry experience and capabilities of product experts in receiving new ideas and upgrading existing products and ideas (Haeussler et al., 2012). Leiponen (2006), mentioned that engagement with experts enhances tacit skill in designs, technical aspects, or solves related problems.

Rindfleisch & Moorman, (2001) related experts' engagement with suppliers' market knowledge, asserting that it helps them to decrease or avoid marketing research time (Crawford, 1992), focus on specific ideas (Harhoff et al., 2003), and speed up the new product development processes (Crawford, 1992; Tsinopoulos & Al-Zu'bi, 2014; Tsinopoulos & Al-Zu'bi, 2012). An exception here is a study by Littler, Leverick, & Bruce (1995), who showed that experts' engagements can lead to poor performance and delays in product development processes. The current study contradicts Bierly III & Daly (2007), who found that small manufacturing firms mainly learn from suppliers and the scientific community, while large firms learn from consultants/experts and partnerships. This deviation may be due to differences in industry, firm types, or strategic motives of individual firm. Overall, with regard to accessing and developing knowledge, the findings validate idea of "learning-by-hiring" (Song, Almeida, & Wu, 2003).

The diverse partnerships/alliances with leading market players in different areas (such as R&D, design, washing, product development, sales, and marketing, etc.) have a positive effect on suppliers' ability to get access to critical skills and competences, improving existing products, processes (Menguc & Auh, 2010), new product development, relationships in the market (Liu et al., 2010; Möller, 2006; Möller &

Törrönen, 2003; Savva & Scholtes, 2014), and overall firm development (Inkpen & Pien, 2006).

The current study contributes to innovation literature in general and particularly on co-innovation. With respect of co-innovation Von Hippel, Ogawa, & De Jong (2011) identified that the application of new ideas or approaches from different internal and external sources are applied differently to create value for related partners and stakeholders. Likewise, Lee, Olson, & Trimi (2012) mentioned that co-innovation is an effect of convergence, collaboration and cocreation.

Thus, a mix of exploitative and explorative involvements is critical in acquiring the latest competencies in meeting customized OEM, ODM demands and exploring innovative ways to offer future concepts (products, design, processes, etc.), registered names, OBM and related services, hence improving and developing contacts across borders (Ahuja & Lampert, 2001; Levinthal & March, 1993; Möller & Törrönen, 2003; Ulaga, 2003). In terms of services, customer specifications and suppliers' strategic orientation (investments, R&D/ reverse engineering, and experts) have a positive but differential effect in offering services. Therefore, the mentioned competencies have an overall positive effect on producing value-added offerings (Aw et al., 2008; Love & Ganotakis, 2013; Petersen et al., 2005; Potoski & Prakash, 2004; Rugman & Verbeke, 2004) and developing new ties (Kang et al., 2009; Möller, 2006; Wernerfelt, 1985).

Therefore, in accordance with the above-mentioned argumentations and findings in the current study, the following propositions are suggested:

**Proposition 4.a.** The more AO firms learn about new production & manufacturing through experts, customer specifications, implementation of new machines and systems and R&D/RE, the more likely they are to transform into EXP firm.

**Proposition 4.b.** The more AO firms learn about promotion management through experts, customer specifications, implementation of new machines and systems and R&D/RE, the more likely they are to transform into EXP firm.

**Proposition 4.c.** The more AO firms learn about innovation through experts, customer specifications, implementation of new machines and systems and R&D/RE and imitation, the more likely they are to transform into EXP firm.

**Proposition 4.d.** The more AO firms learn about customer relations through experts, customer specifications, international marketing offices, implementation of new machines and systems and R&D/RE, the more likely they are to transform into EXP firm.

**Proposition 4.e.** The more AO firms learn about Design & Pattern Development through experts, customer specifications, implementation of new machines and systems and R&D/RE, the more likely they are to transform into EXP firm.

#### **6.4.5 Development from Explorer to Active Outsourcee (EXP to AO)**

The reverse development from EXP to AO was mentioned in three cases as a result of learning about and implementing competencies related to innovation (product, processes, services, operations and organizational changes etc.) and brand management in addition to OEM and ODM services.

The common learning ways to involve in identified learning domains are experts, design studios and R&D/reverse engineering. Other important ways for learning includes investment in new machines, customers' specifications. It is important to note that a unique and case firms specific learning ways such as outlets (CI), sales agents (CII) and M&A (CIII), each of which associate with a specific learning domain is worth mentioning.

Investments in and acquisition of R&D and reverse engineering capabilities were important modes of innovation. These were used in incorporating the latest aspects of market-winning products, processes, practices and ideas in existing offerings and/or developing new ones according to the emerging needs of the markets. It has frequently mentioned effect on external knowledge acquisition and absorptive capacity of suppliers, which further enhance their innovative capabilities, in developing new products, designs, processes, and services to a certain extent. In addition to internal, offshore R&D facilities have direct positive effect on supplier's innovation to know and include latest aspects of the international markets in operations and offers accordingly. This led to new operations and branding and marketing opportunities.

Similarly, the designing facilities and capabilities remained vital in incorporating market driven designs, pattern in offerings. In addition to internal designing facilities, the

offshore designing centers and partnerships in designing have direct positive effects to know and include buyer-driven designs to include the latest market trends and fashion in their designs and further design and develop future concepts. The supplier's involvement in designing facilities has positive effect on including fresh and genuine design based on the specific market and seasonal needs of customers. Further, designing center and designing capabilities have direct positive effect on supplier's involvement in offering designing and pattern development services on commercial basis.

Furthermore, the acquisition of experts (designers, developers, technical consultants, marketing and sales men, etc.) and their services were found to have a positive effect on suppliers' abilities to mitigate expertise deficiencies related to complexities in new markets, segments and R&D for new products, designs, processes, branding, and marketing. In addition to internal and external R&D and reverse engineering, the engagement with experts speed up the discovery process positively effect on reducing risk associated in new product development. Similarly, the acquisition of designers, developers, and their services by the supplier firms have a positive effect on introducing technical aspects, innovative designs and concepts, latest market trends, and other dimensions that potentially improve their offerings.

It further enhances the supplier's ability to meet demands for high-quality product, processes, and services, and offering new products and services under their own brand name.

Moreover, the active involvement of suppliers in marketing, sales, and promotional activities through their own commercial offices, outlets, and sales agents had a positive effect on customer awareness, relations, and branding in local as well as international markets. Finally, mergers and acquisitions and sister company involvement were found to have a significant positive effect on branding and marketing in both local and international markets.

Overall, the mentioned ways enhanced the case firms' capabilities to engage in value-added operations such as sales, marketing, and branding, but such capabilities and engagements were limited to the local market in the start. This is because that developing new products and marketing under the company's own brand take a long time, require long-term investments, sophisticated logistics and sales infrastructure, in addition to absorbing high risks in international markets. Similarly, product-/brand-related intellectual property (IP) and tough competition from established firms with sophisticated marketing and branding capabilities in international markets further



restrict DESs entrance to the international stage. Therefore, an initial focus on the local market was also due to lack of resources and was based on pure strategic decisions to test and build the marketing and branding operations for future. The findings did not show any instances of psychic distance whatsoever. Finally, among others, the most important reason to focus on local markets was to avoid direct competition and confrontation with lead buyers/sourcing partners in order to retain OEM, ODM ties for continuous stream of learning and revenue generation. It was found that selling under the company's own brand and registered collections represented a small portion of the total sales in the case firms (at the time of interview).

Therefore, it is suggested that involvement in the above-mentioned learning and specified learning ways have an overall positive effect on firms' developments and movement (in this instance, backward movement) in the value chain from Explorer to Active Outsourcee (EXP to AO).

Overall, the current study's findings support the existing literature with respect to the impact of the above-mentioned learning, ways, and reasons on movement and development in the value chain. Tsai & Eisingerich (2010), in their study on emerging-market firms, found that some firms invest in R&D for innovative offerings, while others invest and adopt advanced technologies for creative imitation. Khanna & Palepu (2006) mentioned that lack of capabilities and finances made it difficult for developing-economy firms to build global brands or invest in technologies to bring flexibility to their operations.

In addition to internal R&D, a number of studies have frequently mentioned the use of alternative and external sources such as consultants, reverse engineering, R&D outsourcing, cooperative agreements, and experts and their services to support in-house R&D activities and innovation (Bessant & Rush, 1995; Cassiman & Veugelers, 2006; Santamaría et al., 2009), and contributed to dynamic capabilities view (Helfat et al., 1997). Kale & Little (2007) identified reverse engineering and creative imitation as the main mechanism of knowledge acquisition and capability in process R&D has frequently mentioned effect in development. Similarly, McMahon & Thorsteinsdóttir (2013) mentioned that in addition to reverse engineering, the imitation of technology as cost-effective processes, importing of new ideas from customers and international markets are the main competitive strategies of the developing economies firms. Moreover, an increasing number of studies explore the impact of external technology acquisition on innovative performance (Belderbos, Carree, & Lokshin, 2004; Faems,

Van Looy, & Debackere, 2005; Nieto & Santamaría, 2007). Manning et al.,(2008) and Lewin & Couto (2007) related the engagement of firms in offshore R&D with enhanced in-house R&D and the absorptive capacity necessary for new offerings (Cohen & Levinthal, 1990; Nieto & Rodriguez, 2011). Nieto & Rodriguez (2011) found that offshore R&D facilities has a positive and significant effect on firms' innovation performance and has a greater effect on product innovation.

Nieto & Rodriguez (2011), in a study based on British manufacturing case firms, found that external designers are useful in their learning. Further, they mentioned that based on their interaction with external designers, the internal design teams directly applied the learned techniques to new product development and projects. Hertenstein et al., (2005) mentioned that industrial designers working with marketing, R&D, production, purchasing, and supply chain is critical for new product developments. Filippetti's (2010) findings connect external designers and experts with the generation of new ideas, new processes, concepts, and alternative solutions, enhancing firms' innovative capabilities.

Swink and Nair (2007) found that the use of designing and advanced manufacturing technology have a positive effect on quality, delivery, and process flexibility, but not on cost and new-product flexibility. Abdi (2008) in his study based on Canadian manufacturing firms, concluded that investments in machinery and equipment affect production and were vital for firm growth. Hertenstein et al.,(2005) found strong evidence that firms engaged in effective industrial designing activities achieve high sales performance. De Mozota (2003) considered designing activities as an integral part of branding and firm innovation. The designers provided ease of product usage to customers and attracted them through graphic and aesthetic attributes (Dell'Era & Verganti, 2009). Beverland et al. (2010) in a qualitative study from a number of industries across countries found four typologies (follower, category leader, craft design driven, and product leaders brands) to manage branding based on their innovative efforts relative to the marketplace. The current study's findings are partially support Beverland et al., (2010) with respect to follower brand and, to a certain extent, category leader brand. The follower brands continuously review market winning offerings with feedback from customers to match with competitor's offerings on time through incremental innovation. The category leader brands use customer driven radical innovations in order to get share in mass market. The marketing closely works with R&D and new product development to ensure product acceptability to customers. Category leader exploit existing technologies and processes, while investing in new

technologies, processes and systems for new offerings on continuous basis. This involvement is due to the market-driven incremental nature and inherited knowledge/resources constraints and engagement in local and regional markets, while certain aspects of radical innovation target regional and international markets as well.

With respect to the unique and individual case firm's specific ways identified in this study seem to support existing literature.

The relevant literature tends to support the current study's findings with respect to the use of cross-channel (online and offline) sales, marketing, and promotion activities. Cross-channel integration is the effective designing and deployment of channels to serve customers in an integrated manner. Cao & Li (2015) found that cross channel positively affects sales; they also mentioned that firms who focus on specific channels benefit less from cross-channel usage. The current study's findings gravitate towards the use of multiple channels to reach customers through easily accessible sources to enhance sales.

Gallino & Moreno (2014) concluded that the integration of online and offline channels (such as buying products online and collecting them at the store) increases store sales. Carlson et al., (2015) showed that online channels have a positive effect on customer satisfaction. Rouziès et al., (2005) proposed that sales and marketing integration has a positive effect on business performance and is vital for those firms that introduce new products and services regularly (such as seasonal collections in the current study). Based on the current study findings, it is evident that both sales and marketing are working in an integrated manner. Crawford et al., (2004), mentioned the tradeoff between sales agents and companies' own sales force depends on the nature of the market, nature of product, buyer-seller relation, and lack of technical expertise. Further, they added that in case of product seasonality firms need a sales force that can fluctuate with demand, while agents can be added or removed according to demand.

Similarly, if the product is standardize/ordinary, of low value, and ordered in small quantities, sales agents are best. Powers (1991), mentioned that the use of sales agents is vital in the case of new products with no established demand. Chetty & Campbell-Hunt (2003), in a study based on multiple cases from New Zealand and Australia, found that distributors were vital in gaining market knowledge, information, and expansion of business. Frazier & Lassar (1996), found that high-quality brand producers adopt exclusive or a lower level of distribution intensity. Alon, Jaffe, & Vianelli (2013), mentioned that fast-moving goods (brands) producers use outlets as an intensive distribution strategy for higher penetration in the market. They further mentioned that

some producers use selective distribution as a strategy to focus on specific segments, or use both outlets and other exclusive stores in main market for even deeper market insertion.

A large number of existing studies support the current study's findings with respect to mergers and acquisition and the involvement of sister companies in sales, marketing, and branding activities in both local and international markets. Spigarelli et al., (2015) mentioned that the acquisition of Western companies' by Chinese, get them access to the strategic competencies of the Western acquire, while Morck, Yeung, & Zhao (2008) related it with the acquisition of international brands. Gubbi et al., (2010) in their study on Indian firms, found that international acquisition by emerging-economy firms generate higher returns. Deng (2009) based on multiple cases from Chinese telecom and PC producers, found that acquisition of strategic assets enhances movement in the value chain (from manufacturing to R&D, branding, and distribution), thus enhancing their competitiveness. Steensma & Fairbank (1999), mentioned that acquisition of technology-based firms directly enhance the acquirer's technological resources by avoiding the internal path dependence, time-consuming, and uncertain processes. Chittoor & Ray (2007) concluded that foreign acquisition is the main source of capabilities, market share, and movement in the value chain. Teece (1986), and Doz (1987) mentioned that acquirers tap into the innovative capabilities of the acquiree and are linked with its manufacturing, marketing, and distribution. White & Poynter (1984) stated that subsidiaries are market satellites that connect market specific products with customer services support.

Puranam & Srikanth (2007) mentioned that acquisitions provide access to technology and innovation, but at the same time are prone to failure due to implementation problems (Hagedoorn & Duysters, 2002; Puranam, Singh, & Zollo, 2006; Steensma & Corley, 2000); however, joint product development, R&D, sales and marketing integration enhance coordination and help in implementation. The current study's findings show that the acquired firm works as an independent unit based on its superior knowledge, R&D, and product development, brands, and sales and marketing activities in Pan-Europe, supporting existing studies. Najafi-Tavani, Giroud, & Sinkovics (2012), and Najafi-Tavani, Zaefarian, Naudé, & Giroud (2015) mentioned that subsidiary autonomy occurs with reverse knowledge transfer to headquarters. Schweizer (2005), based on a multiple-case study, suggested that keeping the autonomy of upstream R&D while integrating sales, branding, and marketing enhances the acquirer's capabilities to offer

a continuous stream of innovative products under own brands in both local and international markets.

Lastly, in addition to international marketing offices, the current findings show the role of sister companies in international sales, R&D/designing, marketing, and brands. The literature mentioned affiliates or business groups as the gathering of formally independent firms under the control of a single entity (family business in the current study) (Chang & Hong, 2000). Birkinshaw (2000) mentioned that the resources and capabilities (capital and marketing, etc.) of subsidiaries are different from their sister affiliates; therefore, they use affiliates resources to directly involved in value-added operations than developing by themselves (Morck & Yeung, 1991). Chang & Hong (2000) found that the marketing-related resources of affiliates are positively related to firm performance. Chang & Choi, (1988) mentioned that affiliates connect upstream and downstream vertical integrations, and serve as export engines in international markets (Chang & Hong, 2002).

Therefore, in accordance with the above-mentioned argumentations and findings in the current study, the following propositions are suggested:

**Proposition 5.a.** The more EXP firms learn about and involve in innovation through experts, R&D/ RE, CEO interest and design studio, the more likely they are to transform into AO firm.

**Proposition 5.b.** The more EXP firms learn about and involve in branding & marketing (local market) through experts, R&D/ RE, CEO interest and design studio, in addition to specific ways namely M&A, sales agents and outlets, the more likely they are to transform into AO firm.

#### **6.4.6 Development from Partner to Emerging Global Challenger (PAR to EGC)**

Similarly, the development from EXP to EGC was mentioned in three cases as a combined effect of the mentioned capabilities in Section 6.4.5, with a focus of innovation and brand management in regional and international markets.

Therefore, in accordance with the mentioned argumentations in section 6.4.5 and findings in the current study, the following propositions are suggested:

**Proposition 6.a.** The more EXP firms learn about and involve in innovation through experts, R&D/ RE, CEO interest and design studio, the more likely they are to transform into EGC firm.

**Proposition 6.b.** The more EXP firms learn about and involve in branding & marketing (international market) through experts, R&D/ RE, CEO interest and design studio, in addition to their specific ways namely M&A, sales agents and outlets, the more likely they are to transform into EGC firm.

#### **6.5 Summary:**

This section will mention the most common identified learning domains, ways, reasons and their impacts on development. First, learning domains, ways, reasons, and their effect on supplier learning and development are conceptualized. In addition, certain prominent learning domains, ways, reasons and their impacts are mentioned at the end of each section. Furthermore, the most common development and typology and a refined conceptual model will be presented at the end.

It is important to note that, though certain learning domains, ways and reasons may be more potent than others for a given reason or development in a specific firm, but all the identified domains are worth paying attention to. They may be mutually reinforcing, interrelated and should be viewed holistically rather than in a piecemeal fashion.

### 6.5.1 Learning Domains and Dimensions

The current study identifies **11 common learning domains** from a total of 14, ranging from setup and basic production and manufacturing to high value-added upstream and downstream operations and services. They include:

- Setup and start related to infrastructure, basic operational and production capabilities;
- New production and manufacturing related to development and production of standard market-demanded products, processes, and services;
- Promotional management captured by commercial information, development, and presenting innovative products, processes, and services concepts;
- Washing and laundry captured by adopting the latest developments in laundry and washing techniques, processes, and procedures;
- Customer relations reflecting various relational aspects and dimensions in serving existing and potential customers and markets;
- International and regional standards captured by adoption to the level and types of customer-specific, regional, and international criteria related to products, processes, society and environment;
- Innovation is captured by both exploitative and explorative activities related to products, processes, organizational changes firm renewal, and market development;
- Branding and marketing captured by product/design development, production, marketing, and selling under company's own name, logo, and trade mark;
- Design and pattern development captured by the fad and fashion and sewing digital designs traced on fabric before cutting;
- Integrated production captured by composite manufacturing operations; and
- Industry trends reflect the changes in demand, fashion, and other market dimensions in a certain time period.

Overall, the cross-case findings mention promotional management, integrated production, innovation and branding and marketing as the most important learning domains.

### **6.5.2 Learning Ways and Dimensions**

The current study identifies 26 interactive learning ways that connect the learning domains with the main reasons and motivations. In order to reduce complexity, **the 12 most** common ways were kept in the final model. These include:

- Experts reflecting the specialty, expertise, and experience in textiles and related areas;
- Investment in the latest machines captured by acquisition and investment in the latest hardware, processes, and systems;
- Product partnership reflects the contribution of other expertise, assets, and services;
- Customer specifications are detailed requirements from sourcing partners and clients related to both products, society and environment met through detailed requirements and needs;
- Vertical production facility is captured by production, processes, and related operations in a composite manner;
- Certification is captured by confirmation to set standards in operations, processes, and overall dealings;
- R&D/reverse engineering are captured by the creation of new and/or reformulation of existing knowledge, products, processes, and services;
- Trade fair and commercial offices are captured by establishing sales, marketing, information collection points, and participating in trade shows; and
- Design studio is captured by creative product concepts, novel designs, and processes.

In addition, three unique but extremely important case specific ways are included:



- M&A is captured by buying or combining different or similar entities under a single control;
- Sales agents work in an arrangement to reach to ultimate customers; and
- Outlet is captured by company's exclusive physical (offline) and or virtual(online) stores.

### **6.5.3 Main Motivations for Learning and Dimensions**

The current study identifies a total of **10 common reasons** to become involved in 11 learning domains through 12 specific ways of learning. These common reasons are:

- Improvement in textile production captured by new ideas, skills, tools, machines, and techniques in the existing production;
- Improving performance captured by becoming involved in the latest production, processing, and systems;
- Latest textile processing techniques captured by the adoption of the latest practices, procedures, and methods in laundry, washing, finishing;
- Latest demand captured by recent market trends and customers' needs related to both products, processes, society and environment;
- Ability to innovate captured by acquisition of capabilities to involve new or updated existing products, processes, services and operations;
- International market presence captured by establishing business connections across borders;
- Developing contacts captured by employing different arrangements to establish new and or enhance existing relations;
- Branding and marketing captured by developing, promoting, and selling under company's own logo, name, and trademarks;
- Commercial services captured by offering customized solutions from conception to delivery (design, pattern development, supply, quality audit etc.); and

- Compliance with regulation captured by the confirmation to recognized set standards in production, dealings with society, customers and environment.

Overall, the cross-case findings mention improvement in textile production, ability to innovate, develop contact and finally branding and marketing as the most prominent reasons.

#### **6.5.4 The Effect of Identified Common Learning Domains, Ways, and Reasons for Movement Along the Value Chain**

Out of a total of 11 developments identified in the current study, the most prominent outcomes of the identified learning domains, ways, and reasons leads to 6 common developments or movement along the value chain, as follows:

First, the establishment of a modern setup and new manufacturing capabilities was carried out through investments in machines, product-related ties, limited involvement with experts, and most dominantly, customer specifications to engage in the latest textile production, meet the market demands for standard products and processes, and start developing contacts in international markets. The involvement of case firms in the most common domains, modes, and reasons resulted in the movement from Traditional actor to Experimental outsourcee (TA to EO).

Second, further learning about and implementing new production and manufacturing, integrated manufacturing, customer relations, and international standards were learned and enhanced through meeting customer specifications, follow-up investments, certification and involving in both local and cross-border sales and marketing activities. Therefore, the mentioned learning domains and ways remained influential in developing contacts in the market, improving production, meeting demands, and enhanced overall firm performance. The mentioned domains, ways, and reasons have a combined effect on the movement from Experimental outsourcee to Active outsourcee (EO to AO).

Third, learning about and involving in washing/processing, customer relationship, integrated production, and industry trends are the main learning domains. Customer specifications, investment in new machines, and trade fairs and commercial offices are the most common ways. These were important in developing contacts, meeting latest demand, ability to innovate, and latest textile production and processes according to the

demand. Overall, the mentioned learning domains, modes, and motivation leads to the development from Experimental outsourcee to Explorer (EO to EXP).

Fourth, the learning about and implementing new production/manufacturing, promotion management, innovation, customer relations and design and pattern development are the main learning domains. Experts, customer specifications, investment in new machines, and R&D/ reverse engineering are the most common ways. These domains and ways were influential in developing contacts, meeting the latest demand, the ability to innovate, having the latest textile production, and improving performance. Overall, the mentioned learning domains, modes, and motivation leads to the development from Active outsourcee to Explorer (AO to EXP).

Fifth, learning about and implementing innovation and branding management (local market) and marketing activities are the main learning domains. R&D/ reverse engineering, experts, design studios are the three most common, while outlets (CI), sales agents(CII) and M&A (CIII), are unique and company specific learning ways. These learning domains and ways were significant in developing contacts, ability to innovate, latest textile production, latest demand and branding and marketing. Overall, the mentioned learning domains, modes, and motivation leads to the backward development from Explorer to Active outsourcee (EXP to AO).

Finally, the involvement in innovation, branding, and marketing activities (regional and international markets) are the main learning domains. R&D/ reverse engineering, experts, design studios are the three most common ways, while outlets. These were significant in offering the latest products, processes, and services in regional and international markets under the company's own name, logos, and trademarks, and in developing contacts across borders. Hence, the mentioned learning, ways, and reasons leads to the development from Explorer to Emerging global challenger (EXP to EGC).

Overall, Table 6.3 identified the tabular summary of the most significant domains, ways, reasons, and their effect on suppliers' development.

Table 6.3: Cross case summary of movements along the value chain

<b>Movements</b>	<b>Learning Domains</b>	<b>Learning Ways</b>	<b>Reasons</b>	<b>Cases</b>
<b>TA to EO</b>	Setup & start, New production and manufacturing	Investments in machines, Experts, Product partnership, Customer specifications	Develop contacts, Meet latest demand, Improving performance, Improvement in latest textiles production	CII, CIV
<b>EO to AO</b>	New production and manufacturing, International and regional standards, Customer relations, Integrated production	Customer specifications, Investments in latest machines, Product partnerships, Vertical production facility, Certification, Trade fairs and commercial office	Improvement in textile production, develops contacts, Meet latest demand, Improving performance	CI, CII,CIII,CIV
<b>EO to EXP</b>	Washing and Processing, Customer relations, Integrated production, Industry trend	Customer specifications, Reverse engineering/Imitation, Investment in vertical production facility, Trade fairs and commercial office, Experts	Develop contacts, Meet latest demand, Ability to innovate, Improvement in latest textiles productio	CII, CIII
<b>AO to EXP</b>	New production and manufacturing, Promotion management, Innovation, Customer relations, Design and pattern Ddevelopment	Experts, Customer specifications, Implementation of new machines and systems, R&D/RE,	Develop contacts, Meet latest demand, Ability to innovate, Improvement in latest textiles production, Improving performance	CI, CII, CIII,CIV
<b>EXP to AO</b>	Innovation, Branding and marketing management (local market)	R&D/ Reverse engineering, CEO interest, Experts, Design studio. M&A(CIII), Sales agents (CII and CIV), and Outlets(CI).	Develop contacts, Ability to innovate, Improvement in latest textiles production, Branding & marketing (focus on local markets)	CI, CII, CIII
<b>EXP to EGC</b>	Innovation, Branding and marketing management (international market)	R&D/ Reverse engineering, CEO interest, Experts, Design studio. M&A(CIII), Sales agents (CII and CIV), and Outlets(CI).	Develop contacts, Ability to innovate, Improvement in latest textiles production, Branding & marketing (focus on international markets)	CI, CII, CIII

It is important to note that the above-mentioned learning ways, domains and reasons are limited to the most common and critical ones. There are certain unique or case-specific other learning domains, ways and reasons that equally contributed in the developments, but less salient, therefore, not mentioned here.

### **6.5.6 Towards the Conceptual Development: Comparison of Initial and Final Frameworks**

An initial development of typology of DESs and a tentative framework were suggested earlier in Chapter 3 (Section 3.4 and 3.5). However, as a result of data collection and analysis in following chapters, several modifications to the initial typology and framework emerged with respect to learning domains, ways, main reasons and overall movemnets. The current sub-section and Table 6.4 will briefly highlight such modifications and refinements.

First, the number and nature of learning domains were modified. The number of learning domains grew from nine general domains to fourteen specifically emerging from the analysis. Further, the number of learning domains were reduced to eleven in the final framework by including the most common ones only. One learning domain “Contingent Production” was deleted, as it did not contribute at the aggregate level. The two domains “Product diversification” and “Conflict resolution” were important that contributed at the aggregate level, but less salient, therefore they were not mentioned in the final framework.

Second, the number of learning ways form the analysis grew from fourteen general learning ways to twenty-six interactive learning ways. Further, the number of learning ways were reduced to nineteen by deleting “Buying house” because it did not contribute to the aggregate level. Five learning ways were merged into one as they were close to another, such as “Technical advice” was merged with “Customers specification” to become “Customer specification”, “ Sourcing of canvas fabrics” was merged with “ Learning by doing” to become “Learning by doing”, and “Direct to store” was merged with “Implementation of new machines” to become “Implementation of new machines systems”, “External ties” was merged with “Product partnership” to become “Product partnership” and “Offshore manufacturing” was merged with “Vertical production facility” to becoming “vertical production facility”. Finally, the final framework is derived from the combined effect of the nineteen interactive learning ways, but only the twelve most common learning ways were mentioned in an attempt to reduce complexity and data overload.

Third, the number of reasons grew from ten to thirteen emerging from the analysis, where all are integrated into the final framework. In order to reduce the complexity in the final framework the most common reasons were mentioned, while non-salient ones

namely, supply chain control, improving product quality and enhancing positive image of the firm, were not mentioned in the final framework. Thus, the number of reasons reduced to ten.

Fourth, the number of stages in the typology was reduced from six to five. This is because, of the two stages Explorer (EXP) and Partner(PAR) seem quite close and represent different level of intensity of the same movement. As a result of the analysis, the empirical evidence suggests that there is not much difference between the two in a way that can justify separate stages, conceptually. Thus, based on similarities it was decided to merge Explorer (EXP) and Partner(PAR), and refer to it as “Explorer”.

Table 6.4: Comparison of initial and final frameworks

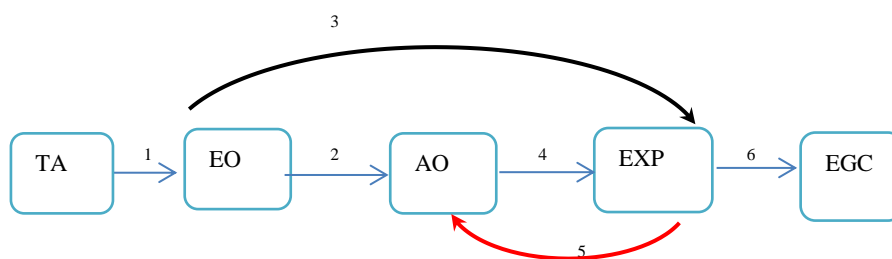
	<b>Initial Framework</b>	<b>Identified in Current Study (Cross Case Analysis)</b>	<b>Final Framework</b>
<b>Learning Domains</b>	9 general learning domains, mostly related with managerial, technological, marketing and resources	14 learning domains related with production, technology, marketing, resources, customer relations, and operations in both down and streams	11 most common learning domains highly focused on production, processing, promotion management, designing, product development, innovation, customer relations, integrated setup, services, branding and industry trends
<b>Removed, add or merged</b>		Add processing with Washing and Laundry Add improvement in existing offerings, techniques, systems & overall organizational change in Innovation Add pattern development with design	Removed Contingent Production
<b>Learning Ways</b>	14 general learning ways	26 interactive learning ways	Tunes to total 12 most common interactive learning ways
<b>Removed, add or merged</b>		Add designers, developers, consultants in experts Add systems and techniques with implementation of new machinery. Add external ties with product partnership	Removed buying house Merged technical advice with customer specification. Merger sourcing of canvas with learning by doing Merged direct to store with implementation of machines, now become implementation of machines and systems. Merged offshore manufacturing facility with vertical production facility Merged reverse engineering with R&D Merged imitation with emulation
<b>Reasons</b>	10 general reasons related to innovation and organization changes, marketing, technology, market expansion, internationalization, branding, competitiveness	13 reasons Add designing and pattern development, quality audits, DTS supply model, supply in commercial services	10 most common reasons include-

	<b>Initial Framework</b>	<b>Identified in Current Study (Cross Case Analysis)</b>	<b>Final Framework</b>
<b>Developments Stages/typology</b>	6 stages- Traditional Actor, Experimental Outsourcee, Active outsourcee, Explorer, partners and Emerging Global Challenger	5 stages because the two closely related stages Explorer and Partner were merged to become Explorer.	5 stages because the two closely related stages Explorer and Partner were merged to become Explorer.
<b>Developments of the Model</b>	9 developments include- TA to EO, EO to AO, EO to EXP, AO to EXP, AO to PAR, AO to EGC, EXP to PAR, EXP to EGC, PAR to EGC	7 developments include- TA to EO, EO to AO, EO to EXP, AO to EXP, AO to EGC, EXP to EGC and *EXP to AO * emerged from the study	6 developments include- TA to EO, EO to AO, EO to EXP, AO to EXP, EXP to EGC and *EXP to AO Deleted AO to EGC was not common and contributing to overall findings * emerged from the study
<b>Number of Movements</b>	9 forward trajectories or movements	7 trajectories or movement, six in forward, in which one movement form AO to EGC was stopped, while one in backward from EXP to AO.	6 trajectories or movement, five in forward, while one in backward

Fifth, the number of movements were reduced from nine to seven emerged from the analysis. Among these seven, six movements were in forward direction, while one development Explorer to Active outsourcee (EXP to AO) was backwards direction. Further, the number of developments reduce to six, by deleting AO to EGC, which was not salient and does not contribute at the aggregate level.

Finally, drawing on the extensive relevant developments, Figure 6.2 depicts the refined tentative model of this study.

Figure 6.2: Tentative Refined Loop Model



The refined model shows firms' movement along the value chain. Two firms (CII, and CIV) start their operations as Traditional actors and move to Experimental outsourcee through their involvement in new setup and production. Further, two developments – from Experimental Outsourcee to Active Outsourcee (CI, CII, CIII, and CIV) and Explorer (CII, CIII) – are noticed. The former is the result of

acquiring capabilities in production, compliance with international standards, established cross-border customer relations, and vertical production; while the latter bypass Active outsourcee and move to Explorer as a result of gaining expertise in production, washing, new product development as a seasonal promotional tool, and focus more on cross-border customer relations. Furthermore, the model shows the advances from Active Outsourcee to Explorer as the result of active involvement in high-quality products, washings, designs and pattern development, innovation and customer relations in markets, besides active production of original equipment manufacturing (OEM) and original design manufacturing (ODM).

On the contrary, the model shows backward development from Explorer to Active Outsourcee as the result of learning about and of gaining capabilities and involvement in retail business through innovative offerings, marketing, and sales under the company's own brand(s) and registered names in local markets. Finally, the same set of capabilities (innovative and high-end products/services, marketing and sales under company's own brand in international markets) is linked to the movement to Emerging Global Challenger.

Overall, the loop model displays that the case firms' movement mostly started from Traditional Actor and lingered at Active Outsourcee and Explorer as a hallmark of developing-economy firms. Further, the model also showed a link to Emerging Global Challenger and a more focus on this link in the future.

So, for the learning domain, ways and reasons are discussed with respect to existing literature. The main developments (movement along the value chain) mentioned in the current chapter will be further discussed and challenged with the existing literature related to similar stage models of internationalization namely, the Uppsala model (U-M), the Innovation models (I-M) and the Network model (N-M), and paradigms such as Dunning's OLI, Transaction Costs, to have macro level understanding of the identified developments and theoretical contribution. This will be discussed and elaborated in the next chapter (Chapter 7 Theoretical Anchoring).



## **Chapter 7: Theoretical Anchoring**

This chapter will discuss the findings from Chapter 6 showing movement along the value chain (developments) (see Figure 6.2 and Table 6.3) by juxtaposing them with similar paradigms, such as process models (the Uppsala model and the Innovations model), the Network approach, the Transaction cost approach, and the OLI approach. This will enable us to have a theoretical understanding about the identified developments and the theoretical contribution towards internationalization (internalization process) of firms from developing economies, as well as discussing linkages to outsourcing literature, with a focus on the developing economy supplier (DES) perspective.

This chapter is organized as follows. First, Section 7.1 presents a brief overview of an early internationalization paradigm. Next, Section 7.2 presents a brief overview of the process models discussing their main claims and assumptions. Next, the discussion of the identified developments vis-à-vis the process models are described in Section 7.3 in order to achieve a macro-level understanding and theoretical contribution. This is followed by Section 7.4, in which a brief overview and main assumptions of the paradigms, namely the OLI and the Transaction cost are presented. This section will further discuss the identified developments vis-à-vis these paradigms for theoretical refinement and possible contribution. The chapter concludes with a summary (Section 7.5) of the findings with respect to process models and paradigms.

### **7.1 A Developing Economy Supplier (DES) Model**

Based on findings and analyses presented in the previous chapters, the main internationalization patterns identified (see Figure 6.2) are the following:

-The starting point for the case firms and similar firms in Pakistan typically was that of local firms (here called Traditional Actors - TA), obtaining unsolicited orders from a foreign client or entering into a contract with a foreign partner engaged in offshore outsourcing, thereby becoming an outsourcee (here called Experimental Outsourcee - EO) - as the first step towards movement in the international value chain. Some firms,

however, also begin as “born global” or “born again global” – skipping the first step from Traditional Actors (TAs).

-The next step towards internationalization is when the outsourcee firm goes beyond the initial contract and the experimental stage to become actively involved in new products, processes, and services development to further develop new contacts in international markets (here called Active Outsourcee - AO).

-It is interesting to note that the developments and movement in the value chain by the case firms are observed in a nonlinear fashion and simultaneously in multiple stages. This is because the case firms go beyond the experimental outsourcee stage more rapidly and involve in a diverse range of new products, services and operations to different international and regional markets simultaneously. This help them leapfrog certain stages or connect with various development at the same time and expand (here called Explorer-EXP).

-The development and movement in the value chain is further strengthened when the Active Outsourcee firms involve in innovation, R&D activities. They offer high quality innovative products, processes, services and actively engage in downstream operations such as own promotional offerings, sale and marketing, and design and pattern development services in vast product lines, further explore and develop new contacts in international markets (here called Explorer-EXP).

- Contrary to the forward and outward movement, a reverse movement in the value chain is observed by the case firms. This is because the case firms go beyond the explorer stage and involve in inward and outwards operations, develop their own production, technological and marketing competence and move into downstream value-added operations and offerings. They become involved in branding, marketing and in retail business in local markets (here called movement from Explorer to Active Outsourcee-EXP to AO)

-The next and final step in the current study towards internationalization is when the Explorer firms involved in inward and outwards operations, develop their own production, technological and marketing competence and utilize their local branding and marketing experience and move into downstream value-added operations and offerings. They become involved in branding, marketing and in retail business in regional and international markets (here called Emerging Global Challenger-ECG).

## 7.2 An Early View of Internationalization Paradigm

There was little theory-building in the area of foreign direct investments and the growth of multinational organizations until the late 1960s. Still, while theories of international trade were developed in the 18th century, with Adam Smith's notion of absolute national advantages, and in the 19th century, with David Ricardo's addition of comparative advantages. Ricardo's theory assume that labor was the primary input to production and that therefore labor use would be a main determinant of international trade. Two Swedish economists, Eli Heckscher and Bertil Ohlin, in the early 1900s added what has been called the Heckscher-Ohlin model (H-O model) of international trade, suggesting that international trade patterns are determined mainly by a variety of factor endowments (not only labor). They postulated that countries will export goods that make intensive use of local or national resources, and they will import goods that make use of resources that are locally scarce. Their theory was later contradicted by Wassily Leontief (1953), who demonstrated that even as the United States was more abundant in capital compared to other countries, the United States' exports were in fact less capital intensive than its imports – later to be known as “Leontief's paradox”.

The first to look at the internal developmental dynamics of the chief actors in international business and trade, the multinational firms, was Raymond Vernon (1966). Vernon suggested a product cycle theory of internationalization in response to the failure of the Heckscher-Ohlin model to explain trade patterns. He suggested that initially, most factors of production that went into making a certain commodity, would come from the area where the product was invented, and it would also be sold mainly in the home market. Next, the product would be exported to international markets. After being exported to world markets, production would gradually be moved to locations that represented cheaper inputs of labor and/or other resources. Finally, the product might be exported back to the country of origin. Since the United States at the time represented more than 60 percent of global multinational business, and also was dominant in new product innovation, Vernon suggested that American firms were mainly based on American innovations and access to the high purchasing power of the American market, with subsequent stages of export, foreign direct investments in production, and finally export back to the U.S. –as we have also seen with the development of the computer industry.

Vernon identified three product categories, or stages in the international product life cycle: new product, maturing product, and standardized product, and linked these to the four main stages of product life cycle theory, i.e. introduction, growth, maturity, and decline. The stages in Vernon's model then are: The New product stage (aimed at the local or national market); the Maturing product stage, or Export stage (with mass-production at home for the export markets); the Standardized product stage, or Multinational production stage (where production is shifted abroad, often to developing countries representing low labor costs, and with exports to world markets). The latter is also a stage of exporting back to the country of origin.

The current study findings identify that the DES model is product and location focused, rather than strategy focused. As in the start, the focus was on the nature of the demanded products and processes (new products) according to the international clients' demand. The current study findings showed that in the start the DESs have a narrow scope of innovation and R&D related activities. They mostly imitate and adapt the innovation of the technologically leading customers as a step towards standardization and move in the product life cycle. This is in line with the early view of the Vernon (1966) model with respect to the product, but not the location. The model depicts that DESs started their production as a local firm, but sooner or from their inception, they target international/developed countries as their default primary market. This support the existing views of born global (Oviatt & McDougall, 1994), born again global (Bell, 1995), and the studies that consider the advance country markets as the first target market (Buckley & Ghauri, 2004; Narula & Dunning, 2000), hence, contradicts Vernon (1966).

Moreover, the DESs become deeply involved in offshore outsourcing ties and solely focus on the international and developed country clients. They became involved in new products, processes, services and operations through investments in modern technologies, machines, systems, acquire experts' services and R&D-related capabilities for innovative offerings according to international demand. Resultantly, they established R&D, product development and designing centers at both local and international locations, mostly developed locations. This enabled them to produce innovative ideas, new aspects, designs and services which are actively used in the new product development at home (Pakistan) for international markets. This contradicts the view that, product development and R&D are exclusively carried out in advanced countries. This add to our understanding that DESs undertaking R&D and product development in

developing markets further benefit from local factor condition and enhance innovation; hence support existing work (Zedtwitz, Corsi, Sjøberg, & Frega, 2015).

Also, the current study identifies that DESs involvement in dynamic capabilities, strategic orientation and entrepreneurial orientation enhance their capability to conceive new concepts and ideas related to products, processes, designs and services as a promotional tool, and consequently, offer new offerings to international market on regular basis. This challenges Vernon's thesis that firms in advanced countries have preferential access to fundamental know-how, which gives them an edge in global competition and thus leads to innovation mostly in their home country.

Overall, the DES model and Vernon paradigm share similarities as both are very product and location focused, but in different contexts. Vernon focused on the developed country context, while the DES model is focusing on the developing country context.

Vernon suggests that the innovation emerge in the developed home market, as firms exploit through international operations and their unique home country-derived technological advantages. The current study identified that based on the offshore outsourcing ties and learning, the DESs not only produce earlier versions of products available in developed markets, but start to innovate themselves at later stages and export their own innovations to other developing and developed countries (with some limitations) as well as selling in its local market.

It should be noted, however, that Vernon's intention was to explain the growth and spread of multinational enterprises, defined as enterprises with foreign direct investments in production facilities abroad, whereas the present study seeks to explain the development of DESs, from local operations with outsourcee status to independent international market operations.

### **7.3 The Internationalization Process Models**

Internationalization refers to the degree to which a firm's sales and operations are conducted outside its country borders, or the process of adapting firms' operations (resources, structure, strategy etc.) to the international environment (Calof & Beamish, 1995). Several models explain the process of internationalization, as elaborated in Andersen (1993) and Fletcher (2001). The process models can be classified into

sequential and non-sequential processes. The sequential model consists of the Uppsala model (UM) and the Innovation model (IM). The non-sequential process consists of the Network approach, the Resource-based approaches, the Entrepreneurial view, the Transactions cost, the OLI, etc.

These theories are built around the same Vernon-type reasoning about home-driven internationalization of firms from developed economies, the aim of the present study is to explain the developments/ internationalization of firms from developing economies that are typically not considered as main innovative countries.

## **Stage Models of Internationalization**

There are two primary-stage models: the Uppsala model and the Innovation model.

### **The Uppsala Model (UM)**

Based on the behavioral theory of the firm (Aharoni, 1966), and Penrose's (Penrose, 1995) theory of knowledge and change in organizations, Johanson & Vahlne (1977, 1990) developed the Uppsala internationalization model. This model was the first framework to introduce the dynamic process of firm internationalization. According to this model, internationalization is the process by which a firm undertakes international involvement following different types of learning. The model suggested a gradual development through a stepwise movement, starting from no exports, moving to direct exports, followed by exports through agents/distributors and progressing to foreign sale subsidiary, and finally an offshore manufacturing facility.

According to the model, internationalization is guided by the interplay between the development of knowledge about the foreign markets and operations, and the decision to commit resources to foreign markets. The basic assumption is that a firm's market knowledge (general and market specific) and market resource commitment (state aspects) affect commitment decisions and current business activities (change aspects). The change aspects, in turn, affect the market knowledge and resource commitment to foreign markets (state aspects).

However, the resource commitment and the acquisition of knowledge may be related to the rational economic thinking of cost and risk. The model identified 'psychic distance'

as an important dimension that is not in line with the assumption of economic rationality logic. The psychic distance encompasses factors such as language, education, business practices, culture, and industrial development differences between firm home and target markets, resulting in the prevention or disturbance of the flow of information between a firm and its market. Therefore, the UM indicates that firms will initiate international operations in psychically close markets and steadily expand into ones with greater psychic distance.

### **The Innovation Related Model (IM)**

According to Andersen (1993) and Gankema et al., (2000), internationalization decision is considered as innovation process for a firm, where each subsequent stage of internationalization is considered as an innovation. These models exclusively focus on the export development process of small and medium-sized firms. The innovation models are different in their number of stages and explanation of each stage and the main motivation in

initiating exports. However, all models reflect similarity in increasing export intensity, because of increasing expert experience. Based on a review of previous models , Andersen (1993) stated that except for the initiating mechanism, the difference between the models are semantic rather than real differences about the nature of internationalization. In a similar vein, Leonidou (1996) reviewed existing models (Bilkey & Tesar, 1977; Cavusgil, 1980; Czinkota, 1982; Reid, 1981) and noted that these models consist of fixed numbers and sequential stages, although the number varies between models and ranges from three to six. Further, both Andersen and Leonidou identified the three most generic export development stages: the pre-export stage, the initial export stage, and the advanced export stage. The models are behaviorally oriented and treat individual learning and top management as vital aspects in understanding a firm's international behavior.

Both the UM and the IM can be regarded as behaviorally oriented. According to Andersen and Leonidou, the incremental pattern of a firm's internationalization can be due to two reasons: a lack of experiential knowledge, and uncertainty regarding the internalization decision. In similar vein, Johanson and Vahlne (1990, 2003, 2009) have reacted to increasing criticism of the incremental and sequential process models from a

number of researchers by incorporating new approaches – namely, network, relationship aspects, etc. – for further development.

### **The Network Approach**

Another way to analyze a firm's internationalization process is to use the network as the starting point. The network approach is a non-sequential process and appropriate for understanding firms as embedded players in business networks (Johanson & Mattsson, 1988; Johanson & Vahlne, 2003, 2009; McAuley, 1999). The concept of collaborative relationship between firms has paved the way for considering a firm's position within industrial network or global value chain. Network connection and firm position are considered as facilitators and connections towards development and internationalization.

Johanson and Mattsson (1988) explored the idea that internationalization may be seen as a process in which firms initiate and develop relationships with others through their networks in foreign countries. This may be achieved through extension to existing relations, penetrating new networks, or integrating by connecting networks in other countries.

The network approach assumes that there may be several ports of entry and diverse ways of getting into foreign country market. For instance, the focal firm may try to establish a relationship with customer in other country or with a network, or the foreign customer may try to establish a relation with a supplier, as in the case of offshore outsourcing. In both instances, firms have approach to potential partner and requires specific relation development mechanism. The decision to approach to a network or select a suitable partner is itself an important and challenging process.

However, the establishment and development of a relationship is not unilateral action; it is bilateral and in some case multilateral. Therefore, development of a particular relationship in foreign market or network is a complex, demanding, uncertain and time-consuming process that may require considerable commitment, resources, and necessary adaptation on the part of the entering firm (Hohenthal, 2001). Thus, integrating networks aspect into internationalization processes creates a multilateral rather than unilateral dimension of internationalization, as mentioned in stage models, hence the focus on both inter-organizational and intra-organizational processes.



## **7.4. Putting Findings in Theoretical Context**

This section will discuss the tentative refined model and the developments derived from the empirical findings of the study based on the cross-case analysis in Chapter 5 and discussion in Chapter 6, with explanations coming from different streams of literature. The main objective is to discuss the derived model and developments with respect to existing internationalization models in a step towards theoretical refinements and development.

### ***Current Model and Number of Stages***

The current study model identified five stages and six developments that are in line with the existing stages models with respect to the description and number of stages (Cavusgil, 1980; Moon & Lee, 1990; Reid, 1981; Wortzel & Wortzel, 1981). Other models identified three (Moon & Lee, 1990; Wiedersheim-Paul, Olson, & Welch, 1978), four (Johanson & Vahlne, 1977; Lim, Sharkey, & Kim, 1991), and six (Bilkey & Tesar, 1977; Crick, 1995; Czinkota, 1982) stages each. Similarly, studies have been conducted on emerging economy firms' international strategies based on strategic group analysis; for example, Chittoor and Ray (2007) identified six stages, while Tsai and Eisingerich (2010) identified six clusters. The present model shares certain features with existing stage models. However, there are differences in the number of stages and the description of each stage. Furthermore, the current study identified the model and stages in a more dynamic manner, as the learning and development leads the firms to move simultaneously to distinct stages in different markets. Therefore, the present study contradicts existing studies and stage models that consider their stages in more linear, unidirectional, and deterministic manners. The model suggested in current study shows commitment to a variety of paths (a combination of both conventional and radical) in their development and international expansion, which contribute to the internationalization of firms' from developing economies. Similarly, I have identified the process of development and internationalization as evolutionary, through which DES become increasingly committed to and involved in international activities, but, at a certain point in time, also de-internationalized for various reasons, which supports existing studies (Benito, 2005; Calof & Beamish, 1995; Javalgi, Deligonul, Dixit, & Cavusgil, 2011). The model also identified that firms are involved in a series of both

linear and non-linear internationalization modes with several subsequent exits and re-entries or considerable foreign involvement fluctuations. This contributes to the internationalization literature by mentioning the serial nonlinear internationalization pattern (Vissak & Francioni, 2013), and plurality of DES's cross-border expansion paths (Jormanainen & Koveshnikov, 2012). Moreover, the current model identified that firms (DESs) increase their commitment to international markets through both equity and non-equity modes, but keep their main production at home.

#### **7.4.1 Development from Traditional Actor to Experimental Outsourcee (TA to EO)**

The above-mentioned development is identified because of firms' involvement in international business and development in an incremental manner on a trial basis. The development partially supports the incremental process view (Johanson & Vahlne, 1977), but does not support the psychic distance view, as the international involvement was in a combination of both regional and international markets. Furthermore, the findings identified a mixture of push and pull mechanisms, fulfilling unsolicited international orders and firms' strategic intent of initiating the exports and involvement in international business. Hence, the findings support different stages of innovation models (stages 2, 3, and 4) in (Bilkey & Tesar, 1977), (stages 2 and 3) in (Cavusgil, 1980; Reid, 1981), and (stages 2,3,and 4) in (Czinkota, 1982) , but do not support the view of psychic distance. Moreover, it is identified that firms engaged in exports to European, American, and Turkish clients, in addition to Bangladesh (follow customers), which did not support the close geographic proximity and psychic distance argument as discussed in incremental process models of internationalization (Bilkey & Tesar, 1977; Johanson & Vahlne, 1977, 1990). Similarly, the current study findings trace instances where inward mode (customer inquiry or unsolicited orders) and firms' strategy of investments in basic modern technologies ignite the exports in basic and medium value-added products support existing work (Karlsen et al., 2003). Moreover, the current study adds to existing studies considering that unsolicited orders are critical in initiating exports (Katsikeas, 1996; Kaynak & Erol, 1989). This study adds to the existing studies (Andersen, 1993) that criticize the early versions of stage process models by arguing that they did not properly explain how the process takes place and how to predict the movement from one stage to the next.

This could be because the products produced by the case firms have high demand in international markets. It could also be because the international clients were active in searching for suppliers from low-cost and/or resource-rich locations in the cotton, textiles, and related industries because of the effects of deregulation in emerging economies and globalization.

#### **7.4.2 Development from Experimental Outsourcee to Active Outsourcee (EO to AO):**

The development from EO to AO is identified as the combination of both incremental and non-incremental (leapfrogging) involvement in exports and international business. The present study findings identified certain instances where some firms (CII and CIV) followed the incremental route in the said development (EO to AO), hence supporting the process view of internationalization, but did not support the logic of psychic distance (Bilkey & Tesar, 1977; Cavusgil, 1980; Johanson & Vahlne, 1977, 1990). This is due to the fact these firms initially exported to the USA, Europe, and Turkey, in addition to some neighboring markets such as Bangladesh and Sri Lanka. It is noteworthy that the firms directly involved with the customers (cutters and garments manufacturers) did not conform to the traditional model, typically beginning with agents and then developing their own direct involvement in the market. On the contrary, some firms (CI and CIII) followed the rapid growth route in the said development.

Further, the development EO to AO is a result of firm involvement and investment in modern infrastructure, technology, and machines considered as an inward mode of internationalization. This supports existing studies (Karlsen et al., 2003; Korhonen et al., 1996), but does not support the process models. The process models and internationalization research have focused on the outwards modes and have mostly ignored the inward mode of internationalization. This supports the existing studies that have criticized the process models for being overly deterministic and unidirectional (Karlsen et al., 2003; Vissak & Francioni, 2013).

The current study equally considered other modes of international as equally important. For instance, in the case of CIV, exporting to the UK was a motivating factor for the company to focus on international markets and exports lines. As a result, CIV invested in state-of-the-art yarn production facility for the use in its own garments production

and downstream operations. Similarly, CIV started to increase its export horizon as it managed to formally export to the USA in 1997. The export and connections in the US market motivated the company to advance its new lines of products and value-added operations. Thus, CIV has expanded its business sphere to the US market in addition to its active involvement and sales in local and regional markets. Hence, it has moved to AO in an incremental manner.

Similarly, the development to AO in an incremental manner is evident in CII. CII strategically invested in its own production (stitching unit in Pakistan) and became an independent company after being a subsidiary/buying house for a UK-based company. Consequently, CII moved from being an international exporter to a business-to-business manufacturer (OEM, ODM) and exporter. The investments and expansions in the latest machines and equipment (a quilting unit in 1995, a weaving mill in 1997, and expansions in stitching and weaving in 1999, 2001, and 2003) enabled CII to gain in-house production capability of products and process developments according to international demand. Similarly, engagements with developers/experts enabled CII to improve its production capabilities and develop business ties. In addition to investment in new production facilities, a UK-based sister company and sales office helped CII to market and sale in European markets.

This study has also identified instances where firms started their international involvement right from their inception, and hence directly linked their development to AO. For instance, CI became involved in exports to the USA shortly after its inception. It further expanded its textile operations in denim as a response to the increasing demand for denim garments in international markets and as an effect of globalization. Subsequently, CI established a vertically integrated denim garments production facility as a joint venture with an American garments giant, where the two companies co-produced and export range of products (yarn, fabrics, and denim garments) to the US market. The JV provided resources such as finances, modern production infrastructure, personnel, and know-how. Further, CI established sales and marketing divisions in Pakistan and Ireland to expand its sales and marketing activities to Europe and other regions besides the US.

Similarly, with CIII, the mother company was involved in textile business in international markets. The group expanded its operations to Ireland in 1972 and made acquisitions in USA

in the late 70s. The group has a solid focus on textiles as it owned different textile mills, production facilities, and was involved in exports of yarn and fabrics. Furthermore, CIII established its latest vertical denim production facility as a joint venture with Italian customers in 1994. It involved in local, regional, and international markets through sales of yarn and denim fabrics. In subsequent years, CIII invested in and started a denim garments production facility as a joint venture with the same partner in 1996. The investment in vertical garments production facility and systems has enabled the company to explore new opportunities in value-added segments (yarn, fabrics, and garments) to increase its sales and exports, enhancing its development from EO to AO.

Overall, CI and CIII depict rapid internationalization from their inception, supports existing studies on rapid internationalization (Bell, 1995; Bell, McNaughton, & Young, 2001; Chetty & Campbell-Hunt, 2004; Oviatt & McDougall, 1994, 1997). Therefore, the aspects such as speedy movement of firms in psychologically distant markets, involvement in inward modes of internationalization and the effect of exogenous variables (deregulations in home country and in international markets, effect of globalization), are ignored by the stage model. Thus, did not support the incremental approach to internationalization (Johanson & Vahlne, 1977, 1990; Welch & Luostarinen, 1988). Hence, the current study findings support studies that criticize the stage models (Chetty & Campbell-Hunt, 2003; Millington & Bayliss, 1990), and contribute to existing studies that consider inward modes as being equally important as outward modes for internationalization (Hernández & Nieto, 2016; Korhonen et al., 1996; Welch, Benito, & Petersen, 2007).

#### **7.4.3 Development from Experimental Outsourcee to Explorer (EO to EXP)**

The development from EO to EXP is identified as a non-incremental (leapfrogging) and non-linear involvement in international business. The CII and CIII firms bypassed the AO development initially during their development to EXP, did not support the gradual progression (Cavusgil, 1980; Johanson & Vahlne, 1977, 1990; Welch & Luostarinen, 1988), while supported the rapid internalization view as mentioned in born-again global (Bell, 1995) and born global (Oviatt & McDougall, 1994).

This is due to the involvement of firms in learning and commitment to investment in new machines and operations in an integrated manner. These investments enhance the

firms' capability to produce according to the demands of customers and international markets. Similarly, the current study identifies the engagement of firms in international certifications, standards, and sales and marketing offices to further deepen their involvement in international market. In addition, the firm's engagement with experts (in CII) has accelerated their learning about the latest trends in international markets and enhanced their knowledge and absorptive capabilities. All of these factors contribute to the offering of new and diverse product lines to different international markets and regions simultaneously in order to leapfrog certain stages and speed up the internationalization process. The current study findings have clearly shown that the firms have totally ignored their home markets and wholly focused on international markets, which supports existing studies (Coviello & Munro, 1997; Madsen & Servais, 1997), and rapid internationalization/born-again global (Bell, McNaughton, Young, & Crick, 2003; Chetty, 1999). Furthermore, the current study contributes to the existing view that certain industries are more internationalized based on the configuration of the world economy (Andersen, 1993).

The current study identified the vital role of joint venture partners (in CIII) and sister companies (CII) in expanding the sale and marketing of the products and offerings in different international markets more rapidly. This is in line with existing argument that firms internationalize based on their relationship with other firms in their network (Matlay, Ruzzier, Hisrich, & Antoncic, 2006), and the network of business partners plays an important role in the internationalization of firms (CII and CIII) (Chetty & Campbell-Hunt, 2004) and the first step abroad (Ellis, 2000). With respect to the said development (EO to EXP), the current study identified knowledge about the international markets and the international networking as the main sources of their rapid internationalization (development EO to EXP) in line with earlier studies (Johanson & Vahlne, 2009; Oviatt & McDougall, 2005).

At the same time, the partners (JV and the sister company) are customers that help the firms access the latest market information, identify opportunities in different market segments, and establish relations across borders. This finding contributes to existing studies that have identified the effect of critical incidents on knowledge acquisition and internationalization in a rapid manner (Bell et al., 2001; Bell et al., 2003; Kalinic & Forza, 2012; Loane & Bell, 2006).

In addition to the partners' help, previous CEOs/decision-makers and firm international experiences (UK and Europe in CII; and US acquisitions in 1972, 1978, and CEO

education from the USA for CIII) remained important for the firms' internationalization. Moreover, the

firms' strategic investment in new machines, processes, and experts (in CII) remained important for offering new, customized, and market demanded products as prime motivators that fortified the rapid internationalization or the said development (EO to EXP).

Furthermore, CII was engaged in dealing with international orders from its inception, and later on its involvement in own production directly led to 100 percent exports. These factors contribute to existing studies (Chetty & Campbell-Hunt, 2004; Rialp, Rialp, & Knight, 2005; Rialp, Rialp, Urbano, & Vaillant, 2005) that identified founder/decision-maker characteristics, organizational capabilities, and strategic focus as necessary for internationalization. These points support the view that strategy-driven internationalization is more prevalent in rapid internationalization firms.

Interestingly, the firms in the current study developing from (EO to EXP) that entered the European and American markets, with some exceptions in regional markets in CIII, did not confirm the assumptions of physic distance and liability of foreignness considered as a main obstacle to internationalization in the stage model. This result contradicts the initial versions of stage models (Cavusgil, 1980; Johanson & Vahlne, 1977, 1990; Welch & Luostarinen, 1988), but supports the revisited models by incorporating international networking (Johanson & Vahlne, 2003, 2009). Furthermore, the current study's findings with respect to the said development support the view that previous experience and knowledge (experience-based learning) are important in rapidly internationalized firms, but are faster than in the traditional model. Interestingly, the case firms that manufacture at home rather than choosing international manufacturing contradicts the Uppsala model. This is because the home location is rich in resources (cotton) and has a competitive advantage in production and a concentration of expertise and knowledge related to production.

#### **7.4.4 Active Outsourcee to Explorer (AO to EXP)**

The development from AO to EXP is identified as a step-wise movement in a more rapid manner. It is important to note that the development is the result of two phases (that is, different level of intensity of the same development), as mentioned in Section 5.4.1.5.

The DES/firm's development and progression to the EXP stage is not only the result of the experiential knowledge and accumulation of knowledge through their involvement with the network partners and lead clients in a speedy manner, but also their strategic orientation as well. This did not support the gradual progression view or the claim that solely increasing experiential knowledge enhances the development and internationalization (Johanson & Vahlne, 1977, 1990). It contributes to the experiential view and basic mechanism of network view (Johanson & Vahlne, 2003, 2009), and rapid internationalization (Bell et al., 2001; Bell et al., 2003; Kalinic & Forza, 2012).

The current study identified that not only the partners and customers (outsourcing collaborations and clients in current study), but also the firm's strategic focus, top management support, and dynamic capabilities played a vital role in their movement in value chain, cross-border operations, and connections with global value chain/network.

This is because the case firms' existing relationship with partners and clients make it possible to identify and explore resources and opportunities, and connect them to their network in other markets and regions, which has a direct impact on their movement in the value chain, mode(s) change, and location of entry. In addition, the DES further undertakes different strategies related to their relationships in order to make commitment and learn, supporting the spring-board view for learning from international relationships (Li, Wei, et al., 2010), and networking (Elango & Pattnaik, 2007; Johanson & Vahlne, 2009). For instance, CI, CII, and CIII were engaged with foreign partners in OEM, ODM, and services to international market right after their involvement in new production and operations. Their close working ties and development and enhancement of trust (competence and goodwill trust) over time positively affected their relations with existing partners and clients in the market. It enhanced relation-specific knowledge about resources, capabilities, and competencies, the latest aspect related to products, processes, services, sales, and related operations in real time. This is consistent with the business network view, where learning and commitment is dependent on existing ties (Alcacer & Oxley, 2014; Chetty & Eriksson, 2002; Håkansson, Havila, & Pedersen, 1999; Jonsson & Foss, 2011). Furthermore, the current study identified the case firm's strategic focus and commitment, such as customer-centric investments, to modernize their production facilities, and processes that enhance their capabilities to offer a diverse range of products and service according to the needs of their partners and their respective markets (CI and CIV in the US, CII in the UK, and CIII in Italy).

In addition, several other factors, such as founder/top management support and their international experience, firms' international experience (CI, CII, and CIV), and



dynamic capabilities (acquisition of experts, imitation, reverse engineering, partnerships, and search and adoption of market winning products and practices), contributed to enhancing capabilities to speed up the value creation and movement in value chains (internationalization). This has further developed their capabilities to identify and extend their business relationship with new clients in the same or other markets.

The current study identified experiential learning as an important factor that has an effect on firms' movement in value chain and internationalization, supporting the learning by doing, exporting and supplying (Alcacer & Oxley, 2014; Chu, 2009; Tsang, 2002) in a more rapid manner. However, the current study did not support the sole role of experiential learning in movement in value chain and internationalization, as I have identified that experiential learning can be complemented with other ways of enhancing knowledge for internationalization and movement in value chain, thereby contributing to other studies (Johanson & Vahlne, 2009; Li, Wei, et al., 2010).

Similarly, after an episode of a failed attempt at international branding, CIV restructured its strategy and reversed its branding operations. It started focusing on manufacturing private brands/labels for others (OEM and ODM) and export lines based on its previous US market knowledge, existing contacts, and top management support. Similarly, other firms undertook sales and marketing operations together with their partners by establishing their own international sales offices (CI in the US and Ireland, CII in the UK and Germany, and CIII in Italy and Europe) to identify, learn and explore new opportunities in the same and other markets and regions. This is in line with the view that learning and resource commitment are closely related activities (Johanson & Vahlne, 2009).

Moreover, the network and relationship-specific knowledge further contribute to general knowledge (market trends, knowing about key actors, rules and regulations, and market-specific needs) in different regions. This helps to sustain or develop new relationships with existing clients, develop new clients in the same market, and extend to other markets following existing customers or develop new markets with similar and alternative conditions. This supports existing work (Hoang & Rothaermel, 2005; Kale & Singh, 2009). The current study identified the development of new ties in different international markets through their international partners and customers.

The current study identified that certain critical incidents – such as the termination of joint ventures (in CI), separation from mergers (in CIII), reverse internationalization

(CIV), and involvement and expansion in own production (CII) – remained vital in reformulating the firms' strategies towards change, movement in value chain and a speedy internationalization process.

In addition, the current study identified similar patterns of movement and internationalization (inward and outward) among the firms with different strategies and intensities. All firms focused on international markets rapid outward growth, particularly in the same international regions and markets where they first established their roots with partners, and then expanded to other regions. For instance, CI and CIV focused on the US, CII focused on the UK, and CIII focused on Italy. These regions are also world-leading markets in terms of lead clients, players, international brandings, technology, international standards, innovations, etc., which presents enormous opportunities for the case firms. Therefore, firms' (DESSs') engagements in these regions not only capitalized on their previous experiences and existing relationships in a proactive manner to acquire knowledge and improve their competitive advantage, but also to explore new opportunities and develop new ties in these regions as well.

This required all firms (CI, CII, CIII, CIV) to undertake different strategies and to continuously invest in resources and become involved in risk-taking behavior, rather than merely be passive or reactive in their learning and building capabilities. This will enhance their international competitive advantage by involving them in product development, R&D, marketing and other high-value-added operations, supporting the springboard view (Li, Wei, et al., 2010; Luo & Tung, 2007). Therefore, DES employed different strategic orientations to connect with outsourcing ties for learning, capability-seeking, and market-seeking opportunities to strengthen competitive advantages for movement in the value chain and expansion across borders (Tsang, 2002; Zaheer & Bell, 2005). This is a different view from the comparative advantage perspective, according to which developing economy firms are mainly better off choosing a cost-based strategy (Elango & Pattnaik, 2007; Hansen et al., 2008).

This finding indicates that certain critical events, experiential learning, strategic focus, top management support, management and firm experience, and firm-level dynamic capabilities are important for learning and expansion. This finding did not support the sole role of experiential learning in the internationalization process (Cavusgil, 1984; Johanson & Vahlne, 1977, 1990; Kedia & Chhokar, 1986). The finding contributes to our understanding that experiential learning, combined with strategic orientation, develops knowledge that enhance movement in the value chain and internationalization

(inward and outward) in a more rapid manner than predicted by sequential models (Johanson & Vahlne, 2009). The finding also adds to the inward and outward connections (Benito, Petersen, & Welch, 2009; Freeman, Deligonul, & Cavusgil, 2013; Hernández & Nieto, 2016).

Moreover, the current study identified that firms exploit previous experience and existing relations, while exploring new opportunities in international markets through their proactive behavior in a way that supports the ambidexterity (O'Reilly & Tushman, 2004; O'Reilly & Tushman, 2008) and exploitation and exploration (March, 1991). This further strengthens the claim that experiential learning, combined with other knowledge development ways in a proactive manner, can speed up the movement in the value chain and the internationalization process.

Overall, the current study challenges certain dimensions of the Uppsala model by stressing the managerial pro-activeness, international expansion through internationalization experience, the rapid nature of internationalization, multi-directional modes, and simultaneous use of different modes for the same development. All case firms remained engaged in a number of inward and outward modes of internationalization simultaneously (for details, see Section 5.4.3.4) based on their organizational capabilities, top management support and strategic intents to meet existing customer demand and explore and expand in international markets.

For instance, first, all firms were strategically involved and continuously invested in modern machinery, equipment, technologies, and processes in an integrated manner at home to modernize and control their upstream value chain. Second, and equally importantly, all firms were active in acquiring experts' services in different areas of textiles to directly learn and become involved in inducing market-demanded aspects in their practices, operations, and offerings. Third, the findings identified the outward mode of internationalization as firms established sales and marketing offices in major regions of their operations (CI in the US, the UK, Ireland, Germany, Italy, and the UAE; CII in the UK and Germany; CIII in New York, Florence, Stockholm, and Istanbul; and CIV in the US, the UAE, Hong Kong, Jordan, and Bangladesh) and directly involved with existing clients, developed new potential ties, and learned about the latest happenings in these regions and markets. Fourth, the current study identified the establishment and involvement of firms in R&D, designing and product development facilities both in local and offshore locations. This enhanced their ability to address the emerging trends in designing, future product concepts, and conversion of innovative ideas and conception into physical products and services in a wide range of offerings.

Fifth, the involvement and acquisition of certifications and international accreditation enabled them to comply with customer specific, regional and international standards, to be trusted in their practices, operations, and offerings. Sixth, the firm's strategic alliances with international players in production, designing (evident in CI and CIII) and sale and marketing (CI and CII) further enhanced their international exploration and expansion in value chain. Seventh, the offshore production facilities in Bangladesh and Jordan and warehouses in East and West coasts of America (evident in CIV) served as contingent production strategies and showed commitment to outward mode. Finally, all firms actively invested and involved in latest technologies, systems, and techniques (hanger systems, back-tracking, DDTS, IT, ordering procedure, quality control, etc.) according to their strategic focus and needs, creating efficiencies in their practices, operations, supply chains, and enhancing their overall performance.

Overall, this enhances their flexibilities and increases their capabilities to offer a vast range of quality products, processes, and services (OEM, ODM) to cater to diverse customer needs in different markets. Such investments and involvements further enhanced their abilities to control for upstream value chains and offer new and innovative conceptual offerings (promotional seasonal offerings) and other services (design and pattern development, supply chain, quality audit, etc.) to explore and develop new markets and ties across border, thereby speeding up the movement in the value chain and internationalization process.

#### **7.4.5 Explorer to Active Outsourcee (EXP to AO)**

The development from EXP to AO has been identified as a reverse movement. This regressive movement to AO is the combined result of both reactive and proactive strategies of DES learning related to international experiential learning, strategic orientation and the effect of globalization and market demand at home. This backward development did not support a large share of the international business literature, as it mainly focused on the Uppsala-type model, increasing international involvement after learning from earlier experience (Cavusgil, 1984; Johanson & Vahlne, 1977, 1990; Kedia & Chhokar, 1986), and the rapid internationalization model (Chetty & Campbell-Hunt, 2004; Crick, 2009; McDougall, Oviatt, & Shrader, 2003; Oviatt & McDougall, 1994). These models mainly concentrate on international growth and relate internationalization with the increasing involvement in cross-border operations (Welch

& Luostarinen, 1988) and “an outward movement from home market” (Turner & Gardiner, 2007, p. 489) in a linear and unidirectional manner.

The current study revealed that firms started their operations as joint ventures and partnerships. They invested at home and have continuously invested to expand and produce latest demanded offerings and become further involved in outward modes (exports, outsourcing/contractual supplies agreements and international marketing offices, R&D and designing facilities, etc.) over time.

For instance, all firms became involved in the inward mode (outsourcing partnering, investment in latest machines, equipment, systems, acquisition of expert’s services, etc.) in order to enhance and modernize their production and operational capabilities, flexibilities, and technology to offer a vast range of high-quality customized offerings and services according to demand. Furthermore, these inward modes also enhanced the firms’ internationalization knowledge and client-specific knowledge in an indirect manner while engaging with international clients and suppliers.

The current study identified the engagement of DES in offshoring ties and the global value chain and following customers in other international markets; this not only exposed them to relationship-specific and technological knowledge, but also gave them access to internationalization knowledge in an indirect manner. These connections encompass the development of new contacts, learning related to diverse business needs, standards, and negotiations techniques in different foreign markets and drawing up foreign procedures for foreign operations that can be integrated into DES practices and its outward operations. For instance, all firms remained actively involved in supplies partnerships, OEM, ODM, OBM, and other services with international partners. They offer a vast range of customized products, services, and solutions to diverse customers through their specifications, standards, strategic orientation, and involvement in inward modes (investment in latest machines, equipment, systems, experts, licenses, strategic alliances, co-design, development, production etc.). These engagements enable firms to know, what knowledge is required and how it is applied in different relationships in different markets. This helps them undertake outward operations (exports, sales and marketing offices, innovative services, R&D, and designing centers in all cases; international strategic alliances in CI, CII and CIII; and offshore production facility and warehouses in CIV).

Correspondingly, the outward modes also affect the inward operations. They provide information and enhance firm’s knowledge about internationalization, technology, vital

market players, and the latest market trends in different markets and regions. This allows firms to gain first-hand knowledge about the latest aspects, processes, and happenings in international markets, which enhances their ability to offer innovative and new products, processes, solutions, and services. For instance, the current study identified that all firms are involved in exports and supply ties with world-leading customers in different markets. They established sales and marketing offices to become directly involved with these clients and partners in order to strengthen existing ties and develop new ties in the market. In addition, these sales and marketing offices keep the case companies informed about their respective customers, market preferences, and latest happenings in the respective markets. In the same way, all firms are involved in offshore designing and R&D facilities that enhance their abilities to design, develop, and produce innovative products (innovative concepts and register names), and incorporate latest market aspects in their offerings, practices, and operations.

The simultaneous involvement in inward and outward modes enhanced the firms' knowledge (Blomstermo, Eriksson, Lindstrand, & Sharma, 2004; Eriksson, Johanson, Majkgard, & Sharma, 1997) about specific markets, customers, stakeholders, institutions, technological changes, and other requirements, which enabled them to offer demanded products and services. It also enhanced the firms' ability to screen different markets, identify and evaluate opportunities, and to develop and execute strategies in existing markets and other markets with similar conditions. Therefore, the involvement in both modes augments the diversity, richness, relatedness, and complementarity of the knowledge (Hernández & Nieto, 2016), and increased the firms' absorptive capacity (Chetty & Campbell-Hunt, 2003; Yao, Yang, Fisher, Ma, & Fang, 2013), which helped them recognize opportunities, detect new trends, combine different resources, find new solutions to existing problems, and enhance performance (Yao et al., 2013; Zahra & George, 2002). This supports existing studies on the inward-outward and outward inward connection (Bertrand, 2011; Freeman et al., 2013; Hernández & Nieto, 2016; Karlsen et al., 2003; Korhonen et al., 1996; Welch & Luostarinen, 1993).

Capitalizing on the learning and knowledge spillover through the simultaneous involvement in inward and outwards operations, the current study identified that firms quickly developed their own technological and marketing competence and moved into downstream value-added operations and offerings. They became involved in their own branding and marketing (CI, CII, and CIII) and in retail business in denim garments (evident in CI) and the fashion garments (Lawn) brand (evident in CII) in local markets. These involvements moved the firms in the reverse directions (Karlsen et al., 2003), in

local markets by pursuing their own branding and marketing in addition to active involvement in OEM ODM and other services across borders. This is interesting because we did not identify any instances where the current backward movement was a result of any withdrawal, exit, divest, laying off, or reduction in resource commitment by the firms in any of their international operations. This contributed to the study considering internationalization as a holistic approach (Turner & Gardiner, 2007), and limited research on reverse internationalization (Chin, Liu, & Yang, 2016; Gnizy & Shoham, 2014). Hence, contributed to the de-internationalization and strategic restructuring view (Benito & Welch, 1997; Freeman et al., 2013; Vissak & Francioni, 2013; Welch & Welch, 2009). The identified backward movement was a possible effect of globalization. As the globalization has an effect on the lifestyle and clothing culture in the local market (Pakistan), demand was created for denim garments and home textiles. Therefore, the firms strategically moved back to exploit the demand and further explore the local market with new offerings. This backward move is a movement in the value chain and can be assumed as building up international assets to support the long-term growth and international strategy.

### **7.3.6 Explorer to Emerging Global Challenger (EXP to EGC)**

The development from EXP to EGC has been identified as a forward movement and high-commitment mode such as selling and marketing a firm's own brand in international and regional markets. The development and progression to EGC is the result of a firm learning about marketing and selling its own brand in a domestic market, different types of experiential learning (mentioned in Section 7.2.5), international networking, and involvement in reactive and proactive strategies. The firms', involvement in a holistic manner enhances their learning, knowledge acquisition, developing absorptive capacity, and ability to move in value chains (internationalize), and improve overall performance. Based on the development of these capabilities firms' challenge developed country firms in specific products lines in certain markets, support existing studies (Chittoor & Ray, 2007; Freeman et al., 2013; Hansen et al., 2008; Hernández & Nieto, 2016; Jensen, 2009; Kocak & Abimbola, 2009; Li, Wei, et al., 2010).

For instance, CI and CII's provision of high-quality innovative OEM, ODM, and other services to international clients and getting involved in selling and marketing their own

brands in home markets led them to launch their own brands and becoming involved in marketing and sales in international market within a period of one year. Subsequently, CI launched its denim clothing brand in the UAE through its own exclusive outlets and further expanded it in the following year. Likewise, CII launched its fashion clothing (Lawn) brand in India, Bangladesh, the UAE, and the UK simultaneously through exclusive sale agents and partnering with its sister company. In the UK, CII adopted ethno-branding strategies that targeted the clothing needs of the Asian community. CIII acquired a European company that was involved in branding and sales and marketing of its own brand in European markets through its own sales force and network. The acquisition of the said company directly involved CIII in international branding and marketing supported existing work considering acquisition as non-experiential learning, but sped up the internationalization (Forsgren, 2002; Tsai & Eisingerich, 2010), and therefore does not support the experiential learning logic (Cavusgil, 1984; Johanson & Vahlne, 1977, 1990; Kedia & Chhokar, 1986). Therefore, the current study identified internationalization as a combination of experiential, non-experiential, dynamic capabilities and strategic focus of the firms, supporting existing studies' emphasis on the holistic approach to internationalization (Turner & Gardiner, 2007), and strategic adaptation to the international environment (Calof & Beamish, 1995; Chetty, 1999; Freeman et al., 2013).

This is due to the fact that case firms' existing relationships with partners and clients make it possible to identify, exploit, and explore resources and opportunities, and connect them to their network in other markets and regions, which has a direct impact on their learning, mode change, and movement in the value chain. In addition, the DES further undertook different strategies related to their relationships in different markets to learn and make commitments, supporting the spring board view for learning from international relationships.

## **7.5 Finding in Context of Paradigmatic Approaches**

This section will discuss the derived model and developments with respect to existing paradigms as a step towards theoretical refinements and development.



## **Transaction Cost Economics (TCE)**

The central question of transaction cost theory is whether a specific transaction is efficiently performed internally (vertical integration) or by outside autonomous contractors (market governance). TCA is based on two main assumptions: (1) that partners involved in business are considered to be “boundedly rational” and “risk neutral,” and (2) that at least some are assumed to be “opportunistic”.

Bounded rationality is the assumption that decision makers have limited cognitive capabilities to find and process all the available information related to a transaction or business relationship. Because of bounded rationality, complex agreements such as those involved in long-term purchasing or outsourcing ties will typically be incomplete (Buvik & John, 2000; Radner, 1968), providing opportunities for the involved parties (one or both) to take advantage of contractual “gaps” to serve their own best interests.

Opportunistic behavior is more strategic in nature and is defined as “self-interest seeking with guile” (Williamson, 1985, p. 47). Opportunism suggests that, given the opportunity, one or both parties may opt for behaviors such as lying, cheating, disguising information, or violating formal or informal agreements for their own self-interest (Wathne & Heide, 2000). Thus, a major concern of partners is how to safeguard themselves from the risk associated with opportunistic behavior. Williamson (1985) operationalized these two behavioral assumptions as three sources of transaction costs: asset specificity, uncertainty, and frequency.

Asset specificity involves specialized investments that cannot be redeployed (Williamson, 1996) or are only partially redeployable (Stump & Heide, 1996) by alternative user relationships. The main issue related to specific assets is their usage and transferability to other relationships.

Assets with a high level of specificity relative to a relation or exchange partner have lower value when used in other relations or with alternative exchange partners. Williamson (1996) identified four types of specific assets: (1) physical assets, (2) human assets, (3) site-specific assets, and (4) dedicated assets. The acquisition and development of these assets requires time and investments on the part of one or both parties.

Transactions with low asset specificity are expected to be commenced in the market, while those having medium and high levels of asset specificity are to be undertaken by hybrid (or relational) and hierarchical (vertical integration) forms of governance (David & Han, 2004; Geyskens, Steenkamp, & Kumar, 2006).

Uncertainty is a major problem that faces all economic organizations. It arises either when the relevant contingencies surrounding an exchange are too unpredictable to be specified *ex ante* in a contract (there is environmental uncertainty) or when performance cannot be easily verified *ex post* (there is behavioral uncertainty). Williamson (1996) identified three basic types of uncertainty. First, primary uncertainty involves acts of environmental or changes in partners' (customers') needs and preferences. Second, secondary uncertainty is derived from the inability of firms to determine the concurrent decisions and actions of their exchange partner. It increases the possibilities that one party could make decisions that unknowingly have a negative impact on its exchange partner, and can reduce their relationship efficiency. Third, behavioral uncertainty involves the potential that one or both partners will take advantage of its partner in an opportunistic manner.

Uncertainty's effect on buyers' governance decisions is more conditional on its environment. Under conditions of low asset specificity, market governance is the preferred form, regardless of the degree of uncertainty. At higher levels of asset specificity and uncertainty, vertical integration should be a preferred mode because of its improved adaptive capabilities (David & Han, 2004). Frequency is the extent to which transactions recur over time. Williamson (1985) mentioned that transaction frequency provides an incentive for firms to internalize frequently occurring transactions because it will be easier to recover the internalization cost for repeating transactions. In case of a higher level of frequency, the preferred governance mode is hierarchies instead of markets when asset specificity is present, because overhead costs will be easier to recover for repeated transactions. Hence, all three transaction cost dimensions are vital when selecting a firm's most appropriate governance mode.

Based on the existing literature of outsourcing and effect of globalization, the MNCs and developed economies firms engaged in offshore outsourcing ties. They outsource high-quality, innovative, and R&D-related activities, operations, products, and services to specialized independent suppliers and sourcing partners in developing economies. This enhances the outsourcers ability to reap the widely-dispersed resources and benefits and to achieve flexibility in their operations (strategic renewal and flexible organization structures) and offerings. This also affects their suppliers and partners (DESs) in terms of gaining access to international knowledge, experiences, resources, and markets.

Similarly, the current study identified that the resource-deficient DESs internationalized or involved in offshore outsourcing ties with international partners to gain access to assets and markets and to gain new knowledge, rather than exploit their existing

knowledge and resource base. Such engagements and relationships shifted the attention from being restrictors to enablers of relationships, trust, and commitment. Further, the current study acknowledges outsourcing relations and internationalization as value maximization rather than cost minimization drivers for the partners. This study has contributed to the existing literature on the network view, the relational view, and trust and commitment building mechanisms, while contradicting the assumptions of buyer control over the seller, rather than focus on the buyer–seller relationship.

The present study identified that the development and movement in the value chain is a result of firms' different learning through diverse ways and reasons. The DESs (CI, CII and CIII) started their new production and operations as joint ventures and joint investments (relationship-specific investments) in the latest machines and integrated production facilities. The JV partners also remained customers/sourcing partners. The current study revealed that the relationship-specific assets (RSA) involved both investment by the partners and also the product being exchanged to facilitate the relationship, which supports existing studies (O'Donnell, 2009). Further, it is noted that partnership-specific investments were jointly used and redeployed to other relations and customers in international markets with some adaptation by the partners. This contradicts the assumption of asset specificity that relationship-specific investments (RSIs) cannot be redeployed (Williamson, 1996), or only partially redeployable (Stump & Heide, 1996), will have significantly lower value than in the use of a focal relationship.

As mentioned earlier, after focusing on international markets and value addition in their products, processes, services and overall operations, through continuous acquisition and investments in latest machines and production facilities, the firms gain the necessary capabilities to develop and retain ties with existing customers/sourcing partners and develop new ties in the market. They mostly engaged in OEM, ODM, private brand manufacturing, and offshore outsourcing ties with international clients. This enhanced their abilities to learn and acquire international knowledge on a continuous basis and expand in international markets.

It is not straightforward that a resource-limited and under-developed institutional setting DESs will attract international and world-leading brands. These firms should have the right competencies and offerings of the international standards beside their low-cost advantages.

The current study identified that before entering ties with DESs, foreign customers and partners check and monitor the supplier's facilities and competences in terms of whether

they are capable of delivering according to the required standards. This reduces the information uncertainty and hazards to a certain level in the beginning stage of the relationship, which supports existing studies (O'Donnell, 2009; Wathne & Heide, 2000).

Once the customers/sourcing partners are satisfied with the DES's capabilities, they move further along the business relationship regarding the possible requirements, obligations, contingencies, and other related issues. The customer sends orders with a detailed list of their explicit specifications about each and every aspect of the order, from the start to the final delivery. The DES evaluates the orders from different perspectives for implementation. In some cases, the DES makes unilateral tangible and intangible investments and/or adaptations in its assets, production facilities, tools, and operations tailored to the relationship and specific order. The DESs do not receive a reciprocal sunk-cost commitment from the buyer, except the minimum order quantity (MOQ) as a safeguard mechanism. Such decisions are based on the nature of the partners, relationships, and future business opportunity. In most cases, these unilateral investments are hard to redeploy to other relationships and become a liability for the supplier firm (CI and CIII), but have overall residual effects on the learning, knowledge, and capability development. Such learning and capabilities may be redeployed to other relationships and products with the same partners as well as with others in the future. This contradicts the TCA view of individual transactions. The DESs were more interested in building long-term relations and learning while working with specific partners and customers, therefore involved in unilateral investment as strategic value maximization strategy (Kang et al., 2009).

Furthermore, the supplier's relationship-specific investments also serve as a signal of commitment and continuation of business and the development of relationships, which positively affect relationship stability, collaboration, and supplier's learning and contribute to supplier perspective (Buvik & John, 2000; O'Donnell, 2009).

The current study has identified that the buyers and outsourcing partners are more inclined towards sharing information, technical specifications, and competence performance requirements with suppliers based on the nature of products and services. In case of high-quality, technical, unique and customized products, processes and services, the clients sharing detailed information remain in close relationship with the suppliers and invest in supplier development. This contributes to the limited number of existing studies that demonstrate the important role of product in supplier relationships (Buvik & John, 2000; O'Donnell, 2009).

The buyer's specific investments in tangible and intangible assets may signal reciprocal commitment and/or increased value-added in the relationship. Examples include the investments in the procurement and communication in CI, CIII, and the training and development of the supplier's laundry and washing units of CI and CIII in Italy, and training on waste control, enhance product and process quality, handling of materials, and end products in all cases. This enhances the value addition and benefits in the relations, which supports existing studies (Buvik, Andersen, & Halskau, 2015; Ghosh & John, 1999; Jap, 1999). Furthermore, the current study identified that the client/sourcing partner engages in supplier development programs such as training and development of R&D and product development teams (product co-development with CI, technical support and new developments in CIII, finishing in CII and CIV) for innovative projects and offerings. This enhances collaboration, flexibility, relationship performance and supplier learning. This supports existing studies on supplier development and bilateral relationship-specific investments (Stump & Heide, 1996; Ulaga, 2003; Ulaga & Eggert, 2006; Wathne & Heide, 2004), for value maximization rather than reducing uncertainty and avoiding a situation of mutually being held hostage (Jap & Anderson, 2003; Williamson, 1996).

Further, the clients have strict requirements and monitoring procedure at every step of production, processing (planning and control, order accuracy, production schedules, quality control procedures and audits, handling mismatch and practices, storage, etc.) and delivery (storage, delivery timeliness, logistics, distribution etc.). This not only controls opportunism (Heide, Wathne, & Rokkan, 2007), but also has a direct effect on value maximization for both parties and learning for suppliers.

Finally, the current study identified that international clients and leading brands working in outsourcing ties for OEM, ODM, and related services with DESs have extended and deepened their relations from one-time transactional to relational and from basic to high-value products over time. For instance, all firms started international ties as one-time transitional orders, which over time extended to more quantity and high-quality products/services and mature relational ties (CI, CII, CIII, CIV), lead suppliers status (CI, CIII and CIV) and co-product and service developments (CI and CIII) and further extending their support. The finding showed that that

some international customers have been working with the DESs for about 15–22 years. For instance, CI has been working with Levi's for the last 22 years. CI started working as a supplier of basic garments, over time gaining a greater share of high-value-added

products and styles (Red tab), and now highly innovative co-product development (waterless jeans) and services and R&D center. Similarly, CIV has been working with Levi's, JC Penney, Nike, Polo Ralph, etc. for 20 years, and CIII with Sixty, Next, and H&M, etc. for about 17 years and enjoying the status of exclusive supplier for world leading brands. This shows the development of relational norms and trust (competence and goodwill) based behavior and expectations shared by partners, which creates joint value. This support existing studies' findings that frequency (size, nature of products/services and delivery frequency, and expectation of relationship extendedness) plays a vital role in shaping a multiplex relationship (Ferriani et al., 2012), and improves relationship flexibility cooperation and joint action (O'Donnell, 2009; Rokkan et al., 2003).

Overall, the current study identified the TCA from the suppliers' (DES) perspective and collaborative relationships, which involve integrated goal structures and multiple exchanges over time. This contradicts the conventional view of TCA, which is inclined towards the buyer's perspective and individual relationships, hence adding to the criticism of TCA because of its focus on control and opportunism (Conner & Prahalad, 1996; Ghoshal & Moran, 1996) and promoting a static rather than developmental perspective towards relationships (Cannon, Doney, Mullen, & Petersen, 2010; Narayandas & Rangan, 2004b; Williamson, 1999). At the same time others may view these relations as hybrid organizations, which gradually shift from transactional to relational governance overtime, hence support certain assumptions of TCE.

### **Eclectic Paradigm**

The internalization theory (Buckley & Casson, 1991; Buckley & Pearce, 1979), and transaction cost theory (Williamson, 1979, 1981) suggests that firms seek to develop and deploy their resources across borders to take advantage of asymmetries in knowledge, capabilities and reduce uncertainties. Following the internalization philosophy, Dunning presented the electric theory of multinational advantages also known as OLI Paradigm. According to Dunning (1988), the internationalization of economic activity is determined by three types of advantages and sources, which are rooted in comparative static and transaction cost reasoning. First, ownership (O) advantages imply that the firm owns certain resources or capabilities, creating advantages in certain markets, such as intangible assets (brands), special technologies, processes or particular and relevant knowhow.

These resources give the MNC a potential advantage over their domestic competitors in host markets. Second, the location (L) advantages refer to the advantages that MNCs get to locate an activity in a particular market in order to benefit from comparative advantage, such as institutional (factor cost, regional duties and tariffs, etc.) and productive factors (low cost, availability of resources, etc.). Third, internalization (I) refers to the potential advantages derived from the capacity of a firm to manage and coordinate activities internally in the value-added chain rather than disperse them between several different firms.

The current study identified a nonlinear and speedy movement of firms in value chains and across borders. The firms started from behind with inherited deficiencies and weak institutions, but moved in value chains and cross-border operations in a short period of time by leapfrogging and leveraging their way into value-added operations and international markets through partnerships and joint ventures (evident in CI, CII, and CIII). Although the internationalization process was speedy, the expansion was somewhat slow. The firms started with a focus on the international markets and pursued customers wherever they could to gain maximum international leverage. The expansion into international markets was carried out by partnering into outsourcing ties, contracting to international clients, leading customers, or following customers into new markets while working in global value chain (evident in CI, CII and CIII). Further, the current study identified the firm's specific strategic orientation, strategic focus, and dynamic capabilities based on their needs to find new ways to sustain their existing ties and further enhance their movement in the value chain and expansion to support existing studies (Bonaglia et al., 2007; Hughes & Morgan, 2007; Mathews, 2006; Mathews, 2002).

The implementation of different strategies and the firms' involvement in strategic partnering enabled them to gain access to other markets and resources in order to speed up the catch-up process and enhance their position in global value chain, and thereby move in the value chain and expand. This clearly shows that firms design their internationalization strategies to enhance their market and resource-seeking motives and explore resources rather than merely exploit their domestic assets across borders. Though DES are exploiting their low-cost production, labor and natural resources advantages to certain extent, to attract foreign clients, but are not sufficient to get competitive advantage at the international stage. Thus, contradicts the ownership advantages as mentioned in the OLI model. The current study findings have identified that resource-deficient firms (DES) get access to resources, knowledge, and capabilities

through working with international clients, players, and connections. This is important to note that international connections provide the firms with access to the resource or enable them to update their existing resources to overcome weaknesses and enhance their ownership capabilities, such as latest vertical integrated production facilities at home and position in network/global value chain enhances their movement in value chain. Thus, it may add to the OLI framework with respect to ownership, but in the reverse direction.

In the context of location advantages, the current study identified location as an important variable for DES in their market-seeking, resource-seeking (technology, know-how), and cost-minimization strategies. The firms (DESs) keep production in their local market in order to tap into the comparative advantages available in form of low-cost, established production facilities, local networks, and availability of resources. In contrast, the DES concentrated on international markets, established their relationship with global value chain (foreign network) and clients (OEM, ODM, co-product development, supplies ties) to get access, learn, and acquire resources and knowledge related to international standards. In addition to the different types of international connections (R&D, designing, product development, and marketing alliances) and engagements in international markets, all firms engaged with foreign experts and set up offshore R&D centers, design facilities, and marketing offices in international locations. This enhanced their potential to gain rapid exposure to international markets, international knowledge, and resources, and also reduced the mistakes due to their inherited deficiencies (Luo, 2003; Luo & Peng, 1999). Overall, DESs tap into locational advantages of industry hubs like USA, UK, Germany and Italy for developing marketing, R&D, branding and advanced technological capacities, which are then internalized back home, and translate into parallel and additional lines of exports, own brands or co-branded products and services in international markets, hence add to the location perspective.

Dunning and others included emerging concepts such as mergers and acquisitions, strategic alliances, and joint ventures to the OLI framework in the context of MNCs (Dunning, 1995, 2000). This adds to the recent dynamics in international business into the OLI framework, but does not change the basic view that MNEs derive advantages from overcoming market failure through the use and transfer of superior resources. The current study witnessed instances where the MNCs and international clients outsourced high-value-added operations and activities related to R&D, innovation, and new product



development to suppliers in developing economies in order to acquire resources or to enhance their existing resources and capabilities. This contradicts the OLI framework.

Finally, the current study identified that firms (DESs) involved with international clients, networks, and global value chains acquired resources and knowledge through dynamic capabilities and repeated interaction, which are assimilated through repeated application and combining, resulting in firms learning and international expansion (developments), as mentioned in Section 6.4. This is in line with the linkage, leverage and learning framework (LLL) framework (Mathews, 2006), and particularly in emerging economy context (Peng, 2012).

Further, it is important to note that the present study uncovered two cycles of internationalization process that are special in case of DES. The first cycle is related with the internationalization of production and services (OEM, ODM), and a second cycle of internationalization when the same firms start to produce own product lines and services which they then market and sale internationally. One interesting insight can be that the first cycle doesn't follow traditional internationalization theories, but the second cycle does. After all, in second cycle, with some exception (CIII) the firms gradually develop to psychically close countries (India, Bangladesh, UAE) and ethnic markets in psychically distant countries (UK), following certain stages suggested by traditional internationalization models.

Overall, the main and unique aspects vis-à-vis the sequential stage models and non-sequential model are challenged in the current study are summaries in Table 7.1.

Table 7.1 Summary of unique aspects with respect to current study

<b>Main Aspects</b>	<b>Related Theories</b>	<b>Present study</b>
Focus	Traditional internationalization theories focus on the growth of MNCs. (UM, IM, NM, TCE, OLI)	Local independent firms form developing economies.
	Offshore outsourcing focus on outsourcers (OLI), Buyer driven (TCE)	Supplier/ outsourcee and more specifically DES Supplier driven
	Transaction specific(TCE) Control for uncertainty and reduce opportunism(TCE)	Relational and multiple exchanges over time or even bilateral transactional Develop ties, enhance cooperation and building trust over time.
Movement	Gradual development through stepwise movement in an incremental manner in psychic close markets (UM & IM)	Non-sequential development through a mix of both incremental and rapid manner in psychically distant markets.
Nature of Movement	Static and deterministic (UM & IM)	Dynamic
Mode	Atomistic- mostly outward	Holistic- Connection of both inward and outward

<b>Main Aspects</b>	<b>Related Theories</b>	<b>Present study</b>
Direction	Forward, unidirectional (UM & IM), Forwards and outwards mode of internationalization (NT, BG and BAG) De-internationalization (IN)	Multi-directional using different modes simultaneously for the same development. Both inward and outwards mode of internationalization Reverse internationalization (did not withdrawal, exit, divest, laying off, or reduction in resource commitment in cross border operations)
Learning	Experiential Learning over time (UM, IM TCE) Not part of OLI	Both experiential and non-experiential learning. Learning through repetition of linkages and leverage, and through strategic orientations
Location	First psychic close and gradually expand to psychic distant markets (UM, IM) Location established as part of vertical integration (OLI, TCE)	Involved in psychic distant markets Location tapped as part of network Tendency to go to textile industry hubs and lead markets (USA, UK and Italy etc.) in first cycle of internationalization regardless of psychic distance. Follow psychic distance in the second cycle of internationalization
Pattern	Linear	Non-linear and multitude
Knowledge	Market knowledge acquisition (UM)	Acknowledge the importance of both market and all operational aspects of the firms.
Commitment	Market commitment (UM)	Supplement the market commitment with richer insights by presenting a multitude of learning ways (focus on the how)
Relation rationale	Buyer control over supplier (TCE)	Buyer supplier relationship, supplier development Mentor -mentee relation became a source of DESs learning form experienced MNCs and lead customers.
Transaction specific investment	Hard or cannot be redeployed to other relationships and become liability (TCE) Strategic mistake and poor managerial practice (TCE)	Can be redeployed with certain adaptation in some exceptions. Value maximizing strategy. Signaling supplier commitment in the relationship Overall residual effect on supplier learning, capability development and inter project spill-over.
Bilateral Investment	Mutual hostage, lock in (TCE)	Value maximizations for both partners. Co-product and process development, Joint R&D in case of unique, high quality and innovative product. Signaling for long-term relationship.
Buyer specific investments	Influence over supplier (TCE) Monitoring and control over suppliers (TCE)	Supplier development program, lead supplier, one-stop-shop Value maximization, better coordination between partners. Supplier learning for controlling critical phases of production and operations for better quality, performance and overall customer relation.
Resources	Internalization (TCE, OLI) Resources exploitation Proprietary resources (OLI)	More focus on resources exploration, resource and market seeking through linkages with external firms, networks and strategic orientation
Ownership	Ownership exploitation	Resources and ownership building through external connections, partnerships, joint product developments

## 7.6 Summary

The current study contributes to the emerging literature on offshore outsourcing by enhancing understanding of the learning effects on developing economy firms (DESSs). Moreover, the study challenges and contributes to the existing internationalization literature namely the process models (the Uppsala and the Innovation), the Networking model and paradigms (TCE and OLI).

The study explicitly focuses on how the local independent firms engage in outsourcing partnerships with international clients/ partners and get access to knowledge, resources and international markets, which is further enhanced by their exploration strategies, internal innovation (upgradation and reconfiguration of resources and capabilities) and leadership support. These ties and firms' strategies improve their capabilities to involve in the latest operations and developing innovative offerings according to international demand, and develop new ties, thus move them up in the value chain.

Based on working with international clients and gaining capabilities overtime, the DESSs develop positions in the global value chain and build trust based relationship, give them access to restrictive knowledge. The trust based ties tend to reduce the transaction cost associated with secretive information, improve the information sharing process and mutual value maximization for both partners, and especially learning for the developing economies suppliers (DESSs).



## Chapter 8: Conclusion

Over the past decades, the forces of competition and globalization have required firms to relocate their value chain across borders. Outsourcing emerged as a viable strategy in value creation for firms and industries around the world. The role of outsourcing in a firm's learning, development along the value chain and internationalization is an emerging research field. Due to the complex nature and interdependencies of both internal and external factors, the field can be characterized as elicited, multidisciplinary and changing. Nevertheless, it is an important theme in international business (IB) and a defining aspect of global business opportunities in the new millennium, as it challenges core assumptions about different perspectives and firms' behaviors.

As such, the research field is evolving and opening new avenues for future developments from various angles, such as incorporating outsourcee perspectives. In the future, the outsourcee (that is, specifically the developing economy supplier) strategies may be further and better understood, along with outsourcers (that is, developed economy firms) strategies, as the two reflect two different partners in outsourcing ties from learning, knowledge and technological acquisitions, value creation and movement in value-chain perspectives. While most earlier research has focused on the outsourcer, the current dissertation focuses on the outsourcee's perspective.

The main objective of this study is to enhance our understanding of the impact of offshore outsourcing on outsourcees (developing economy firms). In this regard, the current study has introduced main learning domains, ways, reasons and their combined effect(s) as the learning impact of offshore outsourcing (that is, developments). This framework may also serve as an initial trigger to motivate future research.

The remainder of this chapter is organized as follows. Contribution to theory is discussed in Section 8.1, whereas Section 8.2 considers the quality of this research, followed by Section 8.3, which highlights practical implications. Section 8.4 discusses the inherited limitations of the current study, while Section 8.5 focuses on future research prospects.

## 8.1 Theoretical Contribution

The current study has presents a theory development effort focused on the learning dimension of offshore outsourcing as experienced by *developing economy suppliers (DES)*. More specifically, it focuses on identifying the modes through which certain elements of learning occurred for specific reasons and the combined effect such learning had on DES' development and movement along the value chain.

Furthermore, the current study will also answer earlier calls to explicitly include the supplier-vendor-outsourcee perceptive in cross border outsourcing and dig deeply into that (Hansen et al., 2008; Jensen, 2009; Li, Wei, et al., 2010; Mudambi & Tallman, 2010).

To the best of the author's knowledge, this work is amongst a few pioneer studies to capture the impact of offshore outsourcing on DES by examining the questions of 'how' and 'why' DES learn, acquire, absorb and further develop their own expertise through engagement in offshore outsourcing. Certainly, the emerging "outsourcee development model" is the result of the combined effect of the learning within the identified learning domains and reasons for such learning through specific ways. The model together with suggested sets of propositions, may be considered as an initial framework for *"learning impact of offshore outsourcing on DES"*

The overall learning impact of offshore outsourcing (that is, the interactive effect of learning domains, ways and reasons) leads to six developments or movement in value chains. The learning domain is the identification, development and acquisition of dynamic capabilities, including the following: Setup, International Standards, Customer Relations, Integrated Production Washing & Processing, Integrated Production, Market & Industry Trends, New Production, Design & Pattern Development, Promotional Management, Innovation and Branding & Marketing (for details, see Section 6.5.1)

The learning ways are the interactive means employed in a systematic manner and the strategic orientation used by suppliers to attain certain objectives, and include the following: Experts, Customer specifications, Investments in the latest machines, Certification, Re-engineering/Imitation, Investment in the vertical production facility, Design studio, R&D/PD, Entrepreneurial drive, Product/Market partnership, Trade fair & commercial offices, M&A, Sales agents and Outlets (for details, see Section 6.5.2).

The learning reasons are the main motivations that lead to new organizational arrangements and operations facilitating learning in the above-mentioned ways, and include the following:

develop contacts, meeting latest demands, improving performance, improving textile production, ability to innovate, complying with regulations, textile production/processing & commercial services, and branding & marketing (for details, see Section 6.5.3).

Accordingly, the developments are the movement in the value chain, which involve the combined and interactive effect of both exploitation and exploration learnings, which are associated with learning in certain domains. Learning in certain domains is done in a set of common learning ways, engagement is influenced by a set of common reasons/motivations for such learning.

The ‘Traditional Actor to Experimental Outsourcee’ development is the result of firms’ learning in a new setup and manufacturing through investments in machinery, product partnerships (joint ventures) and customer specifications, to enhance the firms’ ability to offer new products, meet demands for standard products and develop contacts across the borders.

The ‘Experimental Outsourcee to Active Outsourcee’ development is the result of firms’ learning about and enhancing production and manufacturing, customer relations, adopting basic international standards and integrated production facilities through customer specifications, follow-up investments in vertical production and becoming involved in proper sales and marketing activities. This leads to developing cross-border contacts, improving production, meeting original equipment manufacturing (OEM) specifications and demands for standard products and processes as well as enhancing the overall firm’s performance.

The ‘Experimental Outsourcee to Explorer’ development is the result of learning about and enhancing production and manufacturing, latest processing and washing techniques, customer relations in market(s) and incorporating industry trends in an integrated manner through matching with dynamic customer requirements, a mix of reverse engineering and constructive imitation activities, investment in latest machinery, washing and processing facilities and cross-border sales and marketing infrastructure. Overall, this development enhanced the firms’ ability to upgrade (innovate) products

and processes according to the latest demands, original equipment manufacturing (OEM) services, and to further develop contacts across borders.

The ‘Active Outsourcee to Explorer’ development is the result of learning about and involvement in wide range of quality, latest production, processes, international/regional standards, promotional collections (new product concepts, designs, processes and washing, etc.), innovation (organizational changes, processes and operations etc.), design/pattern development and other services. The main modes include entrepreneurial drive, acquisition of experts and their expertise, constant matching with customer specifications (that is, original equipment manufacturing (OEM), original design manufacturing ODM and others), need-based investments in equipment, systems, labs, testing tools and R&D facilities, product partnerships and international marketing offices. Such learning was influential in enhancing the ability to continuously innovate, meet demand for innovative and high-end products, washings and services, develop contacts, and improve performance.

The ‘Explorer to Active Outsourcee’ development is, interestingly, in reversed direction; it results from learning about and involvement in innovation, and branding and marketing through entrepreneurial orientation, R&D/reverse engineering (RE), acquisition of designers, developers and experts, M&A (CIII), the use of Sales agents (CII & CIV), and Outlets(CI). The mentioned learning domains and ways were significant in offering innovative products, processes and services under the company’s own name, logos and trademarks, and in developing retail business in the local market.

The ‘Explorer to Emerging Global Challenger’ development is the impact of similar capabilities (as mentioned in Explorer to Active Outsourcee) in forward direction through the CEO’s special interest and involvement, R&D/ reverse engineering (RE), acquisition of designers, developers and experts, M&A and use of international sales agents and outlets. These learning domains and ways were significant in offering innovative products, processes and services under the company’s own name, logos and trademarks in developing contacts across borders.

The main model that emerges from this study, suggests that the learning impact of offshore outsourcing is the result of the above-mentioned learning domains, and are influenced by both the external and internal firm-level aspects listed above.

Moreover, the present study challenges other important aspects and dimensions that were identified as influential in previous studies related to international business, in



general, and offshore outsourcing in particular. These include the pace and speed of movement in the value chain, parental network, international network, experiential learning, psychic distance, institutional factors, ownership, location, internalization, internationalization modes, holistic nature of internationalization, transaction cost, assets specificity, uncertainty, relationship aspects, nature of outsourced activity, strategic orientation and trust.

Overall, the present work has focused on the learning impact of offshore outsourcing on DES, and by addressing the questions of ‘how’ and ‘why’ makes an important contribution in presenting the DES perspective to enrich the outsourcing literature as well as, bridging this knowledge gap. Furthermore, the theoretical integration brings together research literature concerning internationalization, outsourcing, learning and movement along the value chain in a systematic way. The research result being the current stage model (developing economy supplier model in Figure 6.2 and Section 7.1) where development from one stage to another is associated with a set of learning domains, the ways in which they have been learned, and the reasons for such learning.

## **8.2 Quality of The Current Study**

This study follows the criteria set by Lincoln and Guba (1989) to judge the quality and trustworthiness of qualitative studies (see Section 2.3.1 for details).

*Credibility* is parallel to internal validity; it refers to establishing a match between the constructed realities of the respondents and how they are captured and represented by the researcher. This was done by sending the case summaries to each respective respondent right after the interviews took place in 2013. Additionally, the summaries were re-sent after the necessary changes were made, as advised, until confirmed by respondents. Interestingly, in certain cases (such as CIII) a few respondents had left their jobs, so the summary reports were sent to the new person in charge. This was both challenging and helpful; the challenge was making extra efforts and finding time to contact the new persons in charge, while being helpful as a means of obtaining an external reflection and insights from a separate, internal person. In addition, data analyses (findings) have been discussed with external reviewers, including constant consultation with supervisors, faculty staff, PhD fellows, contact through LinkedIn with textile professionals’ groups, feedback received from local and international

conferences (FIBE and EuroMed), department research seminars and expert discussions from the National Textile University (NTU) Faisalabad, Pakistan, and the Bolton University, UK.

*Transferability* (paralleling generalizability) refers to presenting the findings and analysis in a way that is applicable to other contexts. The current study reflects realities specific to one industry and country (the textile industry in Pakistan). The main purpose of this study was theory development rather than testing. Developing understanding and explanations with wider applicability was the main objective of this research; therefore, several steps were taken to achieve transferability. First, a multiple-case study strategy was chosen to provide different snap shots of similar realities through literal replication of cases. Second, explicit case selection criteria were used to define the scope and boundaries of the selected cases (Miles & Huberman, 1994), and a purposive sampling strategy was chosen to study theoretically diverse and rich cases to permit theoretical generalizability. Third, congruence with prior theory and existing literature was sought to aid theoretical generalization. Finally, one can raise the issue of the limited number of cases included. However, over 300 effects from various sources enrich the cross referencing to provide the most accurate interpretations to illuminate the focal aspects of the study.

*Dependability* (comparing to reliability) means ensuring that proper research practices are adopted, such as selection of research strategy, design and implementation, case selection and other methodological choices. This enables the readers to develop an in-depth understanding of the methods employed. In the current study, this was established through a detailed explanation of the research perspective and approach (Chapter 2), as well as, through data collection instruments and interview guide (Appendix-IV).

*Confirmability* (associated with objectivity and neutrality) seeks to ensure that the researcher acted as a neutral actor in good faith to avoid self-impression (that is, not bringing his personal values, meanings and preconceptions); that is, influencing the research and results. In order to ensure the confirmability and to reduce, as much as possible, the effect of investigator biases, the data analysis and findings were the result of 'reflective commentary' (that is, the experiences and ideas of the informants) obtained through extensive use of quotes from the data, cross-referencing for triangulations and confirmation of analysis/case summaries from the respective respondents. In addition, the abductive nature of the current study is evident, as the researcher allowed for a data-oriented approach (that is, data leading the analysis) and changed the focus from 'the

impact of offshore outsourcing’ to ‘the learning impact of offshore outsourcing’, termed as ‘audit trail’. In addition, throughout the process the researcher has confronted own interpretation with those of supervisors, which helped further refining concepts and findings well beyond the researchers own interpretations.

### **8.3 Managerial Implications for Practice**

In addition to the research contribution in the outsourcing literature, the current study may also hold important managerial implications for both outsourcees (suppliers) in developing countries and outsourcers (customers) in developed countries in offshore outsourcing. The study offers important insights for firm managers in developing economies.

First, the model developed in the current study helps managers identify their current position in the market, as well as the learning processes and domains that require investments to move along the value chain. As such, the present study provides a road map and self-assessment tool.

The findings from the current study mention that the DES managers’ entrepreneurial orientations positively affect the outsourcers’ knowledge and resource acquisition. In outsourcing, the DES should be careful in establishing outsourcing ties to enhance their marketing, new product development, managerial and technological learning and resources, as such learning and resources are not readily available. These learning and resources should be acquired through formulation of viable strategies and deliberate investments in machines, systems, processes and operations in an integrated and dynamic way to efficiently identify, acquire and utilize knowledge from outsourcers, as well as to nurture relationship multiplexity.

Further, in order to stay competitive, the DES management should continue to focus on exploiting, exploring and investing to meet the current demand of customers, which is necessary for longevity in business, while also creating a continuous stream of learning for future use. Similarly, the investment and involvement in both exploitative and explorative learning strategies enhance DES’s absorptive capacity and innovative capability, which help them to discover, understand and satisfy the latent needs of the

existing and potential customers through the offering of high-end innovative products, processes and services.

Moreover, the current study finds that “the learning impact of offshore outsourcing and specified ways positively affects DES involvement in value-added offerings and operations” (such as selling and advertising innovative products, latest processes and services under the company’s own brand name in both local and international markets). Such activities and operations could be challenging to certain customers in different markets/segments. The DES managers should formulate such strategies to avoid direct competition and confrontation with lead clients and sourcing partners, so as to retain original equipment manufacturing (OEM) and original design manufacturing (ODM) relationships for a continuous stream of revenue and learning base.

Finally, the current study also has an important implication for outsourcers/customers. The results of the study show different effects of identified learning ways and reasons adopted by DES on learning, cross-border operations, movement along the value chain and development. This has a positive signaling effect in retaining existing outsourcers while attracting potential ones. The outsourcers should keep sharp eyes on their high value added, innovative and R&D

related cooperative ties, as well as on the goals of the DES while selecting a suitable sourcing partner/supplier, and should align their goals for effective and efficient collaboration (one-stop shop, lead suppliers, joint product development and so on).

The decision makers in the outsourcers should understand and be cautious about the fact that developing economy suppliers (DESSs) are learning through the process, rather than just being provider of low cost products, specialized production solutions and other innovative services. The provision of such products, solutions and services may be beneficial for the outsourcers in the short run, but developing economy suppliers (DESSs) that develop through learning and experiences may pose competitive threats in the long run.

## **8.4 Limitations**

It is important to acknowledge that the current study has been exploring a dynamic, multidisciplinary phenomenon widely rooted in an international context, and hence, has

inherited limitations. Therefore, care must be taken while interpreting and applying the findings of this research to different settings than the one examined in this research. Further, it is important to mention that the coding and analysis were performed by a single researcher. Although efforts were carried out to reduce subjective coloring of findings based on the researcher's own background and views, personal influences may still occur, even if unintentional. To deal with this issue, the analysis was submitted to the respective respondents in the case firms and reviewed with supervisors to reduce such potential personal influences. Such reviews have indeed resulted in significant adjustments of what viewed as contributing to the objectivity of this analysis.

Similarly, due to the non-longitudinal nature of the study, there are chances that respondents may have: (1) reflected on past events in which they themselves have not been engaged, presenting a narrative they had heard or believed was true; (2) provided post-action rationalizations to others historical events in which they were involved, but through an understanding that has changed through time and experience; (3) had limited ability to document 'real' cause-and-effect in real time and were dependent on other's rationalizations of past events. In order to deal with such circumstances, interviews were held with multiple informants in each firm, and triangulation across informants and other sources of information were attempted, so as to identify the objective findings.

Further, the cases included in the current study can be characterized as typical Pakistani organizations that may not reflect realities outside the textile industry. Moreover, the study included relatively well-established and successful companies, which does not reflect the reality in Pakistan for small, new or failed companies in the textile industry or other industries that were not included. Here, the main purpose was theory development, and not testing and confirmation; hence, generalizability to theory was the main concern. However, the findings and propositions are formulated in such a way that others can attempt to test and verify them quantitatively in other contexts in the future.

## **8.5 Future Research**

Offshore outsourcing is a widely-researched phenomenon. Nevertheless, it offers ample scope for new scholarly contributions in different directions. As such, a number of

implications for future research may be drawn, particularly related to the focus of this study.

First, the findings from the present study may be empirically tested, based on larger quantitative survey and analysis, to shift from theory development to theory testing and to improve generalizability. Such an effort can also be extended to other contexts, including other countries and industries. It would also be interesting to replicate the qualitative study in textile exporters in neighboring countries; that is, competitors from India, Indonesia, Bangladesh, Sri Lanka, Vietnam, China and other similar contexts in order to enhance the applicability of the current study's findings.

Second, based on the findings related to the learning impact of offshore outsourcing ties, more efforts are needed to investigate the influence of specific types of outsourcing activities and tasks. In particular, do different outsourcing tasks lead to learning in different domains, using different ways and are they motivated by different reasons?

Third, one of the interesting findings emerging from this research is about learning by DESs' specific unit or department in offshore outsourcing ties: intra- and inter-firm learning take place at the same time. It may be meaningful to further investigate the learning impact of offshore outsourcing on DESs' specific unit and how it leads to intra-firm learning. As knowledge acquisition in isolation is unlikely to enhance learning, it needs to be absorbed across firm boundaries (in other words, disseminated across other related units) for commercial use.

Fourth, the findings related to the movement in the value chain (that is, developments) are interesting to investigate further from the performance perspective of an individual firm. The current study did not assess why a certain firm restricts its movement to a specific development or prefer to move back in their developmental path. A quantitative evaluation is required to understand the real impact of offshore outsourcing on firm performance.

Fifth, one may also seek to study such dynamics of developmental changes through longer longitudinal studies. The current study involved a single data collection effort, future studies may aim for a longitudinal research design. This will allow the study to overcome potential problems of post rationalization by respondents.

Sixth, the findings from the present study provide a detailed view about the learning modes and ways of learning, but do not inform about which channel(s) is/are most useful in learning and acquiring capabilities. In this regard, studies involving measurements of

efficiency, effectiveness and usefulness, will help in identifying differences between effects of certain learning efforts.

Seventh, this research shows an interesting finding; that firms' entrepreneurial orientations enhance not only explorative capabilities, but also exploitative capabilities related to new product development, processes, services and cross-border market capabilities. The propensity to engage in proactive and risk-taking endeavors lead to firm renewal, and exploitative capabilities reflect an incremental innovation. This contradicts the conventional view that entrepreneurial orientation is solely inclined towards radical products and market innovations (Lisboa et al., 2011). It may be meaningful to further investigate the links between firms' entrepreneurial orientation and exploitative capabilities (that is, incremental innovation) and performance through longitudinal data.

Lastly, the current study findings indicate a dynamic shift from simple, low value-added products, processes and operations to high value and innovative offerings and operations based on a combination of technologies, the latest systems and strategies related to the newly emerged concept termed " Industry 4.0" (the Fourth Industrial Revolution) (Rose & Schwab, 2016; Schwab, 2017). This has an overall effect on: customer expectations, product enhancement, collaborative innovation, and on organizational forms. In the context of Industry 4.0, it will be interesting to investigate how companies (outsourcers and outsourcee) re-examine the way they do business, and how their business leaders and senior executives assess, scan and understand the changing business environment, challenge the assumptions of their operating teams, and continuously innovate.

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# Appendices

## Appendix-I Covering Letter

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05.12.2012

### Introduction Letter

Dear Sir/Madame,

The Institute of Economics at the University of Agder in Kristiansand (UiA) Norway is a research institute specializing in international management. One of our current doctoral research projects focuses on exploring the impact of outsourcing on firms from developing economies.

The main aim of this project is to study how firms from emerging economies learn and gain experience from working with Western firms, while using their experiences and learning for better performance. More specifically, this research will focus on studying textiles and apparel firms in Pakistan.

After a detailed search for relevant Pakistani firms, we have identified your firm as of great interest and potential in this area. We appreciate your company's track record in handling both domestic and international clientele, and especially your collaboration with Western customers and partners.

Accordingly, it will be of great interest for us, should it be possible to learn from your experience for this research. We will appreciate your kind permission for allowing us to send our doctoral researcher, Mr. Irfan Irfan, to visit your plant for an interview with your marketing/ merchandizing and/or sales/ export units.

We look forward hearing from you and hope you will be interested in discussing your experiences. By doing so, you will be contributing to this important research project.

Kind regards

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Harald Knudsen".

**Professor Harald Knudsen**  
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A handwritten signature in blue ink, appearing to read "Rotem Shneor".

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## Appendix-II

### Summary of the Research Project

Offshore Outsourcing is an important business activity in modern international business. It is defined as the partial or complete relocation of business process or manufacturing facilities to a foreign country supplier that have previously been carried out inside the firm. Two parties are involved in the offshore outsourcing process i.e. the outsourcee (the supplier) and the outsourcer (customer/client). The outsourcee (the supplier) is the party who receives the offshore activities, while the outsourcer (customer/client) grants the offshore activities.

Globalization, competition and recent reforms in developing economies drive outsourcers to disaggregate themselves and relocate their activities to foreign location. Among the main drivers of disaggregation are: a) cost minimization; b) focus on core activities; c) access to resources; d) access to markets; e) access to technological and market knowledge, and f) access to best partners (lead supplier). These benefits are not only limited to the multinational corporations (MNCs) and large firms as outsourcers, but also benefited their outsourcees.

MNCs increasingly relocate their offshore outsourcing activities to low cost and developing countries. The relocation of their activities opens new avenues for outsourcees in terms of learning new processes, upgrading skills, accessing modern technologies and increasing their sales and exports. Moreover, offshore outsourcing also helps the outsourcee to start integrating into the international economy by developing various combinations of capabilities and establishing their own business strategies.

Such capabilities enable them to engage in advanced value adding tasks. For instance, some outsourcees stick with their traditional supplier role and focus on local markets and supplies to foreign customers. Other outsourcee(s) play a sort of dual role in that they focus on local markets and supplies to foreign customers as well as exporting some more or less innovative products to neighboring markets. There are also some outsourcees that offer innovative, high value products and brands for the global market. The latter is able to compete with foreign firms in international markets.

This research has a focus on the learning and capabilities that are developed by outsourcees and aims to investigate the following three questions;

- a) how do suppliers (outsourcees) learn?
- b) what motivates suppliers (outsourcees) to learn?
- c) what is the outcome of such suppliers (outsourcee) learning?

Answering the above questions will be attempted in the current research project, which will be qualitative in design, using in-depth interviews with selected Pakistani apparel suppliers. It is in this regard, given your firm's professional experience and background in this industry, that I would now like to study and examine your firms experiences in terms of how you operate as a supplier and what you learn from your experiences as a supplier and how further use your learning.

Hence, I would appreciate your cooperation in terms of facilitating an interview with the concerned unit(s). I look forward to hearing back from you and hope you find my research of interest.

# Appendix-III

## Consent Form

### Research study on learning in offshore outsourcing in firms from emerging economies.

You are invited to participate in a doctoral research project on how firms from developing economies who received the offshore outsourcing activities, learn? What motivates them to learn (why they learn the way they do?) and what is the outcome of this learning?

Your involvement would be limited to

- a. Face to face interview at the company
- b. Follow up email or phone/skype calls (if needed)
- c. Voluntary sharing of documents

All information will remain strictly confidential as per Forskningsetiske Komiteer (National Committees for Research Ethics in Norway- (<http://www.etikkom.no/en/In-English/>)). Information gained from respondents at one interview will not be shared with other respondents in the same organization and/or at any another place and organization. Further, in the write-up, all corporate and individual names will be changed to hide their identities. All interviews will be **recorded as a prerequisite** of the project. The recorded interviews will be transcribed and used only by the researchers directly involved in this research project.

After transcriptions, all interview records will be stored safely by the researchers. The interview will take approximately 90 minutes' maximum. After interview, each participating company will get a short report presenting a summary of the researcher's main findings for review and further comments.

As a token of gratitude, the researcher commits to send a copy of the full dissertation to participating companies, once it will be approved and successfully defended.

Please sign below should you agree with the above guidelines for your participation in this study

The extra copy of this consent form is for you to keep.

---

Respondent Signature/Place/Date:

# Appendix-IV

## INTERVIEW GUIDE

Date: \_\_\_\_\_

Respondent: \_\_\_\_\_

Title: \_\_\_\_\_

Case Company: \_\_\_\_\_

### Introduction: (5-10 minutes)

Background information about the interviewer and institution.

1. Explain the purpose of the research: To understand the learning impact of offshore outsourcing on FDCs movement in value chain activities.
2. Involvement in the research:
  - Interview (70-90 minutes)
  - Follow up emails
  - External and Internal reports/ documents
  - Customers/clients websites and related information
3. Discuss about anonymity: All information will remain strictly confidential. The information gained from respondents at one interview will not be shared with other respondents in the same and/or anywhere else. Further, all the case companies, their clients, market, regions and individual names will be changes to hide the identities.
4. Ask the permission to begin recording the interview and write notes during the interview. Moreover, a consent/agreement form will be sign form the interviewee(s) to participate in the interview.
5. Outline the sequence of interview. The interview is semi structured and uses both open and closed ended questions:
  - In the start, I will ask short informative questions about your firm's overall learning from offshore outsourcing.
  - In the second part, I will ask you to please describe the learning through offshore outsourcing that occurred or occurring in your firm.
  - In the third part I will ask about the changing modes of operations based on gaining experience and learning while working with foreign clients.
  - In the last section, I will ask about the overall impact of working with foreign clients and a short questionnaire.
  - In case you cannot understand specific question or issues we can discuss and clarify it mutually.

### 1. Section One- Overview of Offshore Outsourcing Engagement (20 Minutes)

I would like you to ask a few questions about you and your firm's background.

- 1.1 Please tell us about your background, role and responsibility. How long you been with the organization?
- 1.2 How this company developed? When it starts export? Where the company stand now?
- 1.3 Is it important to have foreign clients? How your company categories the foreign clients?
- 1.4 Is the number of your foreign clients increased in last five years?
- 1.5 Can you please identify your three most important clients? Why are they important for your firm?
- 1.6 What criteria they use in assigning order(s) to your company?
- 1.7 What criteria you used to organize their order in general?
- 1.8 Please tell us about the changes in the ordering procedures criteria/specifications from your main clients.
- 1.9 How you are organizing and address the changes in orders with respect to criteria and specifications.
- 1.10 Does your firm exit to serving of clients in the last five years? Why?
- 1.11 Which department and persons are in charge of dealing with foreign clients/ exports?
- 1.12 How you will describe your engagement with foreign customers?

### 2. Section Two- Specific to Learning (25 Minutes)

I would like to ask you please describe the learning through offshore outsourcing of your firm by producing new product, serving new market, existing product in new market and new product in new market (please note that this section will be repeated for each offshore outsourcing collaboration)

2.1 To get a rough idea of your company's history in serving foreign clients

- What are your main foreign market(s) /region(s)?
- What are the core product(s)/ services for these markets?
- Is your firm serving the same foreign client(s) or it extends to others in the same?
- markets or other markets?

2.2 What was the main reason(s) for engaging with these clients, market/region?

2.3 What was the year and first mode of supplies? Was your company changing from the first mode of supplies?

2.4 Can you please explain the following:

- Please elaborate how you received the first and then the second order(s).
- The orders received from different (main) foreign clients were the same or different in their specifications and details. How it was different?
- How your firm organizes and deals unique and unusual / unexpected orders?
- Is it important to have such unusual or routine orders for your firm? Why?
- Can you please specify any kind of advises training and help from foreign client (s) in managing their unique orders?
- What you done at your end in completing their order
- In your view is such training and advises are helpful in extending to other orders and future engagements?
- Can you please tell us the importance of working and dealing with different foreign clients?
- Does the experience gain through working and dealing with different customers in general are helpful in learning?
- Can you point out the critical events that you consider helping your firm learning for future business?

2.5 Based on working with different clients over the last five years what is your recent mode of engagement, operation/ position in the main markets?

2.6 Can you explain to what extend you improve (d) your operations and how?

2.7 What was your inspiration for improvement?

2.8 How you value your engagement with local or foreign clients?

2.9 Do you want to add something that you think will be most important and didn't learn while working with different clients?

### **3. Section Three- Value Addition and Movement into Value-added Activities (25 Minutes)**

3.1 Please tell us about how your business with foreign clients started and how did it go so far?

3.2 Did you face any surprises and challenges in this engagement? How and to what extent your firms overcome such challenges?

3.3 Is your company changed or adopts other modes with the initial mode(s) of operation over the last five years?

3.4 Why your company decided for this change(s)?

3.5 Can you please tell us how and when you change it?

3.6 What aspects you find helpful for your ability to get into new modes and what aspects you would like to see change.

3.7 Is your changed mode of operation has/ will have effects on the engagements with your client(s) in any market?

3.8 How you will describe the value proposition of changing modes to your organization?

3.9 In your view what will be the desirable arrangements of your firm's future business/ new market /market segment entry?

We have covered about the key highlights in the learning and movement in value chain in a chronological order.

#### **4. Section Four-Wrap-up and Overall Development (20 Minutes)**

I would now like to wrap up with some overall questions.

- 4.1 Can you please describe the main experience(s) and learning gain from working with different foreign clients?
- 4.2 What is the relevancy of such learning for your firm?
- 4.3 How your firms further using(ed) these experiences and learning? And to what extent?
- 4.4 What is the overall contribution of such learning in the performance of your firm?
- 4.5 What you have learned overall about your firm growth? How you measure it?

Is there anything that I have missed and you want to contribute based on your professional experience and insights? Can I contact you again? Thank you very much for your unique professional insights, valuable time and kind support. It is very informative, interesting and helpful.



## Appendix-V Norwegian research council ethical guidelines

Forskningsetiske Komiteer (National Committees for Research Ethics in Norway- (<https://www.etikkom.no/en/ethical-guidelines-for-research/guidelines-for-research-ethics-in-the-social-sciences--humanities-law-and-theology/>)). Retrieved as of December 2012.

Latest version Forskningsetiske Komiteer (National Committees for Research Ethics in Norway- [https://www.etikkom.no/globalassets/documents/english-publications/60127\\_fek\\_guidelines\\_nesh\\_digital\\_corr.pdf](https://www.etikkom.no/globalassets/documents/english-publications/60127_fek_guidelines_nesh_digital_corr.pdf)). Retrieved as of March 2016.

## Appendix- VI Code List

Code	Sub Codes	Description of code integration
<b>Start</b>		
Initial start	Nature of operations	Spinning, weaving, cutting, yarn and garments manufacturing etc.
	Type of product, processes and services	Basic inputs, semi-finished, finished, low / high value-added etc.
	Region/market of operations	Local, regional, international etc.
First international activity(s)	An unsolicited order	By chance
	Buying house	Commercial office, export office etc.
	Joint venture with foreign companies	Coalitions with market players Partnerships
	Own exports	Cross border trade
	Sourcing ties	Supplier of specific products to certain foreign clients
	Merger	Joint production, operations, business etc.
Organization of orders/ fulfilment of orders	Customers specifications	Needs, demand, requirements etc.
	Investment in machines	Purchase, acquisition of equipment, machineries, systems, processes etc.
	Imitation	Copy and use of market best ideas, products, procedures, operations etc.
	Outsource to local vendors	Purchase of inputs from local market, subcontract certain part of an order to local producers, cutters etc.
	Technical advises, help	Production related Technical Support from joint venture, alliance partners, customers and suppliers etc.
	Product planning & control Back tracking	Effective utilization of resources, inputs, materials, time, machines, people and production space etc.
<b>Engagement</b>		
Intensity of engagement in market $\geq$ 5 years	Focus on market	Local, regional, foreign, local & regional, local & foreign etc.
	Focus on ties	Existing clients in exiting market, follow exiting clients in other markets, new clients in existing market, new clients in new market etc.
Regions and Markets	Main regions	Asia, Europe, America, UAE, Oceania etc.
	Main customers	International brands, regional brands, buying houses, regional cutter, local cutter etc.
	Main products	Yarn, unprocessed denim fabric, processed denim fabric, knitted fabric, unprocessed and processed fabric, garments basics, value added, high value added, services etc.
	Core relation type	Same products existing customer, same products new customer, new product existing customer, new product new customer etc.

Changes in orders	Same all the time	Standardized, identical, homogeneous etc.
	Region to region	Varies according to regional market needs, specifications, demands etc.
	Season to season	Differences in seasonal needs, fad and fashion etc.
	Customers to customers	Varies from customer to customer in the same region, form different regions etc.
	Order to order	Variations in orders from the same customers, different customers etc.
	Unique order	Special, unusual, totally different specifications etc. from the rest
Changes in overall order philosophy	Ordering procedure	Modification in overall ordering process, system based, I.T based, customer website, schedule, etc.
	Requirements	Small quantity, small batches, more varieties, short shelf life etc.
	Special features	Latest finishes, use of chemicals, unique washings, treatments etc.
	Specific standards	Customer specific, regional, international, etc.
	Order handling	Placement, process, feedback, completion, and delivery etc.
Relationship Duration	Long-term	Working since start, all time clients, over extended period, etc.
	Trust based	Loyal customers, mutual working understanding, mutual routine, cooperation, etc.
	Contractual	Specific period, time based, etc.
	Project based	Specialized task, job, assignment etc.
	Seasonal based	Spring, Summer, Autumn, Winter products
	Transactional	Short term, arm-length, product based etc. under MOQ.
Change in sourcing Relationship (from the initial mode of operations)	From simple to complex products, services, and projects	From sourcing of input to product development, designs production, innovative OEM, ODM, high end products and processes, innovative projects (water-less-jeans) etc.
	Lead supplier	Main provider, sourcing partner in specific area, products etc.
	Exclusive partner	Specialized, selected supplies partner from a certain region in specific products, product line etc.
	Co- design & develop	Joint designing, product development etc.
	Co-marketing	Joint promotion, sales and marketing activities etc.
	R&D and innovate projects	Joint R&D, innovation products, unique processes, latest washings etc.
	Other services	Designing and pattern development, chemical testing, quality audit, supply services (DTS), etc.
	Termination of relationship	Clients stop working, suppliers discontinue working, specific region policies, government regulations etc.
<b>Learning Domains</b>		
Technological Knowhow	Latest techniques	New methods, improved practices etc.
	R&D skills	
	Latest developments	Innovative aspects, new dimensions in offerings and operations
Product Related Knowledge	New production & manufacturing	High quality manufacturing, latest aspects related to spinning, weaving, knitting, garments etc. in apparel and home textiles production.
	Processing	Innovative and value-added aspects in printing, dyeing, finishes, embroidery, handlings, etc.

	Washing & laundry	Value-added & latest techniques in laundry, washing, drying, etc.
	Designing	Market, customer centric design, prints, fabrics garments etc.
	Pattern Development	Salute Templets, fittings, marking etc. on fabrics
New product development	Design	Creative ideas, novel designs etc.
	Product	Develop new, upgraded, innovative, unique products etc.
	Process	Value-added dyeing, finishes, treatments, cutting, aesthetics etc.
	Services	Innovative OEM, ODM, OBM, pattern development services.
	Promotional collections	Seasonal offerings, promotional samples, concepts etc.
	Diversified offerings	Enrich product portfolio, clothing fabrics (Lawn), non-denim and bottoms, wide range of offerings, etc.
Market Relationship	Customer relationship	Customer base management, access, develop, retain, extends etc.
	Conflict resolution	Customer base management, retention, discounts, negotiations, speedy delivery etc.
	Contingent production	Offshore production facilities, flexible production schedules, real-time production, planning and control etc.
	One- stop shop	Design, develop, manufacture (products and services) and deliver, etc.
Innovation	Create new	Designs, products, processes, services, systems, techniques, operations, etc.
	Improve existing	Designs, products, processes, services, systems, techniques, operations, etc.
	Organization wide changes	Overall operations, organization culture, systems etc.
Standards	Customer specific	Client initiated (water- less- jeans, sand blasting) etc.
	Regional	European, American, Scandinavian, African union, others etc.
	International	ISO, GOTS, WRAP, REACH, Öko-Tex, BSCI, OE etc.
Market Knowledge	Latest trends	Fad fashion, technology, processes, standards, etc.
	Competitors	Rival brands, operations, offerings, tactics, etc.
	Diverse customer needs	Preferences, latest demands, latent needs etc.
	Regional needs	Developments in specific regions, rules, regulations, duties, taxes etc.
<b>Learning Ways</b>		
Experts	Designers	Product (fabric, garments, home textiles etc.) design, prints, embroidery etc.
	Developers	Product, processes, washing, finishes etc.
	Other professionals	Marketing and sales, I.T, Supply Chain, quality audit, product planning & control, etc.
Investments	Modern Infrastructure and Machines	Technologies, equipment, machineries (spinning, weaving, knitting, laundry) etc.
	Labs/Testing tools	Laboratory, testing, calibration, confirmation etc.
	Latest Processes/ Finishes	Dyeing, treatments, aesthetics, cutting sewing etc.
	Washing and laundry	Washing, tumbling, drying etc.
	Systems and supports	I.T, delivery (DTS), back tracking, Eton station (garments transportation), RIDF, Six-Sigma etc.
	Vertical production facility	Campsite operations, integrated production etc.
Strategic Alliance	Production	Spinning, weaving, etc.

	Marketing and sales	Promotion, sales etc.
	Washing and Laundry	Washing, drying, finishes etc.
	Designing	Co-designs
	R&D	
Training	Production	Improved, innovative techniques etc.
	Processing	Improved, innovative techniques etc.
	Washing	Improved, innovative techniques etc.
	Quality Control	Reduce waste, defects etc.
	International standards	Know about, implement new developments, renew existing etc.
	Use of chemicals	Type, nature, intensity of active substances etc.
	Project based	Special help, unique aspects, extra handling etc.
Commercial Office	Marketing & Sales	Local, regional, international marketing and sales offices etc.
	Outlets/ stores	Online stores, offline stores, exclusive outlets etc.
	Sales Agents	Exclusive sale intermediaries, stockiest etc.
Trade Show	Expos/ Fair	ITMA, Shanghai TEX, TDAP, Heimtex, Moscow Textile Fair, Indo-Pak Fashion Street-India, Denim by Premiere Vision (DPV), Engraved-Paris etc.
Certification	Accreditation	Overall handling of firm, environment, ISO, working environment, use of chemicals, discharge of waste, pollution control,
Sourcing ties	Non-Denim	Purchase canvas, flat fabrics etc. from local market, bottoms and trousers manufacturing etc.
	Chemicals	Chemical, dyes, shades, rinse etc.
	Inputs & materials	Embroidery, zippers, buttons, threads, packing boxes, brand tags and marks etc.
	Cotton	High quality cotton, corrugated cotton, special type, etc.
License	Finishes	Lycra, Sorona, Coolmax, Special treatments, finishes etc. from DU Pont, Investa and others
	Customized Chemicals, Rinse and solution	Custom-made chemical, dyes, special shades etc. from Daystar, CHT-Benzema, Rodolf, Portra, Clairiant, BSA etc.
Designing	Onshore facility	Local, in-house designing facility, etc.
	Offshore centers	USA, Italy, UK, Turkey etc.
	Designers	Local, British, Italian, Canadian, German etc.
R&D	Onshore facility	Local, in-house R&D unit
	Offshore centers	USA, Italy, UK, Turkey etc.
Imitation & Emulation	Copy and modify	Improving existing operations, practices, offerings, ideas etc. based on market successful ones
	Copy and discover	Discovering alternative and new operations, practices, production techniques, offerings, etc. based on marketing successful ones
Mergers and Acquisition	Combine and share resources	Customers, sourcing partners, others etc.
	Getting hold of others	Customers, competitors, sourcing partners, others etc.
Customer Specifications	Hard specifications	Demanded requirements in price, quality, delivery, quantity, features, designs, aesthetics' etc.
	Soft Specifications	Demanded requirements in standards, ethics, CSR etc.
Negotiation and Discounts	Agreement- Compromise	Dialogue, concessions on agreed prices, replace defective lots, alternative mode of shipment, others etc.
Trade secrets protection	Safeguarding Clint information	Business secrets, R&D, commercial information, IPR etc.

Flexibility	Contingent production	Offshore production facilities
	Direct to store model	Nonstop supply arrangements, delivery etc.
	Changeover of order	Production schedules, allocation of machines, allocation of qualified workforce, production space etc.
Top management support	CEO interest	Owner, CEO interest, support in innovation, organization change, international business, exports etc.
	Managerial support	Support for change, innovation etc.
Experiential Learning	Learning by doing	Learning through practical involvement
	Learning by supplying	Practical learning from supplies
	Learning by exporting	Learning from cross border business
<b>Motivation for Learning Movement in value chain</b>		
Improving Performance	Enhancing firm's overall performance	Increase sale, offering quality products/ services, demanded specifications, on time delivery etc.
Ability to innovation	Ability to introduce new offerings and operations	Latest designs, value-added products, unique processes and services etc.
	Ability to upgrade exiting offerings and operations	Renewal of designs, products, processes, services etc. alternate way of doing things.
	Ability to change overall organization (organization turn around)	Organization change, operations, cultures, people thinking, systems etc.
Market seeking	International market presence	Seek access, establish, develop, retain, and nourish ties in international market
	Regional market presence	Seek, access, establish, develop, retain, nourish ties in regional markets
	Local market presence	Seek, access, establish, develop, retain, nourish ties in local and home market
	Local, regional and international market presence	Seek, access, establish, develop, retain, nourish ties in local, regional and international market
	Nurturing existing contacts	Cultivating business with existing clients, market segments, regions etc.
	Establishing new contacts	Creating new business with existing and or with new clients, markets, segments, regions etc.
Knowledge and Capabilities seeking	Textile Production	Knowhow and expertise related to innovative ideas, advance skills, modern tools, machines and latest techniques in production and washing etc.
	Latest processing	Knowledge acquisition, expertise in finishing, competencies in modern dyeing, embroidery, aesthetics etc.
	R&D PD	Hand on innovative aspects, design, development of high end offerings etc.
	Supply Chain	Competencies in agile supply, expertise in delivery, order tracking etc.
	Compliance with Regulations	Know how about latest developments in standards, compliance with market required criterion
	Commercial Services	Learning and competencies in OEM, ODB, OBM, Pattern development, delivery (DTS), quality audits, chemical testing etc.
Competitiveness	Latest demand	Fulfill present, emerging, latent customer needs, specifications and requirements etc.
	Goodwill	Enhance positive image
	Quality	Competencies in high end products, value-added washings, finishes, treatments etc.
Branding and marketing	Local market	Sale, promotion under own name, logo etc. in local market
	Regional market	Sale, promotion under own name, logo etc. in India, Bangladesh, UAE etc.

	International market	Sale, promotion under own name, logo etc. UAE, USA, Europe etc.
<b>Developments</b>		
Movement in Value Chain	Upstream	OEM, ODM, supplies, lead supplier etc.
	Downstream	Annual collections, own sale, marketing, specific product range etc.
	Both upstream and downstream	Simultaneous involvement in ODEM, ODM, innovative collection, own sale, marketing in specific product range etc.
	Product and process portfolio	Semi-finished, standardized, finished, innovative, unique, value added, narrow range, wide range etc.
	Range of services	Narrow, wide etc. complete range of service from spinning to final delivery of finished products, processes, and services
	Nature of services	Basic OEM, ODM, design, delivery, quality audit etc. Innovative and value-added OEM, ODM, design, pattern development etc.
	Own brand	Yarn, Denim Fabric, Knitted fabric, Home textile fabric, fashion clothing (Lawn), garments, design and pattern development services, processes etc.
	Market involvement	Local, regional, international, combination of two, combination of all three etc.

## Appendix-VII GTML Full Case Presentation



### 4.2 Gohar Textile Mills Limited.

Indicators	Case Information	Sources
Industry	Home Textiles	
Area of Specialization	specialized in a wide range of home textile Products including: Quilts, Bed linen, Kitchen linen, Filled and non-filled confectioned items, roll stocks of finished and unfinished fabrics and fashion clothing fabrics(Lawn)	[1,2,3,]
Company ownership classification	Private Limited Company not listed Stock Exchange at the moment	[4]
Country of Origin	Pakistan	
Year of Establishment	1990 Gohar Textile International 1993-Prsent Stitching Unit and latest vertical production facility	[1,2,3,4,5,7,8,9]
Number of employees	1200 in two shifts.	[4]
International Presence	Marketing and Sales offices in UK and Germany Exports EU, UK, Far East, Middle East, North America, our regional neighbor Sri Lanka and India, and small portion to South American and South Africa, Australia. Design Studios in Pakistan and UK Selling under own brand and collection in garment fabrics(Lawn)- Pakistan, India, Bangladesh, UAE, UK and Europe	[1,2,3,4,5,9,14,15]
Expected Foreign sale/ export as 2014	50 Million USD	[1]
<b>Product Type</b> Wide Range of Home Textile (Fabrics Quilts, Bed Linen, Curtain, kitchen linen etc.)	<b>Major International Clients</b> IKEA Europe, Metro Group Europe, Marimac Canada and PID Designs Canada.	[1,2,3,4,5,]
Production Capabilities Weaving Dyeing Printing Finishing Stitching - Confectioned (non-filled) - Confectioned (filled)  Singeing and Desizing Bleaching Screen Engraving Curing Design Studio  QC Lab	Production Capacity 3.4 million meter/month 83,000 meters/day 40,000 meters/day 180,000 meters/day  <ul style="list-style-type: none"> <li>• Sheets: 200,000 sets/month,</li> <li>• Curtains: 100,000 pairs/ month</li> <li>• Quilting: 120,000 pcs/ month,</li> <li>• Pillows: 50,000 pcs/ month,</li> <li>• Chair Pads: 30,000 pcs/ month</li> <li>• Other Products whose production levels vary are Kitchen Linen. (Complete Range), Pillow Shells. Sofa Cover.</li> </ul> 60,000meters/day 130,000 meter/day 60 Screen/day 60,000 meters/day CAD Cam and design studio. Current trend in the various regions of the developed world are used as inspirations for new design creation Data Color 650 Series Model 2006, HT Dyeing Machine, Lab Dyeing Padder, Crock Meter, Nu Martindale Pilling tester, Fume Cabinet (testing three lot samples from minimum every 3000M)	[1,2,3,6,14,17]

Major activities	Vertically Integrated production facility from cotton fiber to retail-ready home textile made ups (i.e. Spinning (expected by 2015), weaving, ginning, knotting, processing of yarn, dyeing, cutting, stitching, printing, finishing, laundry and apparel manufacturing)	[1,2,3,6,15]
Milestones 1990 1993 1995 1997  1999 2001 2003 2006  2006 2012  2012-2013 2013-2014	Started as Gohar textile International, Pakistan as a buying house Started own production i.e. established Stitching unit in the name of Gohar International Pakistan Erected latest quilting unit in Gohar Textile Pakistan Opening of state of the art weaving facility with the startup of 100 Sulzer looms in Gohar Weaving Mill Pakistan Expansion of stitching factory Expansion and moderation of weaving mills through investment in latest 100 air jet looms Commissioned of 300 additional auto looms in weaving mill Constructed state of the art textile processing mill to fulfill the requirements of modern processing, fishing, printing and designs with the name of Gohar Textile Mills Limited Pakistan. Design Studio and R&D Collaboration with local Lawn designers and investment in printing and embroidery equipment Diversification and addition of fashion garments fabric in product range. Started selling under own brand and collection in local and international markets.	[1,2,3,11,12]
Machinery	Sourced and acquired from Japan, England and Switzerland, Germany and UK	[1,2,3,4,5,6]
International Standards & Certification	ISO-9001:2000, WRAP (Worldwide Responsible Apparel Production) Global Organic Textile Standards, Green Living, OEKO TEX REACH, Fair Trade, GOTS, Cotton USA certified (ASA) etc.	[1,2,3,4,5,6]

#### 4.2.1 Case Overview

Gohar Textile is a family business that dates back to 1980, when four members of the Gohar family decided to set up a home textile company with the name Sartex Quilts and Textile Limited in Rochdale, UK [7]. Sartex then developed a reputation in the British market, with signature products and brands in different categories of home textiles. In 1990, Sartex opened a commercial office in Faisalabad, Pakistan called Gohar International. The newly established office served as a buying house for Sartex and for other foreign clients. Gohar International's main task was to take orders from foreign customers in different home textile product categories. The office purchased yarn, weaved it, processed it, and stitched it at different partners and manufacturer locations, and then dispatched and exported the products according to customers' requirements from Gohar Textile Pakistan. Three years later, in 1993, the commercial office was



changed to a sister company (Gohar Textile Mills Limited) of Sartex for duvet sheet sets, flat products, and stitching unit home textile [1,2,3,4,7,8]. A new separate company called GTML was established. The company moved from being an international exporter to a business-to-business manufacturer and exporter. The interesting aspect of GTML is its gradual involvement in manufacturing through backward movement in the upstream. In textile production, companies generally start from the initial point of yarn manufacturing, followed by weaving, cutting and stitching; GTML started from stitching and expanded upstream at a later stage. GTML excelled in manufacturing by consistently investing in the latest machines, plants, and equipment in order to meet the increasing international demand in home textile through its own production. In this regard, GTML erected its latest quilting unit in 1995 to meet demand for high value-added and premium quality quilts. Similarly, following the route of expansion and reducing reliance on external suppliers for fabrics, GTML invested in a state-of-the-art weaving facility, initially with 100 Sulzer Looms from Switzerland/Germany. Due to growth in business and increase in demand, GTML increased its stitching capacity in 1999. Similarly, the expansion and modernization of the weaving unit was carried out through the installation of additional 100 air-jet looms from Japan in 2001 and 300 additional auto looms in 2003 to keep up with the advancing and growing needs of the market.

In 2006, GTML made a significant investment in a state-of-the-art processing mill to fulfill the need for modern processing, finishing, printing, and designs to improve the quality of its offering. In the same year, GTML established testing and quality control labs, a design studio and CAD, CAM facilities in Pakistan and closely collaborated with a UK-based design team to meet the current trends in designing and creating its own designs in annual collections. GTML made a strategic move towards diversification in 2012–2013. In this regard, GTML made collaboration with top local designers and made further investments in printing and embroidery for the production and launching of fashion garments fabrics (Lawn). Consequently, GTML succeeded in launching and selling under its own brand and registered a collection in fashion garments fabric in local markets in India, Bangladesh, the UAE and the UK. Since 2013, GMTL has invested in the building of a modern spinning unit to complete the aspiration of vertical units and total self-reliance in production. The company is equipped with a back-tracking system to ensure the quality of the produced article with the machinist and the machine numbers at every stage of production [1,2,3,11].

GTML is a private company with its headquarters and production facilities in the Faisalabad district of Pakistan [1,13]. The company is a composite production facility (subject to the completion of a spinning unit by March 2015) and is equipped with the latest technology, a processing unit, testing tools, labs, and experts from spinning to finished home textile products. The company is currently capable of weaving 3.4 million meters of fabrics per month, dyeing 83,000 meters/day, printing 40,000 meters/day, finishing 180,000 meters/day, stitching 600,000 garments/ month, singeing and desizing 60,000 meters/day, bleaching 130,000 meters/day, screen engraving (CST Inkjet model 2005) 60 screens/ day, and curing 60,000 meters/day. The company also has a state-of-the-art design studio with the latest CAD/CAM facilities in designs and a sophisticated quality control lab [1,2,3,4,6].

GTML specializes in a wide range of home textile products, including quilts, bed linen, kitchen linen, filled and non-filled confectioned items, roll stocks of finished and unfinished fabrics, and fashion clothing fabrics (Lawn) [1,2,3,].

GTML supplies a vast range of innovative and high-quality home textile fabrics (greige and processed) and made-up to EU, UK, the Far East, the Middle East, North America, Sri Lanka, India, and a small portion to South America, South Africa, and Australia [1,2,3,4,5,9]. Major international clients include IKEA Europe, Metro Group Europe, Marimac Canada, and PID Designs Canada [1,2,3,4,5,].

Besides production, the company also has the capability to provide a full range of services from designs and prints to door-step delivery of end products. GTML has expertise to design, develop, and produce private brand labels for world-leading brands and chains. GTML established sales and marketing offices in the UK and Germany in order to have direct contact with clients, keep informed about industry trends, and develop new business and longevity in existing ties [1,2,3,4,8].

Besides private label and brand manufacturing, GTML presented registered designs, prints, and products on a regular basis in home textile and fashion garment fabrics as a marketing tool to showcase its innovation and attract clients in different product categories. The company diversified its offering as it produced and sell fashion garment fabric under its own brand in local, Indian, Bangladeshi and UK markets [1,2,3,14,15]. Beside product and design services, GTML providing audit and quality control services to world-leading brands and chains [1,2,3,11]. GTML is relatively young and is wholly focused on home textiles. It is one of the leading home textile mills in Pakistan [1,2,3,4]

in terms of increasing sales and annual turnover, with expected sale of over USD 50 -55 million by the end of year 2014.

In home textiles, GTML exported 100 percent of its production, but since 2013 it started local sales of about 1–1.5 percent of its total production of bed sheets and curtains to a German-based retail chain called Metro Cash and Carry Pakistan.

GTML’s policy is “to develop and maintain a consistent quality standard for our customers through reducing the tolerances to the minimums that are practically possible” [11]. GTML is actively involved in establishing and maintaining CSR systems to ensure compliance with regional and international standards through certification and compliance [1,2,3,4,12].

GTML is certified with ISO-9001:2000, WRAP (Worldwide Responsible Apparel Production) Global Organic Textile Standards, Green Living, OEKO TEX, REACH, Fair Trade, GOTS, and Cotton USA (ASA) [1,2,3,4,5,6].

The company is currently facing a variety of internal and external challenges, including tough price competition from local and regional producers (such as Bangladesh, India, China, Sri Lanka, the African Union, and Turkey) due to duty-free access to European and American markets [16]. The European Union granted the Generalized Scheme of Preferences (GSP) Plus status to Pakistan in December 2013. This status allows 20 percent of Pakistani exports to enter the EU market at zero tariff and 70 percent at preferential rates. The GSP status would enable GTML to increase exports and compete in international markets effectively [1, 2,3,16].

Moreover, changes in market demand and technology [1,2,3], increases in materials cost, transportation and energy prices have threatened the company’s competitive position [1,2,3,17] to some extent when it comes to price with regional competitors. Similarly, Pakistan’s current political, legal, economic and security scenario badly affected the textile industry in general and GTML [1, 2,3,17].

## 4.2.2 Findings

After a careful analysis of the interview transcripts and codes different dimensions were identified under three main themes as: Learning Domain, Learning Ways and Reasons for Learning. Each identified dimension under specific theme was defined to have a clear view and meaning. Further each dimension under specific theme was corroborated with relevant illustrative quotes number (see in appendix-VIII) form the interview transcripts as a reference to have an authentic proof of the occurrence of mentioned dimension as shown in Table 4.2.1, 4.2.2 and 4.2.4 respectively.

### How was Learning Manifested in the Case Under Investigation?

In order to get a detail and complete scenario of how learning is occurred in GTML. It is necessary to first look for what actually learned by the GTML because of the obvious occurrence of learning. After the identification of learning (i.e. what) it is easy to understand different modes GTML adopted for learning (i.e. how).

### Identified Learning Domain

It is the GTML adaptation of know-what and learning, what actually GTML learned through their work with sourcing partners in offshore outsourcing. In terms of learning domain (i.e. what), 14 dimensions have been identified and listed in Table 4.2.1.

Table 4.2.1: Identified “Learning Domain”

Label	Definition	Quote Numbers
Setup and Start	Refers to operational and production capabilities, infrastructure, testing techniques and knowhow in a proper way.	1,2,3,4,5,23,68,69
New Production & Manufacturing	Refers to the manufacturing, production and development of latest products, processes and services	6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,41,42,43,66,67,70,71,72,73,75,76,87,88,92,93,94,96,97,101,102,103,108,111,112,115,116,117,118,127,128,129,132,133,137,141
Promotional Management	Refers to the developments in transferring commercial information and sample(s) to customers.	34,37,38,41,44,45,74,75,76,81,82,85,87,95,97,101,102,103,104,106,107,108,111,112,137,142,143

<b>Label</b>	<b>Definition</b>	<b>Quote Numbers</b>
Processing	It relates to the modern printing, dying and finishes techniques, processes procedures	23,24,25,26,27,28,29,30,31,41,49,50,51,52,53,57,71,72,73,92,93,94,129,
Customer Relationship	Refers to interactions with existing or new customers and their orders that are totally new to the firm existing operations and or to market.	4,41,42,43,46,47,48,49,50,51,52,53,54,55,56,57,58,59,64,65,66,67,77,78,79,80,81,82,83,84,85,86,87,89,90,91,93,94,96,97,98,99,100,104,105,106,107,108,109,111,112,114,118,120,121,123,124,125,126,127,128,129,130,131,132,134,135,144,145,146,147
International and Regional standards	It refers to the firm's ability to adopt and work under recognized criteria and standards	46,52,53,56,57,86,93,94,133
Innovation	Refers to the creation of totally new and/ or improvement to the existing products, processes, techniques, systems, services and overall organization culture.	44,45,54,74,75,76,77,78,79,80,81,82,104,105,112,115,116,117,119,120,121,126,127,128,129,130,136,137,138,142
Branding Management	It is the ability of the firm to design, develop, manufacture, market and sells under its own name and logo in local and or international markets.	32,34,36,45,71,72,73,104,106,107,108,111,114,131,137,142
Design and Patterns Developments	It refers to latest digital fashion and sewing designs from which garments are traced onto fabrics before cutting.	105,106,107,109,111,112,119,122,130,143
Integrated Production	It refers to the vertically in-house processes and production capabilities.	35,39,40,71,72,73,106,107,111,113,119,133,137,139,140
Industry Trend	It refers to changes that occur in market demand over time.	38,42,43,46,49,50,51,52,53,54,55,56,57,58,59,60,61,62,63,64,65,66,67,77,78,79,80,88,101,102,103,110,116,117,118,133,135,143,
Product Diversification	It is defined as "an expansion into existing product(s) line of the firm"	32,33,34,36,71,72,73,104,106,111,114,131,
Conflict Resolution	It defined as "elimination of differences between supplier and client on product specifications, processes, prices, and delivery".	89,90,91,123,124,125

The identified learning domains related to acquisition and enhancement of capabilities associated with production, designing, new product development, enhancing customer relations, meeting and overall market dealings.

### **Identified Learning Ways**

It is related with GTML different modes of learning, means how GTML approaches to different learning through their work with sourcing partners in offshore outsourcing ties. In terms of learning ways (i.e. how), nineteen dimensions have been identified and listed as:

Table 4.2.2: Identified “Learning Ways”

Label	Definition	Quote Numbers
Experts	Refers to specialists who have extensive knowledge and experience in specific textile area (i.e. design, process, production, shipment).	32,33,37,38,41,42,43,55,58,61,62,63,71,72,74,75,76,77,85,86,87,103,105,109,110,111,119,120,121,126,127,130,131
Buying House	An agreement in which the exporter receive order, procures or source demanded products from the manufacturers and exports to respective clients	1,2,3,68,69,
External Ties	Refers to on spot connections with market actors	65,66,78,79,80,81,82,129,133
Imitation and Emulation	Refers to ability of firm to copy and or alter others best and successful products and practices according to its need.	23,38,64,65,66,74,75,76,80,81,95,96,97,101,102,103,112,118,129,133,138,143
Training	It is the learning and acquisition of knowledge, skills and techniques regarding specific issue from others (i.e. clients, partners, national & international bodies).	52,53,92,93,94,133
Customer Specification	It refers to customer description and details of specific needs which they require in handling their order.	4,23,46,47,48,49,50,51,52,53,54,55,56,57,58,59,60,64,65,66,67,71,72,73,77,78,79,80,81,82,83,84,85,86,87,88,92,93,94,95,96,97,105,108,112,118,120,121,122,123,124,126,128,129,130,134,135,
Certification	It refers to the confirmation of certain characteristics of an entity or organizations in accordance with a set of standards granting them formal recognitions as meeting standards from recognized external institutions and bodies.	46,52,53,54,56,61,62,63,92,93,94,110,116,117,133,135
Implementation of New Machinery	Refers to acquisition, sourcing and applications of state of the art equipment, systems and processes in production.	4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27,28,29,30,31,32,33,35,37,39,40,41,42,43,47,48,49,50,55,56,57,58,59,60,61,62,63,67,70,71,72,73,77,84,85,86,87,88,104,106,108,109,110,111,112,113,115,116,117,127,128,129,130,131,132,133,136,137,138,141,143,144,145,146,147
Vertical Production Facility	Refers to the production and related processes in a composite manner under one roof.	13,14,35,39,40,71,72,105,106,107,111,113,119,132,139,140
R&D and Re-engineering	Refers to creation of new and or reformulation of existing knowledge, production processes and practices.	34,36,41,42,43,44,45,48,54,56,61,62,63,74,75,76,77,78,79,80,85,87,88,97,103,104,106,107,108,109,111,112,115,116,117,120,122,130,131,137,142
Trade Fairs and Commercial Office	Refer to ability of firm to involve and get in touch with external markets through active participation in related events and networks.	41,44,45,74,75,76,85,87,101,102,103,111,112,114
Learning by doing	Refer to learning from experience/ trial and error over time.	80,81,82,95,96,97,118,133,134,135,138,142
Sale Agent	Refer to online or physical retail store through which the manufacturer distributes or sells their products directly to customers.	32,34,36,72,73,104,106,114,131
License	It refers to firm arrangement to get authorizations for the use of others innovative practices, processes and products.	49,50,51,53,54,55,58,59,60,77,78,79,82,128
Technical Advising	It refers to firm’s provision of technical recommendations and problem identifications in client designs, products and processes	98,99,100,123,124,125,
CEO/Owner interest	It refers to top management/ owner special involvement in innovative processes and organizational change.	127,128,129
Negotiations and discount	A mutual arrangement between supplier and clients	89,90,91,123,124,125

Trade secrets protection	It defines as “firm’s code of conduct in protecting client’s R&D and commercial information”	89,90,91
Design Studio	It refers to firm’s competencies in creative concepts, novel design and processes.	36,37,38,41,42,43,71,72,74,75,76,104,106,112,137,143

In order to obtain a coherent and logical understanding of the “how” element of learning, each identified learning domain (mentioned in Table 4.2.1) is combined with identified ways (mentioned in Table 4.2.2) in Table 4.2.3 to reflect how different learning domains were actually learned.

Table 4.2.3: Summary Matrix: “Learning Domains by Ways they were learned”

Learning Ways / Learning Domain	Experts	Buying House	External Ties	Imitation & Emulation	Training	Customer Specification	Certification	Implementation of New Machinery	Vertical Production Facility	R&D & RE	TFCO	Learning by doing	Design Studio	Sales Agent	Licence	Technical Advises	CEO/ Owner interest	Negotiations and discount	Trade secrets protection
Setup and Start		1,2,3,68,69						4,5,6,7,8											
New Production and Manufacturing	41,42,43,71,75,76,87,103,111,127,128,129,137		127,128,133	66,67,75,76,96,97,101,102,112,118,129,133	92,93,94,133	66,67,71,72,73,87,88,92,93,94,96,97,108,112,118,129	92,93,94,115,116,117,133	6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,41,42,43,70,71,72,73,87,88,108,111,112,115,116,117,127,128,129,132,133,137,141	13,14,71,111,132	41,42,43,45,74,75,76,88,97,115,116,117,137	112,103	96,97,118	41,42,43,71,75						
Promotional Management	37,38,41,74,75,76,85,87,103,111,137		81,82	38,74,75,76,81,82,95,97,101,102,112,143		81,82		37,41,85,87,106,108,111,112,137,142	107,111	34,41,44,45,74,75,76,82,85,87,97,106,107,10	41,44,45,74,75,76,85,87,101,102,103,111,112	142	37,38,41,74,75,76,107,137,142,143	34					
Processing	41,71		129	129	92,93,94	23,49,50,51,52,53,57,71,72,73,92,93,94,129	52,92,93,94	23,24,25,26,27,28,29,30,31,41,49,50,71,72,73,129					41		49,50,51,53				
Customer Relationship	41,42,43,55,58,77,78,85,86,87,109,111,126,129,130,131		65,66,78,79,80,81,82,127,128,129	65,65,118,138		4,46,47,48,49,50,51,52,53,54,55,56,57,58,59,64,65,66,67,77,78,79,80,81,82,83,84,85,86,87,93,94,99,105,107,108,111,112,118,120,121,123,124,126,129,130,134,135	46,52,53,54,56,93,94,135	41,42,43,47,48,49,50,55,56,57,58,59,67,77,84,85,86,87,104,106,108,109,111,112,129,130,131,132,138,144,145,146,147	105,107,111,132	41,42,43,48,55,56,77,78,79,80,85,87,97,104,105,106,107,108,109,111,112,130,131	41,42,43,85,87,111,112,113,114	80,81,82,96,97,118,134,135,138	41,42,43,104,113,114	77	98,99,100,123,124,125		89,90,91,123,124,125	89,90,91	
International & Regional standards	86,133				52,53,93,94,133	46,52,53,56,57,86,93,94,133	46,52,53,56,93,94,133					133			53				
Innovation	74,75,76,77,105,119,120,121,127,129,130,137		78,79,80,81,82,129	74,75,76,80,81,82,118		54,77,78,79,80,81,82,112,118,128,129,130	54,115,116,117	104,112,115,116,117,121,127,128,129,130,136,137,142	119	44,45,54,74,75,76,77,78,79,104,105,112,115,116,117		80,81,82,118,137	74,75,76,77,112,115,116,117,142		54,77,78,79,82,128		127,128,129		



										130,137, 142									
Branding Management	32,36,71,111,131,137							32,71,72,73,104,106,107,108,111,131,137,142	71,107,111	34,36,45,104,106,108,111,131,137,142	45		36,71,107,111,137,142	32,34,36,72,73,104,114					
Design and Patterns	109,111,130					105,106,107,111,112,122,130,143		106,109,111,112,119,130	105,107,111	105,106,107,109,111,112,122,130	111,1112		106,107,109,111,112,137,142,143,137						
Integrated Production	137					71,72,73,106,111,132		35,39,40,71,72,73,106,107,111,113	35,39,40,71,107,111,113,119,133,140				111,137						
Industry Trend	38,42,43,55,58,61,63,77,103,110,133		65,78,79,80,133	38,64,65,66,80,101,102,103,118,133,143	133	49,50,51,52,53,54,55,56,57,58,59,60,64,65,66,67,77,78,79,80,88,110,118,135	52,53,54,56,61,62,63,10,116,117,133,135	42,43,49,50,55,56,57,58,59,60,61,62,63,67,77,88,116,117,133		42,43,54,56,61,63,77,78,79,80,88,103,116,117,133	101,102,103,133s		38,42,43,143		49,50,51,54,55,58,59,60,77,78,79,116,117				
Product Diversification	32,33,36,71,104,111,131							32,33,71,72,73,104,106,111,131	71,111	34,36,104,106,131			36,71,73,104,106,111	72,104,106,14,131					
Conflict Resolution																			89,90,91,123,124,125
# of Citations	<b>83</b>	<b>5</b>	<b>27</b>	<b>47</b>	<b>13</b>	<b>139</b>	<b>42</b>	<b>171</b>	<b>32</b>	<b>109</b>	<b>31</b>	<b>19</b>	51	16	25	6	3	12	3

Interesting and logical insights can be obtained from Table 4.2.3 through the combined explanations of learning domains and learning ways. In the following, we shall identify ways of learning, going domain-by-domain, presenting the three main quotations behind each identification.

### **Setup and starts**

GTML started as a buying house or commercial office for its UK-based sister company Sartex Limited. The main function of this office was to get orders from foreign clients, run the production through different partners and suppliers and ship it to respective customers.

*“...the company started its operations as a commercial exporter under the name of Gohar Textile office for its UK based sister company Sartex in 1990. That time we were only commercial exporters or a buying house for international customers as we were taking orders from foreign customers in different products categories of home textile. We purchase yarn, weave it, process it and stitch it at our partners or outsourcees locations, dispatch and export the products according to customers’ requirements form Gohar textile Pakistani...” (Manager sale and Marketing Planning)*

Over the course of three years, the company gained insights in handling exports orders and contacts with foreign clients. The management of GTML decided to start its own manufacturing (stitching) instead of depending on external suppliers. In this regard, GTML initially invested in the latest machines and equipment for the production of duvet sheet sets, flat products, and stitching to meet the basic demands for standardized export products. This was just one stage in the production process; GTML depends on its suppliers for the major part of its production.

### **New Production and Manufacturing**

GTML continuously invested in production and manufacturing facilities in order to develop and produce latest products, processes and services. GTML adopted different routes and trajectories to involve in modern production processes. For instance, GTML heavily invested in the modernization of its infrastructure, latest machines, equipment and processes continuously to involve in and offer market demanded products, processes and services.

*“...We gradually progressed, as a new quilting unit was inaugurated in Gohar Textile Mill in 1995 with the investment in latest plant and equipment to increase our sale further in the home textile...” (Marketing Manager)*

*“...We continue our production endeavor by investing in setting up a state of the art weaving plant in 1997 as Gohar Weaving Mill. This investment enables us to produce high quality and value-added fabrics of different types to meet our in house and international demand...” (Export Officer)*

*“...In 1999, we made expansion in our stitching unit to increase the stitching capacity and accommodate wide range of stitching needs to meet our international clients demand.... (Marketing Manager)*

*“...Similarly, keep expansion of other units on continuous basis, as we further expand the weaving unit through the installation of 100 Air Jet Looms in 2001 and 300 additional Auto Looms in 2003 respectively. The major drive for this expansion was to increase the production capacity and to accommodate the increasing need for quality products ...” (Manager sale and Marketing Planning)*

*“...In 2006, we made huge investment by setting up state of the art processing mill, the setup is equipped with latest plant and machinery to satisfy the requirements for latest and value-added processing, finishing, printing, and dying...” (Marketing Manager)*

Among the identified routes the customer playing a vital part in the GTML involvement in latest production and manufacturing through their requirements for new and quality products and processes.

*“...We have based our production on the foundations of good understanding of customer requirements and market research. It is our constant endeavor to continuously define and improve the quality standards to match up the demanding requirements of our customers. We are committed to providing high customer service quality which is backed with modern high standards of production...” (Company Presentation)*

*“...Every interaction with clients is important whether it is on transactional basis or long-term basis. We gradually learn from our customers about their needs, resources, strategies and businesses context. We learn customer specific liking and disliking, coordination of different activities to produce and fulfill their demand. Based on working and learning from different customer in a certain situation or setting can help us in relationship development with the existing customers and or with the potential ones...” (Manager Marketing)*

*“...On the top, it is our strategic orientation to have more shares in international demand due to better prices and hand on innovations. We consider our international engagement as source of learning, and know how about the latest happening in international markets. We need latest technology, techniques and capabilities to meets the increasing high-end demand for quality products, which is impossible without international engagements to better serve our purpose...” (Marketing Manager)*

*“...Looking on the external front the increasing demand for home textile products in international markets is the main stimulus for investment and expansions in both conventional and latest products and processes. Similarly, engagement in international markets, close contact with our clients, suppliers, experts and sister company open new doors of thinking and acting new things...” (Export Officer)*

*“...Based on the demand of the world market, we pursue our strategy of value addition through involvement in modern production and processes than that of conventional. Similarly, our interaction with different actors in the market(s) expose us to other dimensions such as learning, knowhow and latest trends apart form sale and exports...” (Export Officer)*

Beside continuous investments in latest machines and processes, GTML equally focused on men (i.e. experts, designers and developers) to bridge the knowhow gap and include latest features in their offerings.

*“...we passed through a lengthy process of value addition in our operations we continuously invested in experts, designers, R&D and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection...” (Marketing Manager Officer)*

*“...we invested significantly in experts, designers, extensive R&D department and design facilities enables us to hand in latest trends. This enables us to extend our operations into more value centric processes, finishes and products in similar category...” (Export Officer)*

Being a market centric philosophy GTML leave no stone unturned to adopt best practices and processes from anywhere for the production and manufacturing of new offering. GTML copy best practices and change it according to his needs

*“...Based on our interaction and learning from our international customers we shape our strategy and tactics to become more skillful and competitive. As at one side we adapt the latest best practices to serve the present market needs for our survival while on the other hand based on the existing practices we create more possibilities and products in new directions for future developments. Similarly, these engagements force us to invest in R&D, latest technology and machines to cater the presents and emerging needs of the market...” (Export Officer)*

*“...Additionally, we are visiting our international clients and world markets to updates ourselves about market prevailing trends through visiting our international customers, markets and participating in exhibitions. Which we further converted in our own developments....” (Manager Sales and Marketing)*

*“...Similarly, we continuously visiting our clients located in different parts of the world, continuously participating in trade shows such as Heimtex and TADP etc., buying latest products form top of the line store and keep searching professional sites such as Business Recorder and Bloomberg for our continuous updates and happing around the world to better understand and cater the emerging trends and demands. We are extremely open and flexible towards any idea and information from any source...” (Marketing Manager)*

## **Promotional Management**

GTML offers innovative designs, latest prints and wide range of home textile products biannually, as promotional tool to showcase its expertise and latest trends in offering. This proactive approach is vital to move with the pace of market, nourish business ties with existing customers and attract potential ones.

GTML mainly uses R&D, Experts and Design Studio for idea generation and execution of samples for promotional collections. While Trade Fair and Commercial offices in addition to information collection engine are uses as carrier to present their innovative samples to the customers and market.

*“...Our in-house design studio works with state of the art CAD/CAM facilities. We have also a set up in UK where our team of experienced and qualified designers works to the forecasts, colors and trends of the season. They develop the designs that cater to our customer requirements and preferences....” (Company Presentation)*

*“...CAD Cam and design studio. The current trends in the various regions of the developed world are used as inspirations for modern design creation. Collection are presented to and amended according to the individual customer’s taste...” (<https://www.gohartextile.com/designing.html>)*

*“...our regular collaborations with experts, designers and investments in R&D and design facilities us to produce latest trends in prints, finishes and fabrics confection. Based on this expertise we present our own registered designs and fabrics as marketing engine to inspire and develop new clients. We visit our customer and participate in exhibitions and trade expos like Heimtex, Moscow Textile Fair, Indo-Pak Fashion Street-India, Life Style Pakistan-India and Trade Development Authority of Pakistan (TDAP) etc. These contacts help us to present our concept(s) and keep us in touch with market trends in developing our products....” (Marketing Manager)*

*“...We invest in men, machine and latest techniques to best match with their demanded specifications. We continuously entertain them with innovative designs, finishes, fabrics as marketing tools to keep the beat of our proactive approach through our sales and marketing offices....” (Manager Sales and Marketing Planning)*

*“...Additionally, we invested significantly in experts, designers, extensive R&D department and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. This enables us to present our own registered innovative designs and fabrics as marketing tools. We present our designs and fabrics on regular basis to inspire, attract and develop new clients through personal visits, participation in expos and marketing offices...” (Export Officer)*

*“...We have the capabilities to produce innovative products by applying latest finishes through our newly established R&D, local and UK based design units. We are continuously visiting our clients, top of the line stores in foreign markets to get latest market trends in designs and color. Additionally, we are participating in trade expos and conference at local and international level to present our innovative products to potential buyers and to know about latest developments in prints, finishes and fabric confections...” (Export Officer)*

## **Processing/ Washing**

Processing is the integral part in textile production for value creation (i.e. improve the functionality, aesthetic and other aspects of the product). GTML approaches to state of the art processing facilities through investment in latest processing; such as printing, dyeing and finishes processes.

Among others GTML mainly invested in state of the art machines and equipment for adopting market demanded processes in its offerings.

*“...In 2006, a state of the art textile processing mill was erected through huge investments. The set up was among the latest in the region to meet the needs for world class printing, dyeing and finishing. ...” (Export Officer)*

*“...In 2006, a new state of the art processing mill was constructed with heavy investment to fulfill the requirement for latest value-added finishes, printing, dyeing and other processing under the name of Gohar Textile Mills, Faisalabad Pakistan...” (Manager sale and Marketing Planning)*

*“... Since, 2006 we changed in a real way as beside weaving and stitching we introduced latest processing techniques that cater the needs for latest finishes, processes and treatments in our operations for high end and quality products....” (Marketing Manager)*

Beside active investments in latest processing techniques and hardware GTML constantly learning and adopting advances in processing through their customer’s specifications and demands in handling their orders.

*“...some brands and customers need extra treatments in their products for better value through improvement in aesthetic, functionality and quality. They go for advanced finishes, dyes and processing such as Plain Dyed, Normal Finish, Easy-care Finish, Non-Iron Finish, Anti-Allergy Ultra Fresh Finish, Nano-tex, Wrinkle Free Finish, Sanforising, fire retardant, anti-mice, water proof, Mercerizing and Stain Resistant etc. We are competently applying such finishes as we invested in state of the art processing mills and paying for the license and patents to the innovators and suppliers of such finishes for the use in our production....” (Marketing Manager)*

*“...Some customers’ needs latest finishes and processes in their products as needs advanced finishes, dyes and processing such as Plain Dyed, Normal Finish, Easy care Finish, Non-Iron Finish, Anti-Allergy Ultra Fresh Finish, Nano-tex, Wrinkle free Finish, Sanforising, Mercerizing, water proof, fire retardant and Stain Resistant etc. These treatments are increasingly using for improvements in functionality, quality and value of product. We invested in latest techniques and paying for such finishes to include it in our products...” (Manager sale and Marketing Planning)*

When it comes to the soft issues different regions have specific standards and requirements beside international standards for example EU and US have different standards in fiber, dyes, chemicals and processing. For example, EU clients prefer original fiber i.e. 100% cotton, fair trade and natural dyes etc. Additionally, every leading customer has set their targets in reducing

*their operations impact on environmental i.e. water and energy efficient specific washing and finishing, the use of chemicals, waste disposals, water treatment, emission of CO<sub>2</sub>, other treatment and processes, nature of cotton according to their region and segment....” (Manager sale and Marketing Planning)*

*“...Some quality conscious customer demanded for extra processing and treatments in their products. They go for advanced finishes, dyes and processing to boost up the appeal of the product by adding value. We are doing all kind of finishes as per demand, what we do, we pay for license to different suppliers for the use of their dyes, treatments and latest processes in our operations. Beside International standards, every customer working in specific region has regional specific standards and requirements. Let take the example of EU have different standards in fiber, dyes, chemicals, processing in protecting environment and CRS than other region say USA. ...” (Export Officer).*

License is among the most frequent way to hand in latest processing and finishes for GTML. GTML induced modern finishes and innovative treatments in its offering through license and use of other’s patents for payment. (to induce latest finishes and treatments to fill the gap between us and our market needs)

*“...We are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines as we are equipped with advance applications and processes which enable us to certain extent to meet any demand. We induced innovative and latest finishes, dyes and treatments of world’s leading supplier like Investa, DuPont GREEN LIVING etc. in our operations. We purchase their patents and license for the use of their innovative finished, dyes and finishing on our products to meet latest demand for high quality products...” (Marketing Manager)*

*“...To address the latest and unique orders we import and acquired state of the art machines, equipment, labs and testing tools from Japan, Germany, Switzerland and China. Similarly, we are acquiring latest and innovative finishes dyes and coating techniques from world’s leading suppliers through licenses to accommodate market leading features in our products and processes...” (Marketing Manager)*

*“.... Similarly, we received an inquiry for Green First Finish form a Bulgarian client. It was a totally new concept for us; we never done it before. We request the Clint for detail specifications; we worked out for 2 weeks and finally found one local supplier who was importing such chemicals and dyes from France. We contacted the said supplier, got the required chemicals and successfully developed the sample fabric and approved form the client and respective accreditation agency form France. Now we are producing Green First Finish without any problem...” (Export Officer)*

## **Customer Relationship**

Maintaining a good business ties with customers is most vital for exporting firms form developing economies like GTML. GMTL continuously seeking innovative ways to retain and nourish existing ties and/or establishing new with potential clients through their orders that are totally new to the firm existing operations and or to market.

GTML mainly learn, deeply understand customers’ needs and requirements through their detailed specifications. GTML constantly working towards matching with diverse customer’s requirements and specs in fulfilling orders.

*“...the client is a new one and wants to start business for the first time, they need some fundamental requirements about our production capabilities and capacities, our R&D and handling of issues like environment, labor and CSR etc. They or their representative visit our facilities for their satisfaction. Once they satisfied form there, then they come of hard issue such as quality, cost and delivery time. Every customer has his own like and dislike in size, different types of quality and other requirements like yarn counts and type, some markets like Germany want original fiber like 100% cotton, other needs blended*

*i.e. mixture of cotton and polyester fiber and fabrics, some are price conscious customer, they need reasonable quality, as they are targeting low or average quality products, but there are very few in numbers. EU has his own standards for quality and specifications and we are strictly following EU requirements i.e. REACH. When we followed REACH, we cannot calculate price below these standards and we can't produce product with low quality at low price that is why we are offering the average price to EU clients. Some clients have printing requirements i.e. OKEO TEX requirement, this is purely dye chemical requirements and ISO standards. We are certified in all three. We are also Organic Cotton certified, we are dealing and purchasing from the growers who cultivated cotton in natural and organic way. The fiber is cultivated in an organic way and we are using all dyes and chemicals sourced from organically cultivated suppliers. This type of product is comparatively expensive than ordinary and mostly tops brands are demanding and dealing in organic products. Some of our French clients are also demanding for Fair Trade products; we are also certified in that area. These products are expensive than that of non-fair-trade products. Fair Trade products benefit the supply chain partners' and stakeholders i.e. local community, grower from raw materials to the finish product. The clients pay more prices in this regards to support and help the local people. ...." (Marketing Manager)*

*"...in the recent time, almost every demand shows some similarities. For example, whenever a client is going to starting business with us for the time is always looking for our technical capabilities and capacities (i.e. productions, R&D and basic CSR). Most clients visit our facility prior to their approval and continuing business deal. Once they clear us then they come to hard business which consists of detail specifications about the quality, cost, delivery, terms and conditions. All customer requirements are not exactly the same despite they have standardize products, they are different in their choices and preferences such as color, shades, design, natural body shape and size of a specific region, fabrics and finishes etc. ...." (Export Officer)*

*"...form the last five years' things are dramatically changed. First of all, if we look on the customer standards, it almost revised and changed. Right now, if we work with US or EU markets, they will send us the minimum requirements for each and every order like REACH. Five years or back they were not requiring different standards and specifications with such intensity as of today, now they are demanding in every order. Additionally, new things are evolving and emerging in their orders as some customers initiated their own requirements to be prominent in their dealings. We are fully complying with the international standards to keep working with our clients. Five years back only few big clients required labs test, final inspection and audit reports, but right now every establish client require final test lab reports in every deal, some customer require third party audit and inspection reports. They hired different consultants and Inspection Companies like SGS, Cotecna and other known for their audit and quality control service. They inspect and audit on customer behalf at our premises. We ship the consignment to clients and their nominated locations and agents in various parts of the world. Similarly, with the passage of time the innovations change the fad and fashion, specifications, construction and appearance of the fabrics and ultimately the end products. On the top, the marketing and persuasion campaigns by leading actors in the industry create new dimensions for the use of home textiles. In short, the customers required latest, advanced, unique, unusual and extra treatment in their products that are changed from the last 5 years..." (Marketing Manager)*

*"...Gohar Textile Mills was founded in 1993 in a renowned city of Faisalabad for its textile industry. We are a vertically integrated textile manufacturing company specializing in the production of a wide range of home textile. We have based our production on the foundations of good understanding of customer requirements and market research. It is our constant endeavor to continuously define and improve the quality standards to match up the demanding requirements of our customers..." ([https://www.facebook.com/GoharTextileMills/info?ref=page\\_internal](https://www.facebook.com/GoharTextileMills/info?ref=page_internal))*

*"...It is common to have full detail specifications and requirements from clients whenever they place their orders. They always send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carried out and they need. Our products should meet and comply with all the requirements of the customers from every aspect. Our sourcing partners, clients, international consultants, designers, suppliers and sister company personnel continuously train and guide us about their required criteria. Very recently we learned about different standards and certification from the requirement of different customers. Our sister company who is also our client help us a lot in designing and innovative treatments in our products..." (Marketing Manager)*

Fulfilling the customer varying specification for latest products and service is not possible without the use of state of the art equipment, machines, testing tools and experts.

GTML continuously invests in latest hardware, equipment, developers, designers and textile professionals to fill the technological and knowledge

gap in modern production processes to best match the international demand for high end products and innovative processes.

*“...We are on our toe to invest constantly in latest machines, men, design studios and R&D to cater the increasing demand for latest home fashion textiles...” (Marketing Manager)*

*“...we have about 70% increases in our foreign clients form the last 5-7 years. Earlier our business and export were EU centric and specifically to the UK market. Now we expand our operations to Far East, Middle East, North America, South Asia, South Africa and small portion to South American markets in both finished home textiles products and fabrics (i.e. processed and greige fabrics). We are constantly investing in latest machines, men, design studios and R&D to cater the increasing demand for latest home fashion textiles and market emerging needs. Additionally, our sales and marketing offices in Pakistan, UK and Germany enables us to project our products to existing clients, explore new markets segments and customers for our quality and customized products ranging from fabric to home fashion textile ...” (Manager sale and Marketing Planning)*

*“...We are following and implementing the market centered philosophy i.e. to learn about customer needs, influence of technology, competition and other forces to be competitive. We are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines which enable us to certain extent to fulfill demand....” (Manager sale and Marketing Planning)*

*“...we are chaining our operations on continuous basis to serves our clients effectively. In the start, we were working with few clients, but regular investment in latest hardware and processes enable us to involve in diverse value-added activities that retain the existing and attract potential clients in different product categories. We invested almost 2 Billion Rupees very recently in the installation of state of the art machines, equipment and experts to better manage the international demand for quality products....” (Manager sale and Marketing Planning)*

Based on the high volatile nature of market (i.e. high fashion contents and seasonality of the products) GTML continuously carried out R&D and Reverse engineering (i.e. mixing of different variant of products and processes) to create new concepts and or reformulate existing knowledge, processes and practices in new directions to stay with wave of market. Additionally, GTML addresses and execute innovative and unique orders from time to time by actively involving in R&D and Reverse engineering to serve its client's arising needs for modern processes and products.

*“...client sends us different types of inquiries which are not really for Gohar Textiles. We address such orders with our internal teams comprising personnel from product planning and control (PPC), design, P&D, R&D, production and procurement etc. In case of further help on the technicalities the company also contact and consults European designers. Moreover, we also consult different producers who are specialized in the demand products. In case of possibility the company first develops the sample or prototype and sends it to the concerned clients for further process i.e. comments, acceptance, edition or rejections. ....” (Manager Marketing)*

*“...We started our R&D and designing to design, develop and present our registered products in fabrics, finished items and fashion clothing fabric.... We are manufacturing private labels and brands from product idea and design to full execution of finish product....” (Manager sale and Marketing Planning)*

*“...we have multi-dimensional involvement in different markets and regions. We are designer, developer, producer and suppliers of both processed and unprocessed fabrics in different categories of home textiles. We design, develop and manufacture private labels for world leading brands and supply chains in a wide range of finished products. Since 2013, we are continuously involving in R&D and designing to design and develop our registered*



*products in fabrics and finished products in home textiles and fashion clothing fabrics to retain and attract clients in different product categories....” (Export Officer)*

## **International and Regional Standards**

Being a corporate citizen GTML strive to work under the international standards to have acceptability in its actions and products in international markets. GTML adopted certain modes to address varying customer needs in complying with international, regional and customer’s specific criterion to work under recognized standards.

GTML uses customer specifications as the main way to know about the international, regional and customer’s specific needs/standards for execution in its operations and offerings which are subject to change from region to region and time.

Working with a diverse clientage profile beside international standards GTML learned certain customer’s specific criterions when it comes to CSR, handling orders, use of chemicals, processing, nature of cotton and others.

*“...It is common to have full detail specifications and requirements from clients whenever they place their orders. They always send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carried out and they need. Our products should meet and comply with all the requirements of the customers from every aspect...” (Marketing Manager)*

*“...When it comes to the soft issues different regions have specific standards and requirements beside international standards for example EU and US have different standards in fiber, dyes, chemicals and processing. For example, EU clients prefer original fiber i.e. 100% cotton, fair trade and natural dyes etc. Additionally, every leading customer has set their targets in reducing their operations impact on environmental i.e. water and energy efficient specific washing and finishing, the use of chemicals, waste disposals, water treatment, emission of CO2, other treatment and processes, nature of cotton according to their region and segment. In order to do business ties with such customers the suppliers must have to fulfill its required standards. We are complying with international and customer’s specific regional standards...” (Manager Sale and Marketing Planning)*

*“...Beside International standards, every customer working in specific region has regional specific standards and requirements. Let take the example of EU have different standards in fiber, dyes, chemicals, processing in protecting environment and CRS than other region say USA. The EU customers for example German clients prefer original fiber i.e. 100% cotton, French clients always ask for fair trade and natural dyes etc. In order to work with international clients, we should have to comply with their regional standards as well...” (Export Officer)*

GTML continuously compliance with latest demanded standards in its operations to the varying needs of international market. Most commonly GTML adopt the route of training and certifications to learn and implement the required standards for compliance from customers, sister company, world’s leading consultants and accreditation agencies for implementations.

*“...We acquired certifications and training from leading accreditation bodies and consultants. Gohar textile Limited is a certified company as ISO-9001, Global Organic Textile Standards, REACH, GOTS, OEKO TEX-100, Green Living Europe, Cotton USA certified (ASA)...” (Manager sale and Marketing Planning)*

*“... To work with international clients, we should have to comply with their regional standards as well. We acquired certifications and training from leading accreditation bodies and consultants. We are certified company as have ISO-9001, Global Organic Textile Standards, REACH, GOTS, OEKO TEX-100, Green Living Europe, Cotton USA certified (ASA) ...” (Export Officer).*

*“...Every client places the order with full specifications and requirements. Customers always send their requirements in type of yarn, aesthetics, finishing, fabric type, yarn counts, washing and dozens of actives which we are supposed to carry in meeting fulfilling their orders. Our products should comply with all the demanded requirements of the customers from every aspect. Beside customer elaborated specifications, other value chain actors such as suppliers, sourcing partners, international consultants, designers, and sister company continuously train and guide us about latest techniques for improvement and efficiency in our operations. We learned about different standards and certification from diverse customer requirements belong to different regions...” (Manager sale and Marketing Planning)*

## **Innovation**

GTML continuously searching for new ways and or improve the existing operation for the creation of new/improve products, processes, techniques, system and services to address market changes. Being a young proficient firm GTML equally searching and adopting other ways (i.e. experts, investment in latest machines and testing tools, and customer specifications) for learning and gaining insights for innovation beside R&D and Reverse engineering.

GTML main route for change and innovation is Design Studio and R&D and Reverse engineering. It is important to note that GTML innovation is limited to Reverse engineering when it comes to R&D and Reverse engineering due to inherited knowledge and resources deficiencies. Despite resources constraints GTML manage to offer innovative offerings by involving in latest design and improved processes and offerings.

*“...our regular collaborations with experts, designers and investments in R&D and design facilities us to produce latest trends in prints, finishes and fabrics confection. Based on our expertise we present our own registered designs and fabrics as marketing engine ...” (Marketing Manager)*

*“...we passed through a lengthy process and value addition in our operations we continuously acquired and invested in experts, designers, R&D and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection....” (Manager sale and Marketing Planning)*

*“...we invested significantly in experts, designers, R&D and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. This enables us to extend our operations into more value centric processes, finishes and products in similar category. ...” (Export Officer)*

GTML constantly investing in state of the art machines, testing tools and equipment for the change and improvement in its operations, systems and processes to offer market demanded products.

*“...Today we export more than 90% of our production and provide complete services for private labeling and brand manufacturing for world leading brands and chains. We equally involve in both up and downstream value-added activities in different product categories as we diversified our offering into fashion clothes fabrics. We had well equipped infrastructure for home textile, what we done we collaborate with famous designers; invest in design studio and special embroidery equipment to move in the direction of change...” (Marketing Manager)*

*“...Additionally, we have the expertise to design, develop, manufacture and ship the required quality product according to product concept. We have the capabilities to produce innovative products by applying latest finishes through our newly established R&D and local and UK based design units...” (Export Officer)*

*“...we started as commercial exporter now we stand as a fully vertically integrated company with our brands. Our recent position (i.e. change) is based on what we invested in men, machines, learned and experienced from the last two decades...” (Marketing Manager)*

*“...We acquired state of the art machines, equipment, labs and testing tools from Japan, Germany, Switzerland and China to address the unique and emerging orders....” (Manager sale and Marketing Planning)*

Working on unique specifications and innovative orders for different customers over time, GTML get hands in latest aspects, knowhow and learning. The execution of order (i.e. convert the unique customer ideas into a physical products) in a real production setting enhances GTML abilities to deal with innovative aspects.

*“...These orders are vital from the learning and gaining experience as these are information and knowledge carriers from outside. It exposes us to new concepts and different means of doings. Working on unique orders enables us to put hand in new machines, techniques and technology. We extend and keep developing on such unique orders as our R&D and design teams continuously presetting novel designs and fabrics for future business. For example, I got an order form one of my Bulgarian clients for “Green First Finish” that was totally new concept for us, as we never done such finish before. I request the Clint to provide me detail specification; they educate me about this special finish. We evaluate it for possible solution and execution we almost spent 15 days and at last we broke the code. We got one source from Karachi, i.e. the supplier importing such chemicals from France. We got it from that supplier, applied it and successfully develop the sample fabric. The client demanded for two samples, one for them and one for the accreditation company in France. They evaluate the sample, checked and certified it. We got the logo and certification that we are producers of “Green First Finish”. Now we can confidently develop and produce Green First Finish products ...” (Marketing Manager)*

*“...Yes, these orders challenge us and evaluate us form different perspectives, mean that we know ourselves, we judge our expertise, capabilities and deficiencies. Such inquires carries information and knowhow from outside as we always get some new insights and market trends that are vital for our existence. It exposes us to new ideas and alternative techniques of doings things and to fill the gap for new machines, techniques and technology. We extend the certain aspects of such order to our register designs and samples that we are using for marketing for future business...” (Manager sale and Marketing Planning)*

*“...these orders are source of our self-reflection in a way that we know our capabilities, deficiencies and emerging trends. Such inquiries are carrier of external information, new insights and recent market trends that are vital for our existence. It exposes us to innovative ideas and alternative techniques of doings things. We include certain parameters of these orders in our product concepts and designs as we reengineer it according to our need...” (Export Officer)*

GMTL actively engaged with local and foreign designers, developers and professionals for the latest induction of design, production and processes in its operations.

*“...client sends us different types of inquiries which are not really for Gohar Textiles. We address such orders with our internal teams comprising personnel from product planning and control (PPC), design, P&D, R&D, production and procurement etc. In case of further help on the technicalities the company also contact and consults European designers. ...” (Marketing Manager)*

*“...We have a systematic approach towards any order and inquiry. When we receive an inquiry first we evaluate it with a team consist of personnel from various departments. We carefully evaluate and cross check different dimensions of orders which are new or different from our previous production. We carefully judge our capacities whether we can develop such order in available resources or we are in need of something extra. In case of need we ask for necessary changes to make the processes speedy and avoid investments. Further needs on technicalities we consult our foreign designers, different supplier and producers for help and clarifications. In case of possibility we first develop the sample or prototype and send it to the concerned clients for approval...” (Export Officer)*

*“...We invest in men, machine and latest techniques to best match with their demanded specifications. We continuously entertain them with innovative designs, finishes, and fabrics as a marketing tool to keep the beat of our proactive approach.” (Manager sales and Marketing Planning)*

## **Branding Management**

GTML is among the few Pakistani companies who involved in the downstream value-added activities i.e. Produces and sell under its own registered collections and name in both local and international markets.

GTML uses multi routes to learn, execute and launch its registered collection. The most prominent ways among the identified ones are R&D and Reverse engineering and Design Studio, implementation of latest machines/system, experts and exclusive sales agents/ stockists.

In addition to its established production facility GTML invested in designing, printing and embroidery equipment to start the fashion garments fabrics.

*“...In 2012, we diversified into the designing and production of garment clothing in local market. What we done we used the same production capabilities in producing garment fabrics with latest prints. We add latest printing and embroidery equipment to enhance our capabilities to produced top prints and embroidery on our fashion garment fabrics....” (Marketing Manager)*

*“...We keep the movement and expansions in value-added activities of establishing and launching our brand in fashion garments fabrics through continuous and need base investment in latest testing tools, labs, equipment, R&D and designers. This enables us to diversify our production into garments fabrics (Lawn)...” (Manager sale and Marketing Planning).*

GTML basically reengineered the idea form the home textile fabrics into garments fabrics by the existing production facility. The R&D and Reverse engineering and

Design studio work to developed new fabrics, design and prints that enable GTML to develop garments fabrics.

*“... In 2013, we actively engaged with designers and established R&D and Design Studio units to offer innovative designs, prints and end products according to the latest needs of international markets and enhance our sale...” (Marketing Manager)*

*“...We had well equipped infrastructure for home textile, what we done we collaborate with famous designers; invest in design studio and special embroidery equipment to move in the direction of change...” (Marketing Manager)*

*“...We started our R&D and designing to design unit, develop and present our registered products in fabrics, finished items and fashion clothing fabrics....” (Manager sale and Marketing Planning)*

*“...We are not only offering quality and high-end products to world’s leading brands but sell under our own brand and innovative designs through active involvement in R&D and Designing...” (Senior Export Officer)*

Simultaneous investments in men and machine are vital to fill the knowledge gap for high quality production. GTML hired and collaborate with designers and developers to develop products according to seasonal market needs.

*“...We hired and collaborate with top local designers to design our garment fabrics collection and special embroidery for our register collections and themes...” (Marketing Manager)*

*“...we actively engaged with designers and established R&D and Design Studio units to offer innovative designs, prints and end products according to the latest needs of international markets...” (Marketing Manager)*

*“...We had well equipped infrastructure for home textile, what we done we collaborate with famous designers; invest in design studio and special embroidery equipment to move in the direction of change...” (Marketing Manager)*

GTML launched its brand and register collection in 2013/2014 in local and international market respectively through exclusive sales agents and stockists. GTML made entry through agents in UK, UAE, India and Bangladesh.

*“...We sell our own brands and registered seasonal collections in fashion clothing fabric in Pakistan, Bangladesh, UAE, India and UK through our own marketing strategy and exclusive agents. In local market, we market our own and sale through exclusive agents in almost every major city across the country backed by a very organized online sale with free delivery and discounts. ...” (Marketing Manager)*

*“...we diversified our operations into fashion garments as we are selling and marketing garments fabrics under our own brand names and styles collection in local, Bangladesh, India, UAE and UK through agents and stockists. We are on the way in launching our brand in home textile as well. ...” (Export Officer)*

*“...In summer 2013, we sale the garment fabrics under our own brand and registered styles, designs and collections both in local, Bangladesh, India, UAE and UK successfully through exclusive agents. This move opens new doors of diversification and value additions in our operations to market and fulfill the demand in fashion clothing needs of East...” (Manager sale and Marketing Planning)*

## **Design and Pattern Development**

GTML providing design development service to world leading brands and chain stores beside production and manufacturing of private label and brand.

Customer specifications, implementation of latest equipment, R&D and Reverse engineering and Design studios are vital ways for GTML learning.

Based on working with a diverse group of customers from different parts of the world GTML learn, develop and execute the customer product concept into door step delivery of physical products.

*“...We also provide full range of innovative services from concept to door step delivery of semi-finished and end products according international demand on our semi integrated production facility...” (Marketing Manager)*

*“...we are also specialized in concept to execution for any world leading brand in developing their private labels and brands...” (Marketing Manager)*

*“...We are manufacturing private labels and brands from product idea and design to full execution of finish product.....” (Manager sale and Marketing Planning)*

*“...Additionally, we have the expertise to design, develop, manufacture and ship the required quality product according to product concept...” (Export Officer)*

GTML backed the designing and pattern developments through active induction of state of the art equipment, labs and testing tools

*“...The need base investment in R&D and designing facilities fortify our manufacturing capabilities of private labels and brands from product idea and design to full execution of finish product.....” (Manager sale and Marketing Planning)*

*“...We are actively involved in innovation and application of latest finishes through our newly established R&D, testing labs and design centers backed by our UK based sister company. It enables us in designing, developing and presetting our own register products in fabrics, finished items and fashion clothing fabrics beside design and pattern development for world's leading customers.....” (Manager sale and Marketing Planning)*

GTML involvement in R&D and Reverse engineering and Design studio, enhance its ability to create new and/ or reformulate existing knowledge, processes and practices for creative concept and novel designs.

*“...We started our R&D and designing unit to design, develop and present our registered products in fabrics, finished items and fashion clothing fabrics.....” (Manager sale and Marketing Planning)*

*“...We are designer, developer, producer and suppliers of both processed and unprocessed fabrics and finished products in different categories of home textiles. We design, develop and manufacture private labels for world leading brands and supply chains in a wide range of finished products. Since 2013, we are continuously involved in R&D and designing to design and develop our registered products in fabrics and finished products in home textiles...” (Export Officer)*

*“...we are specialized in concept to execution for any world leading brand in developing their private labels and brands through our involvement in latest designing, R&D and Reverse engineering endeavors...” (Manager Marketing)*

*“...We are actively involved in innovation and application of latest finishes through our newly established R&D, testing labs and design centers.....” (Manager sale and Marketing Planning)*

## **Integrated Production**

GTML strive to have vertically in-house processes and production capabilities to control for the supply chain and maintain the desired quality at different production stages. The main motive behind the GTML integrated production is to reduce reliance on external suppliers for the core production stages. Customer requirements for private brands/ labels and design to door step supply of the finished products and preferred one stop shop compel GTML to steady involve in composite production facility.

Among the identified learning ways, the customer specification and implementation of latest machines is the main motive for GTML to learn and involved in integrated production. Most customers prefer one stop shop to reduce the headaches in delivery and matching quality in fulfilling their orders for innovative products and private labels/ brands. Additionally, certain client places their order form product concept to full execution which is out of question without implementation of latest machines and integrated production facilities.

*“...I mentioned earlier that we continuously invested in infrastructure, innovative designs, techniques, processes and production that help us to spread our activities web wider under one roof. It is customer psyche that they prefer one stop shop and extend their business with suppliers to whom they have previous good experience and relation...” (Export Officer)*

*“...Because of strategic move the management decided to start their own production instead of outsourcing the demanded orders to local suppliers. The implementation was stated by the coming years as the group invested in value-added operations at up and down in value chain. In 1993, the company achieved a mile stone towards his own production by setting up a latest stitching unit with the name Gohar International in Faisalabad. In 1995, a new plant to produce quilts was established in Gohar Textile Mill through investment in latest equipment and machine to cater the increasing demand for technical quilts in international markets. In 1997, new investment was made in setting of a small weaving unit (i.e. Gohar Weaving Mill) with 100 Sulzer Looms latest at that time to meet the needs for own fabrics and also export some quantity. In 1999, an expansion was made in stitching unit to increase the production space, accommodate diverse stitching demand form international clients. Further expansion was made in weaving through installation of latest 100 air jet looms in 2001 and 300 auto looms in 2003 respectively. These successive installations increase the production capacity to accommodate the increasing demand for diverse range of processed and greige fabrics. In 2006, we made huge investment by setting up state of the art processing mill as Gohar Textile Mills Limited. The setup is equipped with latest plant, equipment and machinery to fulfill the requirements for latest and value-added processing, finishing and dying...” (Manager sale and Marketing Planning)*

*“...Since 2013, we started the erection of our latest spinning unit to complete the vertical aspiration. The spinning unit will enable us to control for the desired quality yarn and supply chain. It is expected that the spinning unit will start production by March 2015...” (Export Officer)*

*“...By next year we will be fully vertical integrated production facility through the addition of latest spinning unit to control the whole value chain for short supply time and maintain required standards for quality at every production stage....” (Manager sale and Marketing Planning)*

*“...We also provide full range of innovative services from concept to door step delivery of semi-finished and end products according international demand on our semi integrated production facility. We are also providing audit and quality control services to world leading home textile chains as we are self-approved auditors ....” (Marketing Manager)*

*“.... I will simply mention that the contributions of these factors combined with others converted us to vertical integrated facility which enables us to involve in high quality production and value-added operations according to international market demand...”???*

## **Industry Trend**

GTML uses multi-dimensional approaches to well inform about the latest trends in its operations and offering. GTML equally uses internal (I.e. R&D and Reverse engineering, Experts and Emulations) and external sources (customer specifications, imitation, acquisition of machines and license) to get in touch with the present and embrace emerging trends in world markets.

GTML frequently uses experts and implementation of latest machines/system as sources of learning about the latest and emerging trends in the market for the effective handling of international demand and operations.

*“...Earlier our business and export were EU centric and specifically to the UK market. Now we expand our operations to Far East, Middle East, North America, South Asia, South Africa and small portion to South American markets in both finished home textiles products and fabrics (i.e. processed and greige fabrics). We are constantly investing in latest machines, men, design studios and R&D to cater the increasing demand for latest home fashion textiles and market emerging needs....” (Manager sale and Marketing Planning)*

*“...We are following and implementing the market centered philosophy i.e. to learn about customer needs, influence of technology, competition and other forces to be competitive. We are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines which enable us to certain extent to include internationally demanded trends in our productions....” (Manager Sales and Marketing Planning)*

*“...There are new trends and needs for special and latest processes, yarns, filaments, fabrics and end products with highly functional, specific purposed innovative properties. Textile is now increasing using in other sectors such as industrial, transportation, construction and medical purposes than that of staple clothing needs. New and alternative sources and methods of yarn manufacturing are discovered than that of cotton. Similarly, the recent demand is highly customized with agile logistics and supply solutions. Additionally, the industry is highly diverted towards CSR and sustainability in using alternative chemicals, dyes, cotton in production and processing in order to reduce the carbon foot prints. There are number of regional and international standards and certifications which are the norms of today's international business...” (Manager sale and Marketing Planning)*



GTML constantly inducing latest trends in its production, handling, finishes and processes through dynamic customer demand, complying with standards and licensing.

*“...from the last five years’ things are dramatically and completely changed. First, if we look on the customer standards, it almost revised and changed. Right now, if we work with US or EU markets, they will send us the minimum requirements for each and every order like REACH. Five years or back they were not requiring different standards and specifications with such intensity as of today, now they are demanding in every order. Additionally, new things are evolving and emerging in their orders as some customers initiated their own requirements to be prominent in their dealings. We are fully complying with the international standards to keep working with our clients. Five years back only few big clients required labs test, final inspection and audit reports, but right now every establish client require final lab test reports, some customer require third party audit and inspection reports. They hired different consultants and Inspection Companies like SGS, Cotecna and other known for their audit and quality control service. They inspect and audit on customer behalf at our premises.... Similarly, with the passage of time the innovations change the fad and fashion, specifications, construction and appearance of the fabrics and ultimately the end products. On the top, the marketing and persuasion campaigns by leading actors in the industry create new dimensions in home textiles. Based on these changes we reformulate of route map through different means to be address the recent trends and ready for the future course of action. ...” (Marketing Manager)*

*“...In the past customers were mostly using the manual ordering system through mail, fax or emails but now it becomes system generated. Every customer has his own specialized system and software package for order handling. They issue purchase orders on our name with detailed specifications and; we pulled the respective order form their system issued on our name. Similarly, we update their orders status through the said system. Similarly, the specifications, requirements and needs of the customer are totally changed. Orders are more customized and personalized with small batches for relatively short period of time (season). Now customers are more concerned about regional and international standards with respect to environment, CSR and ethics in handling their products, consumers, stakeholders and markets. There are innovations in processes, materials, dyes and machines which we never imagine before. Similarly, with the passage of time such innovations intensively change market trends, fashion, specifications, construction and appearance of the fabrics and end products. I will say that the market demand for advanced and unique treatment that are changed from the past. Majority of clients requires final lab test reports, third party audit and quality inspection at different production stage. Consequently, we update our system, equipment, handling and operations in response of such changes in time, as we know very well that it will be the rule of the future game. ...” (Manager sale and Marketing Planning)*

*“...interaction and orders brings us something new, as every order represent specific region’s or segment behavior in a more detailed fashion. Working with clients from different regions is a complete package of information about hard and soft issues ranges from simple product specifications, designs to compliance with standards and certifications. In addition, it makes visible the important players in the value chain for our future operations. Such aspects are extremely important for our entire facility, as it compel us to adopt, polish our existing and execute innovative aspects to added latest trends and value in our operations...” (Export Officer)*

Beside R&D and Reverse engineering GTML is open to any external idea and information, as it is impossible for a single firm to address latest market trends solely from its internal capabilities. GTML basically focus on external sources to learn and induce latest trends in its operations.

*“...We are extremely open and flexible towards external sources for idea and information. Our learning and gaining new perspective is on daily and task basis through multiple nodes and sources. We bring in any best*

*practice, idea, concept we discuss it, adapt it, copy it or develop new form different angles and parameters. These practices are vital for improvements and change to keep business influx. ....” (Marketing Manager)*

*“...we continuously visiting our clients located in different parts of the world, continuously participating in trade shows such as Heimtex and TADP etc., buying latest products form top of the line store and keep searching professional sites such as Business Recorder and Bloomberg for our continuous updates and happing around the world to better understand and cater the emerging trends and demands. We are extremely open and flexible towards new idea and information from any source. (Marketing Manager)*

*“...Similarly, to keep the beat of expansion and value addition in our operations we continuously invested in experts, designers, R&D and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. Additionally, we are visiting our international clients and world markets to updates ourselves about market prevailing trends. Which we further converted in our own developments. This enables us to present our own registered innovative designs and fabrics as marketing tools to different regions and markets...” (Manager sale and Marketing Planning)*

*“...we are participating in trade expos and conference at local and international level to present our innovative products to potential buyers and to know about latest developments in prints, finishes and fabric confections. We collect information from various sources, convert it through our R&D and design units in designing and developing latest registered products...” (Export Officer)*

## **Product Diversifications**

GTML take the opportunity to use its existing production base and expertise for the expansion into new product lines (i.e. fashion garment fabrics-LAWN).

GTML mainly uses the services of local designers to design latest prints and designs based on the seasonal needs of the customers in fashion garment fabrics segment.

*“...In 2012, we diversified into the designing and production of garment clothing in local market. What we done we used the same capabilities in producing garment fabrics with latest prints. We hired and collaborate with top local designers to design our garment fabrics collection and special embroidery.... In 2013, we actively engaged with designers and established R&D and Design units to offer innovative designs, prints and end products according to the latest needs of international markets” ... (Marketing Manager)*

*“...We keep the movement and expansions in our value-added activities through continuous and need base investment in latest testing tools, labs, equipment, R&D and designers. This enables us to diversify our production into garments fabrics (Lawn). Since 2012 we are producing and selling in local markets...” (Manager sale and Marketing Planning).*

*“...We diversified our product line in 2013, as we launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, which further expands to UAE, India and UK. It is basically very delicate thin and light fabrics mostly used for women garments and a basic ingredient of the eastern clothing needs...” (Marketing Manager)*

GTML introduces its brand and register collection in Lawn first in the local market through exclusive sales agents and then successfully copy the same model in international markets.

*“...we sell our own brands and registered seasonal collections in fashion clothing fabric in Pakistan, Bangladesh, UAE, India and UK through our own marketing strategy and exclusive agents. In local market, we market and*

*sale through exclusive agents in almost every major city across the country backed by a very organized online sale with free delivery and discounts...” (Marketing Manager)*

*“...we diversified our operations into fashion garments as we are selling and marketing garments fabrics under our own brand names and styles collection in local, Bangladesh, India, UAE and UK through agents and stockists. ...” (Export Officer)*

*“...In 2013-14 we started selling garment fabric under our own brand in Bangladesh, India, UK and UAE through sales agents...” (Marketing Manager)*

## **Conflict Resolution**

GTML always try to establish long-term relationship with its clients and resolve problems in time through different measures. In case of any issue GTML negotiate with respective client and take every possible step to settle down the matter.

*“...In case of any mismatch in product specifications, quality, and shipment etc. we try our level best to find every possible means to resolve it for smoothly. We have a well-developed and organized back tracking system for investigation of problems for each and every order. ...” (Marketing Manager)*

*“...In case of any problem we take corrective actions to solve it in short possible time through various means. Sometime leading and big customer exercise power in certain way, but we always cope to fulfill their needs for the continuity of business...” (Manager sale and Marketing Planning)*

*“...Most of the time it arises from issues in matching certain aspects of specification and or delivery schedules. Sometime customers cooperate and understand our position, but certain clients are very strict in such incidents as they never*

*compromise when it comes to quality or longer delays in shipment. It depends on product category and market segment. In such circumstances, we are making sincere efforts to settle down the matter in a best possible way. What we do, we replace the mismatch lot, defective items, ship the consignment through fast mode of transportation and give them discounts in a certain percentage. We replaced the defective lots, share cost; offer special discount on agreed prices, ship the consignment through fast mode of transportation and other services. Such measures have pleasant effect on relations with our clients, business longevity and future developments. We openly discuss the issue with respective clients to clears our position in a better way and rectify with relevant factor...” (Marketing Manager)*

*“... Sometime there are issues in delivery and after sales complaints which we address on priority basis to retain the clients. .... deviations happen, some clients accept it to certain level for other it is out of question. In such situations, we find every possible way to compensate and retain the customer, as we offer them reductions on the agreed price, replace defective lot, ship consignment through air in case of late delivery. Such actions are vital for retaining existing relations, longevity and future developments...” (Manager Sale and Marketing Planning)*

## **Why is The Firm learning the Way It Does?**

To get a detail and complete scenario of why GTML learn the predicted learning as occurred in GTML. It is necessary to describe each learning reason with respect to

learning ways to have a clear understanding of the reasons (i.e. Why). In terms of reasons for learning, fourteen reasons have been identified and listed below as:

### Identified Learning Reasons

It relates to the specific reasons that why GTML intent to learning specific aspect through specific way through their work with sourcing partners in offshore outsourcing as:

Table 4.2.4: Identified “Reasons for Learning”

Label	Definition	Quote Number
Improvement in Textile Production	It refers to the firm’s needs to bring up new ideas, skills, tools, machines and techniques into the existing production and products.	8,9,10,11,13,14,15,17,41,54,55,57,70,72,73,75,76,92,93,94,95,97,106,108,133,136,
Improving Performance	It is defined as a “firm’s desire to enhance overall firm operations through involvement in latest production and processing”.	17,19,21,22,31,34,35,36,54,55,56,57,59,60,61,62,63,65,66,71,72,73,98,99,100,101,102,103,106,108,110,127,128,131,134,135,136,137,138,139,140,141,144,145,146,147
Latest Textile Processing Techniques	It refers to the “firm’s need to adopt latest practices, procedures and methods in washing, finishing and shipment”.	12,25,26,27,28,29,30,41,50,51,52,53,54,55,57,58,59,60,71,72,73,77,78,79,81,82,85,86,87,92,93,94,95,97,106,129,133,136
Supply chain control	It refers to the desire of the firm to have control over the upstream value chain	10,11,12,13,14,35,39,40,71,72,73,106,111,113,132,137
Latest Demand	It is defined as the “firm’s ability to meet customer needs, and market requirements and trends”	1,2,3,4,5,6,7,8,9,10,15,16,18,19,20,21,22,23,24,37,38,41,42,43,46,47,48,49,50,51,53,54,55,56,57,61,62,62,64,65,66,67,68,69,72,73,77,83,88,95,101,102,103,105,108,110,112,115,116,117,118,119,126,127,128,129,130,135,139,140
Ability to innovate	It is defined as the “firm’s need to produce new or update its existing products, processes, services and operations”.	37,38,44,45,63,74,75,76,77,78,79,81,82,104,106,107,127,130,143,
International Market Presence	It refers to the firm’s desire and ability to establish connections and make its presence in foreign markets.	23,32,34,36,44,45,65,85,87,101,102,103,108,111,112,114,127,128,129,133,136,143
Develop Contacts	It is defined as the “firm’s desire to establishing new business relations with potential customers and or strengthening the existing one”.	1,2,3,5,8,11,32,33,34,36,41,42,43,44,45,46,47,64,65,66,67,68,69,70,71,72,73,74,75,76,77,78,79,80,81,82,82,84,85,87,89,90,91,95,96,98,99,100,101,102,103,104,106,107,111,112,114,118,123,124,125,126,128,129,130,131,132,134,135,136,143
Branding & Marketing	It is defined as the “firm’s need to develop, present, promote and establish its offerings under specific logo, name or trade mark in market”.	32,34,36,45,104,106,107,108
Compliance with Regulations	Refers to the firm’s need to comply with demanded international and regional standards.	46,47,52,53,54,86,89,90,91,92,93,94,115,116,117,126,130,133,134,135,
Improving Product Quality	It is defined as the “firm’s need to constantly enhance its offerings and presenting high value and superior products and services”	4,7,12,15,17,20,21,22,24,25,26,27,28,29,30,39,40,49,50,51,56,57,58,59,60,67,71,72,73,76,77,78,79,80,85,86,88,97,98,106,107,108,112,113,115,116,117,128,131,139,140,141,142
Enhance Positive Image of Firm	It refers to the firm’s desire for creation of competence and goodwill in the market.	86,89,90,91,98,99,100

Commercial Service	It is defined as the “firm’s need to provide services such as design, product and pattern development, business model, quality audits and supply solutions in exchange for payment”	105,109,119,120,121,122,141
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In order to better understand why the company tends to learn the way it does, Table 4.2.5 combines ways of learning with reasons for learning. Learning from experts or learning by imitation and emulation is not equally important in relation to all reasons for learning.

Table 4.2.5: Summary Matrix: “Learning Ways by Reasons for Learning”

Reasons Learning Ways	Improvement in Textile Production	Improving Performance	Latest Textile Processing Techniques	Supply chain control	Latest Demand	Ability to innovate	International Market Presence	Develop Contacts	Branding & Marketing	Compliance with regulations	Improving Product Quality	Enhance Positive Image of Firm	Commercial Services	Main Ways
Experts (Insider/Outsider)	41,55,72,85,87	55,61,62,63,71,72,103,110,127,131,137	41,55,58,71,72,77,85,87,		36,103,110	36,37,38,41,63,74,75,76,77,103,127,130		32,33,41,42,43,63,71,74,75,76,77,85,87,103,111,126,130,131	32,111,137	126,130	58,71,72,76,77,85,127,131		109,105,119,120,121	
Buying House					1,2,3,68,69			1,2,3,68,69						
Product Partnership/Sourcing-JV	133	65,66	78,79,81,82,129,133		129,65,66	78,79,81,82	129,133,	65,66,78,79,80,81,82,129,	65	133	78,79,80,			
Imitation and Emulation	75,76,80,81,95,97,133,	65,66,101,102,103,138	80,81,95,97,129,133		23,38,64,65,66,95,101,102,103,112,118,129	38,74,75,76,80,81,103,143	23,101,	64,65,66,74,75,76,80,81,95,96,101,102,103,112,118,129,143		133	76,80,112			
Training	92,93,94,133	92,93,94,133	52,53,92,93,94,133				133			52,53,92,93,94,133,				
Customer Specification	54,55,57,71,80,81,85,87,92,93,94,108,	54,55,56,57,59,60,65,66,71,72,92,93,94,144,145,147	49,50,51,52,53,54,55,57,58,59,60,71,72,79,80,81,85,87,92,93,94,108,129		4,23,46,47,48,49,50,51,53,54,55,56,57,64,65,66,67,72,73,77,78,83,88,95,105,108,110,112,118,126,127,129,130,135	77,78,79,80,81,82,106,107,	23,85,86,87,108,111,112,127,129	46,47,53,54,64,65,66,67,71,72,73,77,78,79,80,81,82,83,84,85,87,95,96,97,106,107,111,112,118,123,124,126,127,129,130,134,135,143		46,47,52,53,54,86,92,93,94,126,130,134,135	4,23,49,50,51,56,57,58,107,112		105,106,120,121,122	
Certification	54	56,61,62,63,92,93,110,133,135	52,53,54		46,53,54,56,62,63,94,110,116,117,135			54,63		46,52,53,54,92,93,94,116,117,133,135	61,116	52,53		
Implementation of New Machinery	7,8,9,10,11,13,14,15,17,41,55,57,70,72,73,85,87,106,108,133,136	12,17,19,21,22,23,31,35,55,56,57,59,60,61,62,62,71,72,73,106,108,110,127,128,132,133,136,137,138,141	12,24,25,26,27,28,29,30,41,49,50,55,57,58,59,60,71,72,73,77,85,86,87,106,129,133,136	10,11,12,71,132	4,6,7,8,9,10,15,16,18,19,20,21,22,23,24,23,24,38,41,42,43,46,47,48,49,50,55,56,57,61,62,63,67,70,72,73,77,88,104,108,110,112,115,116,117,127,128,129,130,	38,41,63,77,104,106,130	85,86,87,108,111,127,129	5,8,11,32,33,41,42,43,46,47,67,71,72,73,77,84,85,87,106,111,112,128,129,130,131,131,132,136		46,47,86,115,116,117,130	4,7,12,15,17,20,21,22,23,24,25,26,27,28,29,30,39,40,50,58,59,67,72,113,141		109,141	
Vertical Production Facility	13,14,106	35,71,106,139,140	71,106	13,14,35,39,40,71,106,107,111,113,132	105,119,139,140	106,107	111,132	71,132			39,40,71,107,113,139,140		105,106,119,	

R&D and Re-engineering	41,54,75,76,80,85,87,97,106,108	34,36,54,61,62,63,103,106,108,131,137	41,54,77,78,79,80,85,87,97,106		5,36,41,42,43,48,54,61,62,63,88,103,112,114,116,117,130,	36,41,44,45,63,74,75,76,77,78,79,80,103,106,107,130		5,34,36,41,42,43,44,15,54,63,74,75,76,6,77,78,79,85,87,97,103,104,106,107,111,112,130,131,	104,106,107,108,111,137,142		76,77,78,79,80,88,97,106,107,108,112,114,116,117,131,142		109,105,120,122	
Trade Fairs and Commercial Office	41,75,76,85,87	103	41,85,87		41,112,	74	44,45,85,87,101,102,103,111,112,114	41,44,45,74,75,76,85,87,101,102,103,111,112,114	111					
Learning by doing	80,81,95,97,133	133,134,135,138	80,81,82,95,97,133,		95,118,135,	80,81,82		80,81,82,95,96,97,118,134,135,		133,134,135	80,97,142			
Sales Agent							32,34,36,72,73,114,	32,34,36,72,73,104,106,114,131	32,34,36,72,73,104,106					
License	55	54,55,59,60,128	49,50,51,53,54,55,58,59,60,77,78,79,82,		49,50,51,53,54,55,77,128,	77,78,79,82		53,54,77,78,79,82,128,		53,54,54	49,50,51,58,59,60,77,78,79,128	53		
Design Studio	41,75,76,106,	71,106,137	41,71,106,		37,38,41,42,43,112	36,37,38,41,74,75,76,104,106,143	36,143	41,42,43,71,74,75,76,104,106,111,112,143	36		71,76,106,112,142		,106	
Technical Advises		98,99,100,						98,99,100,123,124,125			98,	98,99,100,123,124,125		
CEO/Owner Interest		127,128,129	129		127,128,129	127,128,129	127,128,129				127,128,			
Negotiations and discount								89,90,91,123,124,125				89,90,91,123,124,125		
Trade secrets protection										89,90,91		<b>89,90,91</b>		
<b># of Citations</b>	79	114	117	16	161	76	44	209	20	50	95	18	21	

Interesting insights are evident from Table 4.2.5, describing the identified learning reasons through specified ways:

## **Experts**

GTML get the latest expertise and competencies directly in its operations and production through the acquisition of experts, designers and developers services in different areas. GTML uses the expertise of external experts beside its internal competencies to fill the knowledge and competencies gap in its operations for market demanded products and service.

GTML uses experts as the main source to overcome its knowledge constraints to improve and innovate its operations, products and services to retain existing and/or develop new contacts in the market.

*“...In 2012, we diversified into the designing and production of garment clothing in local market. What we done we used the same capabilities in producing garment fabrics with latest prints. We hired and collaborate with top local designers to design our garment fabrics collection and special embroidery. In 2013-14 we started selling garment fabric under our own brand in Bangladesh, India, UK and UAE through sales agents ....” (Marketing Manager)*

*“...Our in-house design studio works with state of the art CAD/CAM facilities. We have also a set up in UK where our team of experienced and qualified designers works to the forecasts, colors and trends of the season. They develop the designs that cater to our customer requirements and preferences....” (Company Presentation)*

*“...our regular collaborations with experts, designers and investments in R&D and design facilities us to produce latest trends in prints, finishes and fabrics confection. Based on this expertise we present our own registered designs and fabrics as marketing engine to inspire and develop new clients....” (Marketing Manager)*

*“...In case of unusual order or I can say the order which we never handle before is double evaluate by our evaluation teams to judge whether we can develop required order in available expertise or we need something extra. In case of further help on the technicalities we contact and consult European designers at our payroll. We also consult different supplier ad producers who are specialized in the demanded products. In case of possibility the company first develops the sample or prototype and sends it to the concerned clients for approval....” (Manager sale and Marketing Planning)*

GTML acquire the services of external experts on need or project base to involve in modern production and processes to enhance over all firm performance.

*“...We are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines to equipped our self with advance applications and processes, that enable us to certain extent to meet any emerging demand and improve our overall performance....” (Marketing Manager)*

*“...Generally, textile industry is amongst the most changing industry from every front, as there are changes in technology, machines, demand, ethics, CSR and sustainability. As we say that “it changes form cotton to waste bins”. There are innovations in production and processing techniques, supply chain, market trends and business*



*models on regular interval..... we are addressing these changing trends through continuous investment in men, machine and latest techniques to enhance our firm performance in handling the upcoming uncertainties in market demand...” (Manager sale and Marketing Planning)*

*“...internal and external factors play vital role in shaping our activities in a certain way. If we look from the start it was owner and entrepreneurial back that continuously inject latest machines, men and processes through heavy investments. Similarly, our technological readiness, acquisition and absorption of knowledge for learning from various sources are vital for change and improvement in our operations. We remained in a close contact with our clients, suppliers, experts and sister company for developments....” (Marketing Manager)*

**GTML uses experts beside other sources as an effective weapon to meet its need for high value and superior products**

*“...we invested significantly in experts, designers, extensive R&D department and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. This enables us to extend our operations into more value centric processes, finishes and products in similar category. Such extensions facilitate our ability to present our own registered innovative designs and fabrics more extensively and improve quality of our offering to trap new clients.*

*“...we are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines which enable us to certain extent to include internationally demanded trends in our productions. We induced innovative and latest finishes, dyes and treatments of world’s leading supplier like Investa, DuPont GREEN LIVING etc. in our operations to improve product quality and functionality. ....” (Manager sale and Marketing Planning)*

*“...We invested almost 2 Billion Rupees very recently in the installation of state of the art machines, equipment and experts to better manage the international demand for quality products....” (Manager sale and Marketing Planning)*

*“...We invest in men, machine and latest techniques to best match with their demanded specifications for quality and high-end products. We continuously entertain them with innovative designs, finishes, quality fabrics as a marketing tool to keep the beat of our proactive approach....” (Manager sale and Marketing Planning)*

## **Buying House**

GTML started as a buying house/ commercial office to entertain international customers. GTML was taking orders from foreign customers in different products categories of home textile, purchase yarn, weave it, process it and stich at supplier’s locations and dispatched it form Gohar textile Pakistan. The main motive was to meet the demand and further develop contacts in international market.

*“...We were only commercial exporters at that time, as we were taking orders for various customers in different products categories of home textiles. We purchase yarn, weave it, process it and stich it at our partners or outsourcees locations, dispatch and export the products form Gohar textile Pakistan...” (Marketing Manager-Europe)*

*“...we were commercial exporters or a buying house for international customers as we were taking orders from foreign customers in different products categories of home textile. We purchase yarn, weave it, process it and stich*

*it at our partners or outsourcees locations, dispatch and export the products according to customers' requirements form Gohar textile Pakistani..." (Manager sale and Marketing Planning)*

*"...the company started its operations as a commercial exporter under Gohar Textile office for its UK based sister company Sartex in 1990. The main job was taking orders from foreign customers in different products categories. We source yarn, weave it, process it and stich it at our suppliers' locations and dispatch the demanded products form Gohar textile Pakistan to respective clients..." (Export Officer)*

## **Product Partnership/External Ties**

GTML working philosophy is based on open and flexible routines, beside involvement in R&D and Reverse engineering, it continuously engages with external actors to get in time resources, information, idea and help. GTML uses such engagements as valuable resources to know about and get help in execution of latest processing techniques, innovative processes in its operation to meet high end demand.

*"...from our inception, we are focusing on international markets due to high demand for our products (i.e. home textiles). On the top, it is our strategic orientation to have more share in international markets, as we are better off in term of price, profit and hand on innovative specifications. We consider our international engagement as source of continuous learning and knowledge about latest market trends. We need latest technology, techniques and capabilities to meet the high-end demand for quality products, which is out of question without the interactions with external actors..." (Marketing Manager)*

*"...We have a systematic approach towards any order and inquiry. When we receive an inquiry first we evaluate it with a team consist of personnel from various departments. We carefully evaluate and cross check different dimensions of orders which are new or different from our previous production. We carefully judge our capacities whether we can develop such order in available resources or we are in need of something extra. In case of need we ask for necessary changes to make the processes speedy and avoid investments. Further needs on technicalities we consult our foreign designers, different supplier and producers for help and clarifications. In case of possibility we first develop the sample or prototype and send it to the concerned clients for approval. In the start, we always ask for trial order i.e. small quantity. Once the customer satisfies when the product is launch and friction with consumer, we ask for quantities. We never promise beyond our expertise or control, as we simply excuse for execution of such orders and refer the clients to the most relevant producers here in Pakistan... we received an inquiry for Green First Finish form a Bulgarian client. It was a totally new concept for us; we never done it before. We request the Clint for detail specifications; we worked out for 2 weeks and finally found one local supplier who was importing such chemicals and dyes from France. We contacted the said supplier, got the required chemicals and successfully developed the sample fabric and approved form the client and respective accreditation agency form France. Now we are producing Green First Finish without any problem..." (Export Officer)*

*"...we got an order form a Bulgarian client for "Green First Finish" that was totally new concept for us; we never come across with such finish. We request the Clint for detail specification; they send us comprehensive details about the said finishing. We spend some time to work on it and finally found that one local supplier importing such chemicals from France. We contacted the said supplier; we got the required chemicals and dyes and successfully developed the sample fabric. The client demanded for two samples, one for them and one for the accreditation company in France. They evaluate the sample, checked and certified it. We got the logo and certification that we are producers of "Green First Finish". Now we can confidently develop and produce Green First Finish products. It also exposes important players and supply chain partners for future business and contacts." (Manager Sale and Marketing Planning)*

*“...we are working in a global village and adopt the best practices of others to improve ours. As the markets are evolving form different aspects such as international standards and certification (ethics, CSR and innovation), innovation in machines, processes and systems. We gained experience and learned on continuous basis while working with different customers, sourcing partners about latest techniques, procedures and technology. We are getting information about the market needs, trends and fashion through our visits, marketing offices, participating in trade expos and other means. Similarly, we came to know about the best and alternative solutions, suppliers and competitors. This is the way we keep learning, manufacturing and running our business in an integrated way...” (Marketing Manager)*

## **Imitation and Emulation**

GTML copy and or alter other’s best and successful products and practices according to his needs for quick replenishment and response to abrupt market demand. GTML uses this strategy as an effective tool to save time and resource in an agile manner.

GTML take the imitation and or Emulation route mostly to update its existing products, processes and services to respond quickly response to the market demand, strengthen existing or establishing new contacts.

*“...We visit our customer, world markets and participate in exhibitions and trade expos like Heimtex, Moscow Textile Fair, Indo-Pak Fashion Street-India, Life Style Pakistan-India and Trade Development Authority of Pakistan (TDAP) etc. These contacts help us to get necessary insights for our concept(s) that we present on seasonal basis, and keep us in touch with market trends in developing our products and service...” (Marketing Manager)*

*Additionally, we are visiting our international clients and world markets to updates ourselves about market prevailing trends through visiting our international customers, markets and participating in exhibitions. Which we further converted in our own developments. This enables us to present our own registered innovative designs and fabrics as marketing tools to different regions and markets in short possible time....” (Manager sale and Marketing Planning)*

*“...Such inquiries are carrier of external information and new insights and recent market trends that are vital for operations and existence. It exposes us to new ideas, alternative techniques of doings things and to fill the gap for new machines, techniques and technology. We include certain parameters of these orders in our product concepts and designs as we reengineer it according to our need. We got an order form our Bulgarian customer for “Green First Finish” that was a totally new finish for us. We request for detail specifications and technicalities they equipped us with all necessary information. We searched and finally found a local supplier importing such chemicals from France. We contacted the supplier; we got our required stuff and successfully developed the sample and send accordingly to our clients and his mentioned accreditation company in France. ... Now we can confidently develop and produce Green First Finish products. It shows the important players and supply chain partners (i.e. supplier, dyes producer and accreditation agency etc.) for our future contacts...” (Export Officer)*

Similarly, GTML imitate and or emulate the best products and processes to meet the latest demand for modern products in short possible time. In the home textile, generally the product life is about 4-6 months dependent on season, therefore GTML use imitation

beside R&D in the development of its seasonal collection to present and meet the demand for the latest products.

*“...These orders are vital from the learning and gaining experience perspectives as these are information and knowledge carriers from outside. It exposes us to new concepts and different means of doings. Working on unique orders enables us to put hand in new machines, techniques and technology. We extend and keep developing on such unique orders as our R&D and design teams continuously presetting novel designs and fabrics for future business...” (Manager Marketing)*

*“...Interaction with diverse foreign customers is vital source of learning and an opportunity for experiencing new things on regular basis. The relations with international clients help us to learn about different regions and market needs, latest technology and techniques, vital value chain actors and other forces. Based on our interaction and learning from our international customers we shape our strategy and tactics to become more skillful and competitive. As at one side we adapt the latest best practices to serve the present market needs for our survival while on the other hand based on the existing practices we create more possibilities and products in new directions for future developments...” (Export Officer)*

*“...We gained experience and learned on continuous basis while working with different customers, sourcing partners about latest techniques, procedures and technology. We are getting information about the market needs, trends and fashion through our visits, marketing offices, participating in trade expos and other means. Similarly, we came to know about the best and alternative solutions, suppliers and competitors. This is the way we keep learning, manufacturing and running our business in an integrated way...” (Marketing Manager)*

GTML use imitation and emulation for improvement in textile production and processing techniques to bring innovative ideas, skills, tools and latest processes in finishing.

*“...These orders are vital from the learning and gaining experience perspectives as these are information and knowledge carriers from outside. It exposes us to new concepts and different means of doings. Working on unique orders enables us to put hand in new machines, techniques and technology. We extend and keep developing on such unique orders as our R&D and design teams continuously presetting novel designs and fabrics for future business. For example, I got an order form one of my Bulgarian clients for “Green First Finish” that was totally new concept for us, as we never done such finish before. I request the Clint to provide me detail specification; they educate me about this special finish. We evaluate it for possible solution and execution we almost spent 15 days and at last we broke the code. We got one source from Karachi, i.e. the supplier importing such chemicals from France. We got it from that supplier, applied it and successfully develop the sample fabric. The client demanded for two samples, one for them and one for the accreditation company in France. They evaluate the sample, checked and certified it. We got the logo and certification that we are producers of “Green First Finish”. Now we can confidently develop and produce Green First Finish products. It also exposes important players and supply chain partners for future business and contacts...” (Marketing Manager)*

*“...these orders challenge us and evaluate us form different perspectives, mean that we know ourselves, we judge our expertise, capabilities and deficiencies. Such inquires carries information and knowhow from outside as we always get some new insights and market trends that are vital for our existence. It exposes us to innovative ideas and alternative techniques of doings things and to fill the gap for new machines, techniques and technology. We extend the certain aspects of such order to our register designs and samples that we are using for marketing for future business. ...” (Manager Sale and Marketing Planning)*

## **Training**

Training plays a vital role in development and advancement of GTML operations. GTML include modern approaches in its operations, processes and various production stages through customer specifications and training to comply with international standards and improve overall performance.

*“...we get a detail specifications and requirements whenever we received an inquiry or order from different clients. Customers always send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing spec which we should take care of in fulfilling their orders. Sometimes we get guidance or short training in quality and waste control etc. Similarly, we get instructions and tips from suppliers for the use of new acquired machines, labs and testing tools for perfect treatment. Similarly, based on working with certain clients lead us to different standards and certifications from their requirements. Our UK based sister company who is also our client helping us on continuous basis in designs and innovative treatments in our products...” (Export Officer)*

*“...Every client places the order with full specifications and requirements. Customers always send their requirements in yarn, fabric type, washing and dozens of actives which we are supposed to carry in handling their orders. Our products should comply with all the demanded requirements of the customers from every aspect. Beside customer elaborated specifications, other value chain actors such as suppliers, sourcing partners, international consultants, designers, and sister company continuously train and guide us about latest techniques for improvement and efficiency in our operations. We learned about different standards and certification from the requirement of customers from different regions...” (Manager sale and Marketing Planning)*

*“...Beside International standards, every customer working in specific region has regional specific standards and requirements. For example, EU has different standards in fiber, dyes, chemicals, processing and protecting environment than other regions say USA. The EU customers for example German clients prefer original fiber i.e. 100% cotton, French clients always ask for fair trade and natural dyes etc. To work with international clients, we should have to comply with their regional standards as well. We acquired certifications and training from leading accreditation bodies and consultants. We are certified company as have ISO-9001, Global Organic Textile Standards, REACH, GOTS, OEKO TEX-100, Green Living Europe, Cotton USA certified (ASA) ...” (Export Officer).*

## **Customer Specification**

Customer Specification(s) is vital in multidimensional way that GTML learning about modern techniques and processes in its operation to improve its production base, develop contacts in international markets, meet latest demand for quality products and services

The main reason to meet customer specific needs and demand is to strengthen existing ties and/ or establishing new with existing or potential customers.

*“...every customer has his own like and dislike in size, different types of quality and other requirements like yarn counts and type, some markets like Germany want original fiber like 100% cotton, other needs blended i.e. mixture of cotton and polyester fiber and fabrics, some are price conscious customer, they need reasonable quality, as they are targeting low or average quality products, but there are very few in numbers. Because EU has his own*

*standards for quality and specifications and we are strictly following EU requirements i.e. REACH. When we followed REACH, we cannot calculate price below these standards and we can't produce product with low quality at low price that is why we are offering the average price to EU clients. If they want more below then we asked them to not stick with REACH standards and requirement. Because the raw materials used in the products complying with REACH standards are expensive than ordinary products and we cannot meet the demand and comply with the REACH standards. Below RACH we inform the customer well before booking the order to avoid any confusion in the production and every aspect of the order. Some clients have printing requirements i.e. OKEO TEX requirement, this is purely dye chemical requirements and ISO standards. We are certified in all three. We are also Organic Cotton certified, we are dealing and purchasing from the growers who cultivated cotton in natural and organic way. The fiber is cultivated in an organic way and we are using all dyes and chemicals sourced from organically cultivated suppliers. These types of product are comparatively expensive than ordinary and mostly tops brands are demanding and dealing in organic products. Some of our French clients are also demanding for Fair Trade products; we are also certified in that area. These products are expensive than that of non-fair-trade products. Fair Trade products benefit the supply chain partners' and stakeholders i.e. local community, grower from raw materials to the finish product. The clients pay more prices in this regards to support and help the local people. .”... (Marketing Manager)*

*“...Additionally, new things are evolving and emerging in their orders as some customers initiated their own requirements to be prominent in their dealings. We are fully complying with the international standards to keep working with our clients...” (Manager Marketing)*

*“...Our operations are customer centric, as we are continuously collaborating and learning with customers in order to respond to their individual and emerging needs. Our aim is to gain and maintain their trust and reliance on us on a perpetual basis through excellence in manufacturing and customer services. It enhances our sales and exports in international markets. We have the policy to have continuous and long-term relation with our customers at every cost. At one side, it contributes to keep our business with the existing clients, develop more over time and learning about latest happenings in their markets and region...” (Manager sale and Marketing Planning)*

*“...we have about 70% increases in our foreign clients form the last 5-7 years. Earlier our business and export were limited to EU and specifically to the UK market. Now we expand our operations to Far East, Middle East, North America, South Asia, South Africa and small portion to South American markets in both finished home textiles products and fabrics (i.e. processed and greige fabrics)....” (Manager sale and Marketing Planning)*

*“...There is no boundary in business for religion culture and other parameters are not hurdle at all, everyone is working for his benefits, profits and efficiencies in operations. Clients working with us as long as we are attractive and profitable for them, otherwise they switch to others. Similarly, we are doing the same in our supplies (raw materials). If they found other suppliers attractive they defiantly switched to others. Now it depends on us how we manage to engage and retain them. If we provide the demanded quality, delivery at average price they will stick with us, otherwise they will jump out of the pan I can't say anything categorically. It is very hard to attract and develop clients form the scratch, as you need lots of resources and energy to persuade the clients with your actions and offerings. We have the policy of long-term relationships with our clients. Once it develops we retain him at every cost and cultivate it over time. Some prestigious brands and chain have their accounts with us form the last 16-18 years. We have also some transactional buyers who come and go on continuous basis. We consider our clients as partners; we value them with positive response...” (Marketing Manager)*

*“...Our aim is to gain and maintain the customers' trust and reliance on a perpetual basis through excellence in manufacturing and customer services to become the major exporter from Pakistan. We have the policy to have continuous and long-term relation with our customers at every cost. At one side, it contributes to keep our business with the existing clients, develop more over time and learning about latest happenings in their markets and regions. We invest in men, machine and latest techniques to best match with their demanded specifications. We continuously entertain them with innovative designs, finishes, fabrics and marketing tools to keep the beat of our proactive approach through our sales and marketing offices. We present our registered design in trade expos at local and international level to attract potential clients for future development. Beside transactional customers some leading*

*brands and chain are our permanent customers form the last 18 years. In the last 6 years, we almost added 30 new customers...*” (Export Officer)

GTML use diverse customer specifications as a constant source of improvement to bring new insights into exiting production and processes (i.e. finishing and printing etc.)

*“...some brands and customers need extra treatments in their products for better value through inclusion in aesthetic, functionality and quality. They go for advanced finishes, dyes and processing such as Plain Dyed, Normal Finish, Easy-care Finish, Non-Iron Finish, Anti-Allergy Ultra Fresh Finish, Nano-tex, Wrinkle Free Finish, Sanforising, fire retardant, anti-mice, water proof, Mercerizing and Stain Resistance etc. We are competently applying such finishes as we invested in state of the art processing mills and paying for the license and patents to the innovators and suppliers of such finishes for the use in our production....”* (Marketing Manager)

*“...form the last five years’ things are dramatically and completely changed. First, if we look on the customer standards, it almost revised and changed. Right now, if we work with US or EU markets, they will send us the minimum requirements for each and every order like REACH. Five years or back they were not requiring different standards and specifications with such intensity as of today, now they are demanding in every order. Additionally, new things are evolving and emerging in their orders as some customers initiated their own requirements to be prominent in their dealings. We are fully complying with the international standards to keep working with our clients. Five years back only few big clients required labs test, final inspection and audit reports, but right now every establish client require final test lab reports in every deal, some customer require third party audit and inspection reports. They hired different consultants and Inspection Companies like SGS, Cotecna and other known for their audit and quality control service. They inspect and audit on customer behalf at our premises...”* (Manager Marketing)

*“...we get a detail specifications and requirements whenever we received an inquiry or order from different clients. Customers always send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of spec which we should take care of in fulfilling their orders. Sometimes we get guidance or short training in quality and waste control etc. Similarly, we get instructions and tips from suppliers for the use of new acquired machines, labs and testing tools for perfect treatment...”* (Export Officer)

Similarly, meeting with customer specification for the latest products and practices enables GTML to extend its operations more intensively to international markets.

*“...Our operations are customer centric, as we are continuously collaborating and learning with customers in order to respond to their individual and emerging needs. Our aim is to gain and maintain their trust and reliance on us on a perpetual basis through excellence in manufacturing and customer services. It enhances our sales and exports in international markets....”* (Manager sale and Marketing Planning).

*“...we have the policy to have continuous and long-term relation with our customers at every cost. At one side, it contributes to keep our business with the existing clients, develop more over time and learning about latest happenings in their markets and region. We invest in men, machine and latest techniques to best match with their demanded specifications. We continuously entertain them with innovative designs, finishes, fabrics and marketing tools to keep the beat of our proactive approach through our sales and marketing offices in various parts of the world...”* (Export Officer)

*“...We tripled our production capacities and capabilities to accommodate international market demands. Similarly, we are a step further in our operations as we are providing latest finishes, dyes, and treatments and processing to improve quality and stay at the higher end. We are developing and presenting our own registered designs through research and development as a marketing tool on annual basis, which shows our class and innovative capabilities. We diversified our business as we started producing and registered our own brand in fashion clothes. ...”* (Marketing Manager)

TML uses customer specifications as mean to continuously respond to the emerging needs for high value and superior products and latest processes. GTML consequently offer high end products to meet customer needs.

*“...the customer needs totally new parameters and processes when it comes to quality, specifications and value addition. The consumer taste for fashion, aesthetics and designs are changed in such a way that we never imagine it. Now customer is more aware about regional and international standards regarding sustainability, environment, CSR and ethics. We are constantly adopting latest practices in our operation to improve the required quality and standards in our offering, handling and operations ...” (Export Officer).*

*“...We are following and implementing the market centered philosophy i.e. to learn about customer needs, influence of technology, competition and other forces to be competitive. We are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines which enable us to certain extent to include internationally demanded trends in our productions. We induced innovative and latest finishes, dyes and treatments of world’s leading supplier like Investa, DuPont GREEN LIVING etc. in our operations to improve product quality and functionality....” (Manager sale and Marketing Planning)*

## **Certification**

GTML got certificates and standards in order to work under internationally recognized criterion to have legitimacy in its operations. GTML is a certified company, enable its ability to meet the recent market needs in accordance to internationally accepted standards for better performance.

Compliance with Clint’s specific, regional and international standards create acceptance and trust in GTML operations and way of legitimacy

*“...when it comes to the soft issues different regions have specific standards and requirements beside international standards for example EU and US have different standards in fiber, dyes, chemicals and processing. For example, EU clients prefer original fiber i.e. 100% cotton, fair trade and natural dyes etc. Additionally, every leading customer has set their targets in reducing their operations impact on environmental i.e. water and energy efficient specific washing and finishing, the use of chemicals, waste disposals, water treatment, emission of CO<sub>2</sub>, other treatment and processes, nature of cotton according to their region and segment. To do business ties with such customers the suppliers must have to fulfill its required standards.... Gohar textile Limited is a certified company as ISO-9001, Global Organic Textile Standards, REACH, GOTS, OEKO TEX-100, Green Living Europe, Cotton USA certified (ASA)....” (Manager sale and Marketing Planning)*

*“...Our products should meet and comply with all the requirements of the customers from every aspect. Our sourcing partners, clients, international consultants, designers, suppliers and sister company personnel continuously train and guide us about their required criteria. Very recently we got different standards and certifications from the requirements of our customers...” (Marketing Manager)*

*“...additionally, the industry is highly diverted towards CSR and sustainability in using alternative chemicals, dyes, cotton in production and processing in order to reduce the carbon foot prints. There are number of regional and international standards and certifications which are the norms of today’s international business.... At our firm level, we are addressing these changing industry trends through continuous investment in men, machine, latest techniques and certifications to meet the demand in time....” (Manager sale and Marketing Planning)*



GTML compliance with standards through certification are also a way to meet the latest demand for different standards in use of chemicals, CSR, and others.

*“...to start business for the first time, they need some fundamental requirements about our production capabilities and capacities, our R&D and handling of issues like environment, labor and CSR etc. They or their representative visit our facilities for their satisfaction. Once they satisfied from there, then they come of hard issue such as quality, cost and delivery time. .... EU has his own standards for quality and specifications and we are strictly following EU requirements i.e. REACH..... Some clients have printing requirements i.e. OKEO TEX requirement, this is purely dye chemical requirements and ISO standards. We are certified in all three. We are also Organic Cotton certified, we are dealing and purchasing from the growers who cultivated cotton in natural and organic way..... Some of our French clients are also demanding for Fair Trade products; we are also certified in that area....”* (Marketing Manager)

*“...the market demand for advanced and unique treatment and standards that are changed from the past. Majority of clients requires certifications, final lab test reports, third party audit and quality inspection at different production stage. Consequently, we update our system, equipment, handling and operations in response of such changes in time, as we know very well that it will be the rule of the future game...”* (Manager sale and Marketing Planning)

*“...there are number of regional and international standards and certifications which are the norms of today’s international business. Moreover, there are constant improvement in machines, systems and technologies to improve quality, reduces production cost and time.... we are addressing these changing trends through continuous compliance with standards investment in men, machine and latest techniques to enhance our handling and dealings in meeting the demand in timely manner ...”* (Manager sale and Marketing Planning)

*“...Generally, textile industry is amongst the most changing industry from every front, as there are changes in technology, machines, demand, ethics, CSR and sustainability. As we say that “it changes from cotton to waste bins”. There are innovations in production and processing techniques, supply chain, market trends and business models on regular interval..... we are addressing these changing trends through continuous involvement in certifications, investment in men, machine and latest techniques to enhance our firm performance in handling the upcoming uncertainties in market demand...”* (Manager sale and Marketing)

## **Implementation of New Machinery**

GTML continuously acquire, source and apply state of the art equipment and processes in production as per need of the international demand. The main motive for the application of state of the art hardware is to decrease the technology gap for the increasing demand of high quality textiles and latest processing techniques. Constant induction of latest machine provides GTML technical competencies in its operations to retain existing clients by fulfilling their latest demand and signaling potential customer for new business ties.

Continuous acquisition of modern machines enhances GTML competencies to define and improve the quality standards to match with the demanding requirements of products.

*“...Gohar Textile Mills was founded in 1993 in a renowned city of Faisalabad for its textile industry. We are a vertically integrated textile manufacturing company specializing in the production of a wide range of home textile. We have based our production on the foundations of good understanding of customer requirements and market research. It is our constant endeavor to continuously define and improve the quality standards to match up the demanding requirements of our customers. We are committed to providing high customer service quality which is backed with modern high standards of production. The name and quality promise of Gohar Textile Mills is today synonymous, with the needs and demands of global clients & top brands around the world...” (Company Presentation)*

*“...We continue our production endeavor by investing in setting up a state of the art weaving plant in 1997 as Gohar Weaving Mill. This investment enables us to produce high quality and value-added fabrics of different types to meet our in house and international demand...” (Export Officer)*

*“...Similarly, we keep expansion of other units on continuous basis, as we further expand the weaving unit through the installation of 100 Air Jet Looms in 2001 and 300 additional Auto Looms in 2003 respectively. The major drive for this expansion was to increase the production capacity and to accommodate the increasing need for quality products ...” (Manager sale and Marketing Planning)*

*“.... In 1995, a new plant for the production of quilts was established in Gohar Textile Mill through investment in latest equipment and machine to cater the increasing demand for technical quilts in international markets. In 1997, new investment was made in setting of a small weaving unit (i.e. Gohar Weaving Mill) with 100 Sulzer Looms latest at that time to meet the needs for own fabrics and export some quantity. In 1999, an expansion was made in stitching unit to increase the production space, accommodate diverse stitching demand form international clients. Further expansion was made in weaving through installation of latest 100 air jet looms in 2001 and 300 auto looms in 2003 respectively. These successive installations increase the production capacity to accommodate the increasing demand for diverse range of processed and greige fabrics. In 2006, we made huge investment by setting up state of the art processing mill as Gohar Textile Mills Limited. The setup is equipped with latest plant, equipment and machinery to fulfill the requirements for latest and value-added processing, finishing and dying. Since 2013, we started the erection of our latest spinning unit to complete the vertical aspiration. The spinning unit will enable us to control for the desired quality yarn and supply chain. It is expected that the spinning unit will start production by March 2015...” (Manager sale and Marketing Planning)*

The execution of modern machines and equipment are necessary condition for involvement in latest textile production and processes which consequently improve firm performance.

*“...We are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines to equate our self with advance applications and processes which enable us to certain extent to meet any emerging demand and improve our overall performance. We induced innovative and latest finishes, dyes and treatments of world’s leading supplier like Investa, DuPont GREEN LIVING etc. in our operations. We purchase their patents and license for the use of their innovative finished, dyes and finishing on our products to meet latest demand for trendy and high-quality products...” (Marketing Manager)*

*“...With the dynamic in market and changes in technology every customer is adapting and using latest applications and software packages in their processes and operations for efficiencies, clarity in actions, and entire value chain. Almost every customer uses his own system for purchase order, what they do they issue order on a specific supplier name through their website. We draw the order as we have specific identity and password in the client system. In the same way, we sign the order on the website and updates the clients from the production to the supply schedule. The customer needs totally new parameters and processes when it comes to quality, specifications and value addition. The consumer taste for fashion, aesthetics and designs are changed in such a way that we never imagine it. Now customer is more aware about regional and internationals standards regarding sustainability,*

*environment, CSR and ethics. We are constantly adopting latest practices and systems in our operations to create efficiency, improve quality and comply with standards in our offering, handling and operations ...” (Export Officer).*

*“... In 1993, we stated movement towards self-reliance as the company entered in its own production by setting up a latest stitching unit in the start in the name of Gohar International in Faisalabad. In 1995, we established a quilting unit in Gohar Textile Mill through investment in latest equipment and machine to cater demand for technical quits in international markets from our own production unit. To decrease our production dependency on supplier, in 1997 we set a small weaving unit (i.e. Gohar Weaving Mill) with investment in 100 Sulzer Looms latest at that time to meet the needs for own fabrics and also export some quantity. Later in 1999, further expansion was made in stitching area to increase the production space, accommodate diverse stitching demand form international clients. Similarly, further expansion was made in weaving through installation of latest 100 air jet looms in 2001 and 300 auto looms in 2003 respectively. These successive installations increase the production capacity to accommodate the increasing demand for different quality and range of fabrics. In 2006, a state of the art processing mill as Gohar Textile Mills Limited was established through a huge investment. The setup is equipped with latest plant, equipment and machinery to fulfill the requirements for latest and value-added processing, finishing and dying. In 2013, a twist was made in our offering, as we enrich our product line through diversified our product line. We simultaneously started the production and launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, Bangladesh, India, UAE and UK reputed garments and fabric stores. We were feeling deficiencies in our vertical facility since our involvement in production. Since 2013, we started the erection of our latest spinning unit to complete the vertical aspiration. The spinning unit will enable us to control for the desired quality yarn and supply chain....” (Export Officer)*

GTML invested in latest machines/system to retrain the existing clients and develop new ties overtime through matching with the latest requirements of international market.

*“...In 2012, we diversified into the designing and production of garment clothing in local market. What we done we invested in printing and embroidery machines and used the same production facility in producing garment fabrics with latest prints. We hired and collaborate with top local designers to design our garment fabrics collection and special embroidery. In 2013-14 we started selling garment fabric under our own brand in Bangladesh, India, UK and UAE through sales agents ....” (Marketing Manager)*

*“...We keep the movement and expansions in our value-added activities through continuous and need base investment in latest testing tools, labs, equipment, R&D and designers. This enables us to diversify our production into new directions i.e. garments fabrics (Lawn). Since 2012 we are producing and selling in local markets...” (Manager sale and Marketing Planning).*

*“...Our aim is to gain and maintain the customers’ trust and reliance on a perpetual basis through excellence in manufacturing and customer services to become the major exporter from Pakistan. We have the policy to have continuous and long-term relation with our customers at every cost. At one side, it contributes to keep our business with the existing clients, develop more over time and learning about latest happenings in their markets and region. We invest in men, machine and latest techniques to best match with their demanded specifications. We continuously entertain them with innovative designs, finishes, fabrics and marketing tools to keep the beat of our proactive approach through our sales and marketing offices in various parts of the world. We present our registered design in trade expos at local and international level to attract potential clients for future development. Beside transactional customers some leading brands and chain are our permanent customers form the last 18 years. In the last 6 years, we almost added 30 new customers...” (Export Officer)*

## **Vertical Production Facility**

GTML invested in latest production setup over time to decrease its reliance on external production and have control of the vital production and value stages. GTML successfully executed the composite aspiration for production and uses as source to control the supply chain for the desire depth and varieties and demanded quality for better performance.

*“...We stick to the upstream movement for value addition and control of important stage as a result of investment in latest weaving plant in 1997 i.e. Gohar Weaving Mill...” (Marketing Manager)*

*“...Since 2013, we are in the erection phase of our spinning unit which is a mile stone towards the completion of our aspirations towards vertical integrated production facility. It is expected that the spinning unit will start its production by March 2015, it will help us to control the value chain for desired quality yarn and shorter supply time...” (Manager sale and Marketing Planning)*

*“...We are semi-integrated production facility as we don't have our own spinning unit at the moment; we acquired and sourced our required quality yarn from local partners. Our Spinning unit is in the completion phase and by March 2015 we will be fully vertically integrated unit to have complete hold of value chain for better performance in quality and supply...” (Marketing Manager)*

*“... Yes, absolutely it has deep effect in retaining and attracting potential clients for our future business developments. I mentioned earlier that we continuously invested in infrastructure, innovative designs, techniques, processes and production that help us to spread our activities web wider under one roof. It is customer psyche that they prefer one stop shopping and extend their business with suppliers to whom they have previous good experience and relation. If we look 7 years back, at that time we were working with about 30 smalls and some big clients, but now the number is almost reached to 70...” (Export Officer)*

## **R&D and Reverse engineering**

R&D and Reverse engineering is a main way for creation of new and or reformulation of existing knowledge, production process and practices. Engagement in R&D and Reverse engineering show case GTML innovative capability in meeting latest demand for high quality products which is prerequisite for developing business ties and sale growth in international markets.

*“...In 2013-14 we started selling garment fabric under our own brand in Bangladesh, India, UK and UAE through sales agents. In 2013, we actively engaged with designers and established R&D and Design Studio units to offer innovative designs, prints and end products according to the latest needs of international markets to enhance our sale...” (Marketing Manager)*

*“...Similarly, we expand our business horizon as we extend our operations to Far East, Middle East, North America and small portion to South American markets in both finished home textiles products and fabrics (i.e. processed and greige fabrics). We are on our toe to invest constantly in latest machines, men, design studios and R&D to cater the increasing demand for latest home fashion textiles...” (Marketing Manager)*

*“...we have about 70% increases in our foreign clients form the last 5-7 years. Earlier our business and export were EU centric and specifically to the UK market. Now we expand our operations to Far East, Middle East, North America, South Asia, South Africa and small portion to South American markets in both finished home textiles products and fabrics (i.e. processed and greige fabrics). We are constantly investing in latest machines, men, design studios and R&D to cater the increasing demand for latest home fashion textiles and market emerging needs...” (Manager sale and Marketing Planning)*

*“...A wide range of product was developed and markets through our sale offices to cater buyer's preferences in different quality and prices. We introduce fancy and special items like Dobby designs; Bedford cords Cavairy Twills and stretch fabrics at premium prices. We constantly involve in Reverse engineering, latest production and processing that consistently expanded our buyer base and explore different markets around the world...” (Export Officer)*

*“...Similarly, to keep the beat of expansion and value addition in our operations we continuously invested in experts, designers, R&D and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. Additionally, we are visiting our international clients and world markets to updates ourselves about market prevailing trends. Which we further converted in our own developments. This enables us to present our own registered innovative designs and fabrics as marketing tools to different regions and markets. We present our designs and fabrics on regular basis to inspire, and attract new clients...” (Manager sale and Marketing Planning)*

GTML uses Reverse engineering as the way to improve its existing textile production, processing techniques and product quality by inducing new features in its operations.

*“...We extend and keep developing on such unique orders as our R&D and design teams continuously presetting novel designs and fabrics for future business...” (Marketing Manager)*

*“...As at one side we adapt the latest best practices to serve the present market needs for our survival while on the other hand based on the existing practices we create more possibilities and products in new directions for future developments. Similarly, these engagements force us to invest in R&D, latest technology and machines to cater the presents and emerging needs of the market...” (Export Officer)*

*“...We gradually learned important aspects and started our own production which we further extend to both up and downstream operations and become vertically integrated company. We further extend our operations to highly value addition (i.e. sale and marketing under our own registered design and brands) ...” (Manager sale and Marketing Planning)*

Similarly, GTML uses Reverse engineering as an approach to extend its offering into new direction (I.e. Lawn business) under its own trade name and registered collection.

*“...We move down as we are selling under our own brand name is garment fabric and are in the processes of launching our own brand in home textile as well...” (Manager sale and Marketing Planning).*

*“...Since 2013, we are continuously involving in R&D and designing to design and develop our registered products in fabrics and finished products in home textiles and fashion clothing fabrics to retain and attract clients in different product categories...” (Export Officer)*

*“...our newly established R&D, testing labs and design centers backed by our UK based sister company. It enables us in designing, developing and presetting our own register products in fabrics, finished items and fashion clothing fabrics...” (Manager sale and Marketing Planning).*

## **Trade Fair and Commercial Office**

GTML established sales and marketing office at different location as a tool to projects its products through a direct contact with clients and get the latest trends of specific region(s). GTML actively participate in trade fairs/expos as a mean to present its latest products to attract clients and get new insights and information about the latest happenings in world markets.

*“...our sales and marketing offices in Pakistan, UK and Germany enables us to project our products, explore new markets segments and customers for our quality and customized products ranging from fabric to home fashion textile according to customer needs. .”... (Marketing Manager)*

*“...our regular collaborations with experts, designers and investments in R&D and design facilities enable us to produce latest trends in prints, finishes and fabrics confection. Based on this expertise we present our own registered designs and fabrics as marketing engine to inspire and develop new clients. We visit our customer, world markets and participate in exhibitions and trade expos like Heimtex, Moscow Textile Fair, Indo-Pak Fashion Street-India, Life Style Pakistan-India and Trade Development Authority of Pakistan (TDAP) etc. These contacts help to get necessary insights for our concept(s) that we present on seasonal basis, and keep us in touch with market trends in developing our products and service. ...” (Marketing Manager)*

*“...We continuously entertain them with innovative designs, finishes, quality fabrics as a marketing tool to keep the beat of our proactive approach through our sales and marketing offices. We present our registered designs in local and international trade expos on regular basis to attract potential clients for future development. Beside transactional customers some leading brands and chain are our permanent customers form the last 18 years. In the last 6 years, we almost added 30 new customers...” (Manager sale and Marketing Planning)*

*we are participating in trade expos and conference at local and international level to present our innovative products to potential buyers and to know about latest developments in prints, finishes and fabric confections. We collect information from various sources, convert it through our R&D and design units in designing and developing latest registered products in fabrics (home textile and fashion clothing) and wide range of home textiles ...” (Export Officer).*

## **Learning by Doing**

GTML engagement with diverse customers and markets result in learning and gaining experience over time. GTML uses such experiential learning as a source to improve in its existing production and processing techniques, which further enhance its ability to develop contacts and improve firm performance.

GTML uses such learning for the improvement in textile production and processing techniques

*“...Working on unique orders enables us to put hand in new machines, techniques and technology. We extend and keep developing on such unique orders as our R&D and design teams continuously presetting novel designs and fabrics for future business. For example, I got an order form one of my Bulgarian clients for “Green First Finish”*

*that was totally new concept for us, as we never done such finish before. I request the Clint to provide me detail specification; they educate me about this special finish. We evaluate it for possible solution and execution we almost spent 15 days and at last we broke the code. We got one source from Karachi, i.e. the supplier importing such chemicals from France. We got it from that supplier, applied it and successfully develop the sample fabric. The client demanded for two samples, one for them and one for the accreditation company in France. They evaluate the sample, checked and certified it. We got the logo and certification that we are producers of “Green First Finish...” (Marketing Manager)*

*“...Such inquires carries information and knowhow from outside as we always get some new insights and market trends that are vital for our existence. It exposes us to new ideas and alternative techniques of doings things and to fill the gap for new machines, techniques and technology. We extend the certain aspects of such order to our promotional collection, register designs and samples for marketing and future business....” (Manager sale and Marketing Planning)*

*“...Interaction with diverse foreign customers is vital source of learning and an opportunity for experiencing new things on regular basis. The relations with international clients help us to learn about different regions and market needs, latest technology and techniques, competitors, vital value chain actors and other forces....” (Export Officer)*

GTML way of learning by doing is vital in developing contacts in the market, based on working with certain clients GTML learn and gain certain aspects which can extend to other ties and similar situations.

*“...Based on working and learning from different customer in a certain situation or setting can help us in relationship development with the existing customers and or with the potential ones. We can extend such learning and experiences to establishing new relationship with potential customers’ particulars in the same market or their competitors in other markets. Similarly, these interactions with customers make visible the important players in the value chain or network which are important for the inclusion of new aspects in our production and future business developments. These diversified orders are the best way to learn and hands in experience for future engagements...” (Manager sale and Marketing Planning)*

*“...Based on our interaction and learning from our international customers we shape our strategy and tactics to become more skillful and competitive. As at one side we adapt the latest best practices to serve the present market needs for our survival while on the other hand we create more possibilities and products in new directions for future developments...” (Export Officer)*

*“...We are extremely open and flexible towards any idea and information from any source. Our learning and gaining new perspective is on daily and task basis through multiple nodes and sources. We bring in best practices, ideas, concepts and innovations we discuss it, adapt it, copy it or develop new ones based on existing form different angels and parameters. ....” (Marketing Manager)*

*“...interaction with different customer and suppliers brings us something new, as every order represent specific region’s or segment behavior in a more detailed fashion. Working with clients from different regions around the world is a complete package of information about hard and soft issues ranges from simple product specifications, designs to compliance with standards, certifications and complex designs and fabric construction ...” (Export Officer)*

## Sales Agents

GTML uses sales agents and stockists as an effective way to sell its products directly to customer/ consumers. Using Sales agents are relative fast and effective way to establish connections and promote its brand/register collection in market (i.e. local and foreign).

*“...In summer 2013, we sale the garment fabrics under our own brand and registered styles, designs and collections both in local, Bangladesh, India, UAE and UK successfully through exclusive agents. This move opens new doors of diversification and value additions in our operations to market and fulfill the demand in fashion clothing needs of the East...” (Manager sale and Marketing Planning)*

*“...In 2013-14 we started selling garment fabric under our own brand in Bangladesh, India, UK and UAE through sales agents. In 2013, we actively engaged with designers and established R&D and Design Studio units to offer innovative designs, prints and end products according to the latest needs of international markets and enhance our sale...” (Marketing Manager)*

*“...We diversified our product line in 2013, as we produced and launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, Bangladesh, India and UK simultaneously through stockists...” (Manager sale and Marketing Planning)*

*“...In 2013, a twist was made in our offering, as we enrich our product line through diversified our product line. We simultaneously started the production and launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, Bangladesh, India, UAE and UK through reputed garments and fabric stores...” (Export Officer)*

## License

License and patents are the main source to induce world leading innovative finishes, processes and treatments in operations. GTML uses license as a way to include ready-made treatments and latest processing techniques in its operations to meet the increasing demand for high quality products.

*“...advanced finishes, dyes and processing such as Plain Dyed, Normal Finish, Easy-care Finish, Non-Iron Finish, Anti-Allergy Ultra Fresh Finish, Nano-tex, Wrinkle Free Finish, Sanforising, fire retardant, anti-mice, water proof, Mercerizing and Stain Resistant. We are competently applying such finishes as we invested in state of the art processing mills and paying for the license and patents to the innovators and suppliers of such finishes for the use in our production. It enhances the quality, aesthetic and functionality of our offering. ...” (Marketing Manager)*  
*“...dyes and processing such as Plain Dyed, Normal Finish, Easy care Finish, Non-Iron Finish, Anti-Allergy Ultra Fresh Finish, Nano-tex, Wrinkle free Finish, Sanforising, Mercerizing, water proof, fire retardant and Stain Resistant etc. These treatments are increasingly using for improvements in functionality, quality and value of product. We invested in latest techniques and paying for such finishes to include it in our products. ...” (Manager sale and Marketing Planning)*

*“...We are doing all kind of finishes as per demand, what we do, we pay for license to different suppliers for the use of their dyes, treatments and latest processes in our operations...” (Export Officer)*

*“...We induced innovative and latest finishes, dyes and treatments of world’s leading supplier like Investa, DuPont Green Living etc. in our operations to improve product quality and functionality. We purchase their patents and*



*license for the use of their innovative finishes, dyes and treatment on our products to meet the demand for high quality products. ....” (Manager sale and Marketing Planning)*

GTML accommodate latest orders for unique finishes from different customer through acquiring latest finishes form innovative suppliers

*“...Similarly, we are acquiring latest and innovative finishes dyes and coating techniques from world’s leading suppliers through licenses to accommodate market leading features in our products and processes...” (Marketing Manager)*

*“...We got an order form our Bulgarian customer for “Green First Finish” that was a totally new finish for us... We request for detail specifications and technicalities they equipped us with all necessary information. We searched and finally found a local supplier importing such chemicals from France. We contacted the supplier; we got our required stuff and successfully developed the sample and send accordingly to our clients and his mentioned accreditation company in France. They assessed, checked, approved and certified the sample. We got the logo and certification that we are producers of “Green First Finish”. Now we can confidently develop and produce Green First Finish products. It shows the important players and supply chain partners (i.e. supplier, dyes producer and accreditation agency etc.) for our future contacts...” (Export Officer)*

## **Design Studio**

GTML established a design studio to get competencies in creative concept, novel designs and processes. GTML use design studio as a source to offers innovative designs and quality products as per demand to develop contacts (strengthen existing and develop potential)

*“...In 2013, we actively engaged with designers and established R&D and Design facilities to offer innovative designs, prints and end products according to the latest international markets need to enhance our sale...” (Marketing Manager)*

*“...our regular collaborations with experts, designers and investments in R&D and design facilities us to produce latest trends in prints, finishes and fabrics confection. Based on this expertise we present our own registered designs and fabrics as marketing engine to inspire and develop new clients...” (Manager Marketing)*

*“...We started our R&D and designing unit to design, develop and present our registered products in fabrics, finished items and fashion clothing fabrics to retain and attract clients in different market segments. The need base investment in R&D and designing facilities fortify our manufacturing capabilities of private labels and brands from product idea and design to full execution of finish product....” (Manager sale and Marketing Planning)*

*“...We have the capabilities to produce innovative products by applying latest finishes through our newly established R&D and local and UK based design units...” (Export Officer)*

## Technical Advices

GTML provide technical recommendations in design, product aesthetics and processing on regular basis. These are necessary for the smooth running of order on production floor at one side and create positive image for GTML of being technical competent supplier who can be trusted by customers. GTML use technical advices as tool to improve and retain good relationship with clients.

*“...There are certain issues and aspect which are not practically possible and workable in the production and market. In such situation, we guide the clients with certain options and possible alternatives to make the production and processing easy and safeguard the clients form after sale complaints in their designed and marketed products. At the time of booking and signing the production order, we evaluate the order from every angle based on our experience. If there anything problematic we immediately contact the respective clients for clarifications and corrections. In the developing and sample production, we check and test each and every aspect of the product and if we feel something that could be problematic for us or for the clients we communicate it through proper channels for avoidance of any future problems and losses. This is also a routine that about every order is changing in some way, to make it production friendly according to our capabilities’ and capacities. We advise certain changes and get response from clients about our advices. If the customer insists on his hard and fast requirements which are hard for us in the production, then we inform the clients that he will pay up charge for such order than normal. Sometimes we can’t book any upcharge order, because those types of conditions are not workable for us in any case. Majority of orders and products are always improved in certain ways. Our advices and in time technical decisions with different options and alternatives for improvements are respected and trusted by clients, considered Gohar Textile reliable supplier...” (Marketing Manager)*

*“...about 99% orders and products are always improved in certain ways. Our advices and recommendations with certain technical alternatives for improvements are respected and trusted by clients, and make us reliable in the market...” (Manager sale and Marketing Planning)*

*“...If there are issues that could create problem in the production or after sale we inform the client in a formal way. It is common that about every order is changing in certain respect(s) to make it ready for effective and efficient execution. Sometime the clients have different view as they insist on their original parameters, if we feel that it is hard with the available means, then we ask for certain extra charges. In some cases, we don’t opt for such orders as they are problematic and can affect our relations and repute in the market that is why we don’t commit with the client. Let me share an interesting incident with one of my client from Brazil, they were going to import raw fabrics from us for the first time. I asked the contact person that you are going to buy raw fabric from us; we need to know the purpose for the use of this fabric. If we know we can manufacture this fabric according to your technical requirements. They told us that they are using the said fabrics for making blankets, they will process it, make blanket for export to Argentina. We asked about the size of the required fabric and they replied that we need 245cm, we discussed and very surprised that how it is possible that you finish the fabrics and will get 240cm. It was impossible that you will only loss 5cm in the process and will get 240cm. They replied no, no, they need to follow their technical requirements and we just need to follow them. We said ok, but we wrote an email clearly stating that “that after finishing this fabric will become much shorter and reduced to approximately 235cm instead of 240cm”. They denied repeatedly, we said ok we produced the fabric, passed through internal quality control and external quality auditors SGS and ship the container to them. They received the consignment and when they started the finishing, his production manager call, that there is a problem, as the fabric reduces to 232 cm. After that they always buy 250cm from us, sometime customer doesn’t accept our advices they stick with their own requirements as they know their market’s needs. We always advise them based on our expertise in production and technicalities of different parameters. Our recommendations and in time technical decisions with certain options and alternatives for improvements are respected and trusted by clients, and make us reliable in the market...” (Export Officer)*

## **CEO/Owner Interest**

CEO special interest and craze for change is motivating force for involvement in innovative operations and organizational changes.

Entrepreneurial orientation enables GTML meet latest demand for innovative product and shows its presence in international market despite size and resources constraints.

*“...If we look from the start it was owner and entrepreneurial back that continuously inject latest machines, men and processes through heavy investments. Similarly, our technological readiness, acquisition and absorption of knowledge for learning from various sources are vital for change and improvement in our operations....”*  
(Manager Marketing).

*“...The basic ingredient is entrepreneurial push, investments and encouragement for change that shape the company strategy. Our flexible routine and open system approach help us in acquisition of external knowledge and learning are the major drive for change....”* (Manager sale and Marketing Planning)”

*“...From the internal perspective, the main drive is entrepreneurial push, continuous injection of investments and backing change in our organizational culture shapes our strategy. Our flexible and open culture faster the acquisition, absorption of external knowledge and learning for change and involvement in latest operations...”*  
(Export Officer)

## **Negotiation and Discount**

GTML uses certain schemes and arrangement to solve business related problems with clients. These arrangements enable GTML to have good working relations in the market.

*“...In case of any mismatch in product specifications, quality, and shipment etc. we try our level best to find every possible means to resolve it for smooth ties. We have a well-developed and organized back tracking system for investigation of problems for each and every order. ...”* (Marketing Manager)

*“...we take any corrective action to solve it in short possible time through various means. Sometime leading and big customer exercise power in certain way, but we always coop to fulfill their needs for the continuity of our business....”* (Manager sale and Marketing Planning)

*“...Sometime there are distractions due to certain reasons we always trying to take corrective action to keep things on track in short possible time. We try different options and means for better settlement. Sometime leading and big customer exercise power in certain way, but we always cope to fulfill their needs for the continuity of our business....”* (Export Officer)

*“...Most of the time it arises from issues in matching certain aspects of specification and or delivery schedules. Sometime customers cooperate and understand our position, but certain clients are very strict in such incidents as they never compromise when it comes to quality or longer delays in shipment. It depends on product category and market segment. In such circumstances, we are making sincere efforts to settle down the matter in a best possible way. We replaced the defective lots, share cost; offer special discount on agreed prices, ship the consignment through fast mode of transportation and other services. Such measures have pleasant effect on relations with our clients, business longevity and future developments. We openly discuss the issue with respective clients to clear our position in a better way and rectify with relevant factor....”* (Marketing Manager)

*“...When it comes to engagements with customer we are very careful and conscious at every step in fulfilling their needs and requirements. Production is a tedious job from marketing perspective as we are going back and forth to the clients, product development and production people to communicate and fully execute the order. Challenges do come at different production stages in matching the specifications, meeting delivery schedules and after sale complaints (i.e. bugs and color fading etc.,) which we entertain on priority to retain the clients...” (Export Officer)*

## **Trade Secret and Protection**

GTML working in a responsible way in protecting client’s R&D and commercial information. Such GTML’s code of conduct enhances trust in his dealing in the market.

*“...We are conducting our operations and business in responsible way to comply international standards. We guarantee complete protection of any customer trade secrets and specifications...” (Marketing Manager)*

*“...We are responsible in our conduct; we never divulge customer R&D and trade information...” (Export Officer)*

*“...We more mature in our conduct; we never disclose customer’s R&D and related information...” (Manager sale and Marketing Planning)*

### **4.2.3 Derived Loop Model Form Case Study**

A tentative research model (Figure 3) was presented in chapter 3, linking the experiential learning processes in offshore outsourcees to stages of movement in the value chain and internationalization. In Figure 4.1, findings from the case study of GTML are applied to the same basic model, linking the identified learning domains, ways, and reasons with respective developments. It is important to note that certain learning domains may cause multiple movements that further enhance a firm’s development. Similarly, the cross-case findings (chapter 5) portray varieties of progressions and stage sequences, based on different case histories in terms of learning domains, ways of learning, and reasons for learning. In relation to overall learning and development, the case displays different ways and strategies of undertaking exploitation, exploration, or both (that is, ambidextrous) routes in its learning and development, as shown in Figure 4.2.

Initially, the company started as a buying house for its UK-based sister company. It mainly engaged with the completion of different exports orders through sourcing of various production processes to local suppliers and dispatches the consignment to respective client’s location under the name of Gohar International. Being a buying house

(it followed and imitate what its UK-based affiliate and other customers demanded without any kind of involvement in R&D/ RE) linked the company to the “Traditional Actor” role, Gohar International (now GTML) gained experience and insights into the market and the main processes, having worked as a buying house for three years. The management decided to become involved in its own production for export orders rather than sourcing to external suppliers, besides being a buying house.

In 1993, a new setup was established through investment in a basic stitching facility and techniques to meet the stitching requirements in proper way and reduce reliance on external production sources. The new production and manufacturing and start (that is, stitching capabilities) moved GTML from “Traditional Actor” to “Experimental Outsourcee”. GTML performs basic stitching that is considered as a low-value-added activity for its export orders, besides active sourcing of other production process to external suppliers locally. GTML did not show any local engagement in the local markets in terms of sales, although it actively engaged with the local suppliers in for various production processes.

After the installation of the stitching unit, GTML invested in the latest hardware and equipment to gain in-house production capability for the latest developments in products and processes in home textile. This investment enabled GTML to meet the changing requirements for export orders and reduce its dependence on external supplier in production to have control of the vital production processes to certain extent. In this regard, the two-year change and development pattern was observed as follows: the company set up a quilting unit in 1995, followed by a weaving mill in 1997 and further expansions in stitching and weaving units in 1999, 2001, and 2003. The continuous investments and expansions in production, infrastructure, and support from German- and UK based sales offices helps GTML to project its value-added offerings in international markets. Such involvement in new production and processes moved GTML towards “Active Outsourcee” status, although it did not show active presence in the local market in terms of sale as it exported its total production, but remained active in production through its local suppliers and partners.

Similarly, GTML has kept its momentum of investing in the latest production, processes and operations, as an investment was made in state-of-the-art textile processing mill in 2006. This investment was a milestone towards vertical production aspiration and value addition. The processing facility enabled GTML to address international market trends for functional and aesthetics aspects through induction of latest finishes, dying, printing,

and treatments in its offerings. In addition to weaving and stitching, the involvement in the latest processing techniques enabled GTML to explore and develop new clients and markets in a wide range of home textile products (fabrics and home textiles). These engagements caused GTML to move from “Experimental Outsourcee” to “Explorer”. GTML went a step forward in value-added operations as it became actively involved in the design and development of innovative promotional collections and concepts through experts, R&D, and marketing activities. GTML offered promotional collections on a seasonal basis to showcase its innovative abilities through its sale offices and expos for the development of international business ties. These engagements further strengthened the GTML’s “Explorer” role from “Active Outsourcee”.

The investments in the latest printing, designing, and embroidery equipment further enhanced GTML processing abilities. The involvement in R&D, latest textile production, processing and product development enabled GTML to offer quality products and design development services according to international standards. These investments have led to new opportunities in value-added operations and ties in the market (that is, from “Active outsourcee” towards “Partner/Competitors”).

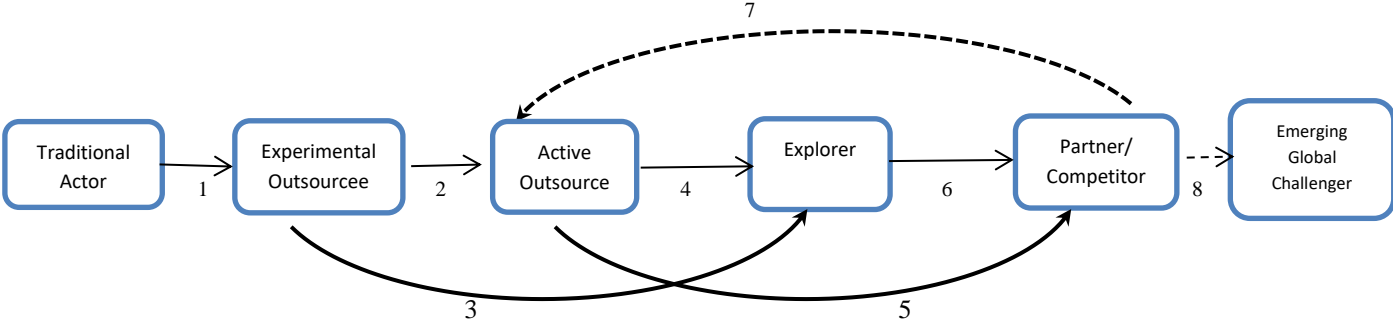
It is important to note, that design and pattern development here is only limited to designs. The new production and manufacturing is related to investment in additional printing, designing, and embroidery machines.

GTML strengthened its innovation abilities by continuously engaging with developers, experts, and R&D units. Similarly, GTML established a local design studio backed by UK studio and designers that enriches its design development capabilities. GTML is extensively involved in innovative offerings to world-leading brands and markets. GTML explores latest designs, concepts, and products on a seasonal basis as a promotional toll to present to potential customers beside its active involvement in OEM and ODM. Furthermore, in 2012–13, GTML enriched its product line by diversifying into garment fashion fabric (Lawn) in order to expand its operations and compete in other segments of home textile. These learning and development moved GTML from “Explorer” to “Partner/Competitor” status.

GTML launched and sells Lawn under its own brand names and collections in local and international markets lead to interesting developments. First, GTML launched fashion garments fabrics (Lawn) under specific register names and collections in local markets through online sale and exclusive sales agents. This development led GTML to move back from “competitor/partner” to “Active Outsourcee”. Second, the brand was then

launched in the UK, Bangladesh, India, and the UAE through sales agents and stockiest. This development led GTML to move to “Emerging Global Challenger”; a dotted line shows (Fig 4.2) a weak link as GTML is selling under its brand in the fashion clothing (Lawn) business in international markets, which is small portion of GTML’s total business

Figure 4.2: The Loop Model



GTML mostly remained at “Explorer” and “Partner”, which is typical of a young firm in a developing economy. Unexpectedly, the company linked its movement to “Emerging Global Challenger” (through diversification and branding) through active investments in machine, latest processing techniques, experts, innovative designs, and product development.

The summary of overall developments with respect to the identified learning domains across the cases is mentioned in Table 4.2.6.

Table 4.2.6: Summary of development with respect to learning domains

No.	Development	Learning Domain
1	Traditional Actor to Experimental Outsourcee	New Production & Manufacturing, Set & Start
2	Experimental Outsourcee to Active Outsourcee	New Production & Manufacturing, Customer Relations, International & Regional Standards, Integrated Production
3	Experimental Outsourcee to Explorer	New Production, Processing, Customer Relations, Integrated Production and Industry trend.
4	Active Outsourcee to Explorer	New Production & Manufacturing, Promotion Management, Washing and Laundry/Processing, Customer Relation, Innovation, Design and Pattern Development
5	Active Outsourcee to Partner	Promotion Management, Washing & Laundry, International & regional Standards, Design & Pattern Development, Industry Trends, Integrated Production, Conflict Resolution

6	Explorer to Partner	Promotion Management, Innovation, Design & Pattern Development, Industry Trends, New Product Production
7	Partner to Active Outsourcee	New Production & Manufacturing, Innovation, Branding Management
8	Partner to Emerging Global Challenger	New Production & Manufacturing, Innovation, Branding Management

Overall, the above model displays GTML movement in value chain. It started as a buying house (“Traditional Actor”) and moved to “Experimental Outsourcee”. The case company then moved to “active outsourcee” status with limited focus on local markets. The company continued its movement to “Explorer” and “partner/competitor”. An interesting movement was observed when GTML diversified its product line into fashion fabric garments and started selling under its own brand in local and international markets. This led the case firm to moves back to “Active Outsourcee” and “Emerging Global Challenger”.

#### 4.2.4 Evaluation Fit Between Suggested Loop Model and Case Realities

In order to evaluate the fit between the original conceptual and the case based derived loop models from the case, the case realities are compared to the conceptual model to assess whether certain developments were fit with the original model, not fit with the original model or emerged from the case. Each development seen in the case is further explained in Table 4.2.7.

Table 4.2.7: Fit between suggested model and case realities

Model	Case	Description
Traditional Actor to Experimental Outsourcee	Fit	The company initially started its operations as a commercial office to fulfil production order of its UK based sister company and other clients. The main job of the CII was to take orders from its sister company and execute it through sourcing various parts of those orders to different local suppliers. In addition, the company invested in a new setup and a basic stitching facility to meet the stitching requirements for the export orders in a standardized manner, reduce reliance on external production sources and accommodate other clients. The new production and manufacturing (that is, stitching capabilities) and limited engagement with other international clients moved CII to “experimental outsourcee”.



Model	Case	Description
Experimental Outsourcee to Active outsourcee	Partially Fit	The development from EO to AO is partially fit with the initial model. This is because the CII successive investments in latest machines, equipment to gain in-house production capabilities. These capabilities reduce its dependency on external suppliers, and enables CII to meet its customers' demands for latest products and processes in home textiles. In addition to continuous investments and expansions in production and infrastructure, CII focused on international markets. The German and UK-based sales offices help CII to project its value-added offerings in international markets and develop ties. Such engagements resulted CII in partial development from EO to AO, because of its focus on various geographic and international markets than local markets in terms of marketing and sales.
Experimental Outsourcee to Explorer	Fit	The movement from EO to EXP is evident. As a result of the company continuous investments and expansion in production, processing and stitching facilities. These investments reduced the company reliance on external supplier for production and enhances its capabilities to offer innovative products and processes according to international demand. In addition, CII closed ties with experts and sister company fortified its involvement in innovative operations and quality offerings in international market.
Active Outsourcee to Explorer	Fit	The company committed towards change, as it further invested in specialized production, processing, R&D, designing, and sales and marketing facilities, acquire experts, to offer a range of innovative products, quality processes and services to explore new segments in international, regional markets. In addition, GTML moved a step forward in value addition through its involvement and development of innovative prints, designs, fabrics, and future product concepts and collection on seasonal basis as a promotional tool. These collections presented to different clients and markets through sales offices and the company participation in various expos to showcase its innovative developments and attract potential clients.
Active Outsourcee to Partner	Fit	The movement from AO to PART is evident. It is the result of investments in latest printing, designing and embroidery facilities in addition to continuous investments and involvement in R&D, latest textile production, processing, and product development capabilities. It enables GTML to offer quality products and innovative designs, services according to international standards and explore new opportunities. GTML strengthened its innovation abilities through its continuous engagement with designers, developers, experts, and R&D, beside establishment of its local and UK based design studios to improved its design and pattern development capabilities. GTML was extensively involved in innovative offerings (private brand/label manufacturing, design and pattern developments and audit and quality control) to world-leading brands and markets. In addition, GTML presented modern designs, future product concepts, and innovative products on seasonal basis to the world market. These investments and engagements enables GTML to explore new opportunities in value-added operations and ties in international market.
Explorer to Partner	Fit	The development from EXP to PART is evident. It is the result of GTML continuous investments and active involvement in R&D, production, processing, designing, printing, embroidery, product development capabilities and latest systems. This enables GTML to offer quality products and innovative services according to international standards and explore new opportunities. Similarly, GTML enriched its product line through diversification into garment fashion fabrics (Lawn) under registered names. This helped GTML to expand its operations and compete in other segments of home textiles as well.
	Partner to Active Outsourcee	Emerging pattern, where the case company went step back. The development from PART to AO is emerged as the result of case company active involvement in R&D, experts, marketing and sale activities under own brand / registered names in fashion garments fabrics (Lawn) in local market.

Partner to Emerging Global Challenger	Fit	The development from EXP to EGC is evident. The development is the result of case company active involvement in R&D, experts, marketing and sale activities under own brand / registered names in fashion garments fabrics (Lawn) in regional and international markets.
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Having compared the case realities and conceptual model, six out of the eight developments were fitted, one partially fit, while one development emerged from the case realities. The presence of “TA to EO” fit as of the conceptual model due to the involvement of the case firm in certain value-added production operations in local markets, despite its indirect involvement in exports through its UK-based sister company. The development “EO to AO” was partially fit as the company was not involved in local sales and marketing activities. Interestingly, the development to “active outsourcee” was observed in the later stage as the company started marketing and selling under its own brand in local markets.

The other developments namely “EO to EXP”, “AO to EXP”, “AO to Part”, and “EXP to Part” were remained fit as claimed in the initial conceptual model. Interestingly, the development from “Part to AO” emerged from the case, because of the case firm involvement in selling and marketing garments in local market under its own brand and registered names. The development “Part to EGC” fit with the original conceptual model.

It is since GTML involved in branding and marketing and selling of fashion clothing fabrics (Lawn) under its own brand and registered names in regional and international markets.

#### **4.2.5 Conclusion/Answers to Research Questions**

In order to answer the two main research questions and obtain a detailed view of the learning impacts, each individual development is discussed with respect to the main learning domains, ways, and reasons for learning. It is hard to reach a complete understanding of the ways (the ‘how’) and the reasons (the ‘why’) without knowing and explaining the main learning domains (the ‘what’). The case firm, GTML, reached a total of five developments through eight trajectories, as detailed below.

### 4.2.5.1 Traditional Actor to Experimental Outsourcee (TA to EO)

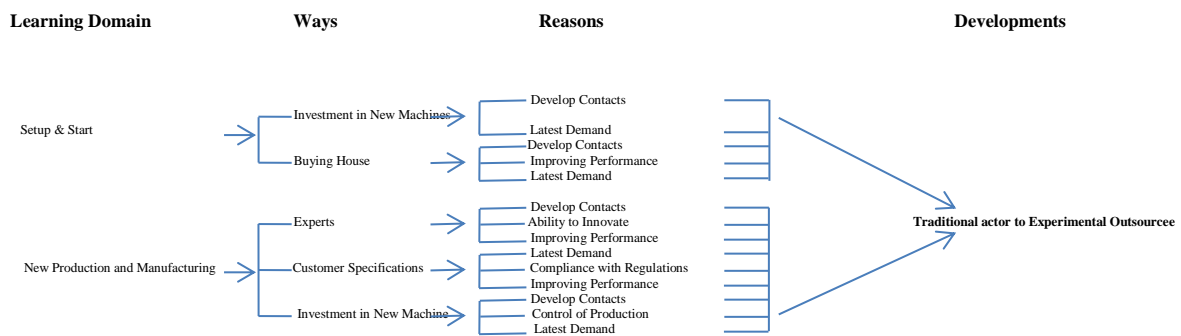
The development of GTML from TA to EO was identified. This development resulted in GTML's involvement in new setup and new production and manufacturing through investment in new machines, buying house and customer specifications.

GTML started as a buying house and became involved in new production and manufacturing through investments in a stitching unit and equipment. Similarly, at the start, GTML imitated and produced as per customer specifications. The case company involved in mentioned learnings and ways to improve textile production, meet latest demand and develop contacts in international market.

However, certain reasons are associated with particular learning and characterized by specific learning ways, for instance, the initiation of self-reliance in production and control of the upstream value chain is associated with investment in machines and partnering with UK based sister company.

The summary of the development from TA to EO with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

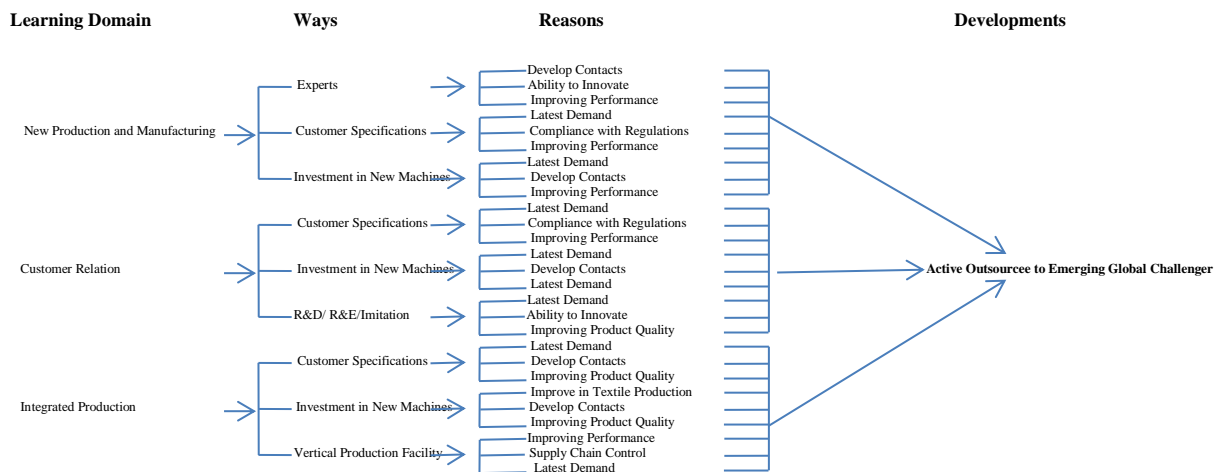
Figure 4.2.1 Traditional Actor to Experimental Outsourcee (TA to EO)



### 4.2.5.2 Experimental Outsourcee to Active Outsourcee (EO to AO)

This development is characterized by the main learning related to new production and manufacturing, customer relations and integrated production through investments in new machines, experts, reverse-engineering/imitation and customer specifications. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, improve product quality, and improve textile production. However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the supply chain control (production chain) and Improving Performance (related to product in this stage) are associated with integrated production facility through investment in new machines and vertical production facility. The summary of the development from EO to AO with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.2.2 Experimental Outsourcee to Active Outsourcee (EO to AO)



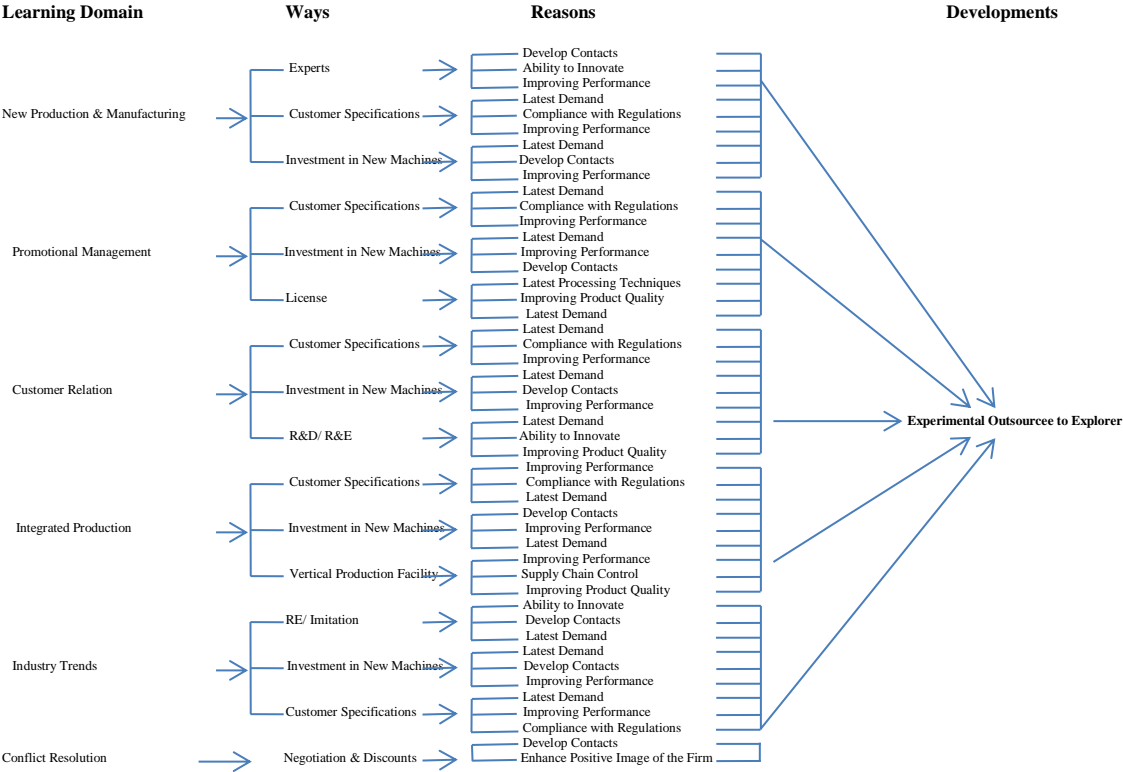
### 4.2.5.3 Experimental Outsourcee to Explorer (EO to EXP)

This development is characterized by the main learning related to new production and manufacturing, customer relations, promotion management, integrated production, industry trends and conflict resolution through investments in new machines, experts, reverse-engineering/imitation and customer specifications. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, Improving Performance, compliance with regulations and ability to innovate.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the supply chain control (production chain) and enhance positive image of the firm are associated with integrated production facility and conflict resolution through investment in vertical production facility and negotiation and discounts.

The summary of the development from EO to EXP with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.2.3 Experimental Outsourced to Explorer (EO to EXP)



**4.2.5.4 Active Outsourced to Explorer (AO to EXP):**

This development is characterized by the main learning related to promotional management, washing and processing, innovation, and customer relations through investments in new machines, experts, R&D/ RE and customer specifications. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, Improving Performance, ability to innovate, and improving product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the latest processing techniques is associated with washing and innovation through licensing and customer specifications. Similarly, international market presence is associated with customer relations through trade fair and commercial office.

The summary of the development from AO to EXP with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.2.4 Active Outsourcee to Explorer (AO to EXP)



**4.2.5.5 Active Outsourcee to Partner (AO to PART)**

This development is characterized by the main learning related to new production and manufacturing, washing, international standards, innovation, customer relations, design and pattern development, integrated production, industry trend and conflict resolution through investments in new machines, experts, R&D/ RE and customer specifications. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, Improving Performance, ability to innovate, and improving textile production and processing.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the improving product quality is associated with



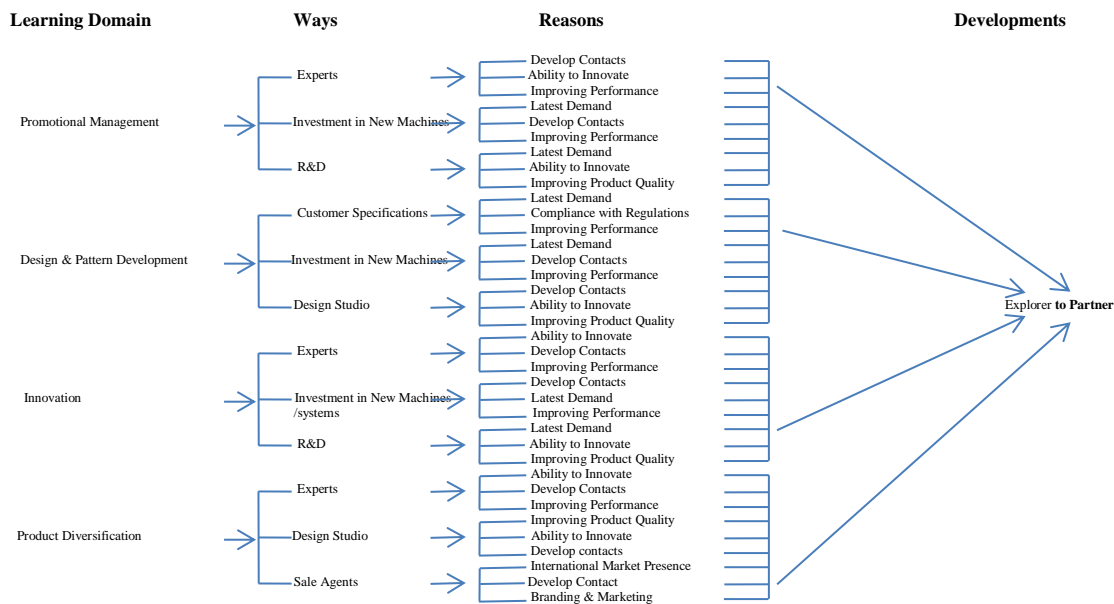
#### 4.2.5.6 Explorer to Partner (EXP to PART)

This development is characterized by the main learning related to in promotional management, innovation, design and pattern development, and product diversification (enriching product portfolio) through investments in new machines, experts, R&D/ RE and design studio. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, Improving Performance, ability to innovate, and improving product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the international market presence and branding and marketing are associated with product diversification through sales agents and design studio.

The summary of the development from EXP to PART with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.2.6 Explorer to Partner (EXP to PART)



#### 4.2.5.7 Partner to Active Outsourcee (PART to AO)

This is a backward development emerged from the case findings. It is characterized by the main learning related to in innovation, design and branding management in local



market, and product diversification (enriching product portfolio) through investments in new machines, experts, sales agents, R&D/ RE and design studio. The main reasons to involved in mentioned learning domains and ways were to develop contacts, improving textile production, ability to innovate, branding and marketing and improving product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, developing contact and branding and marketing are associated with product diversification and branding management in local market through sales agents.

The summary of the development from PART to AO with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.2.7 Partner to Active Outsourcee (PART to AO)



**4.2.5.8 Partner to Emerging Global Challenger (PART to EGC)**

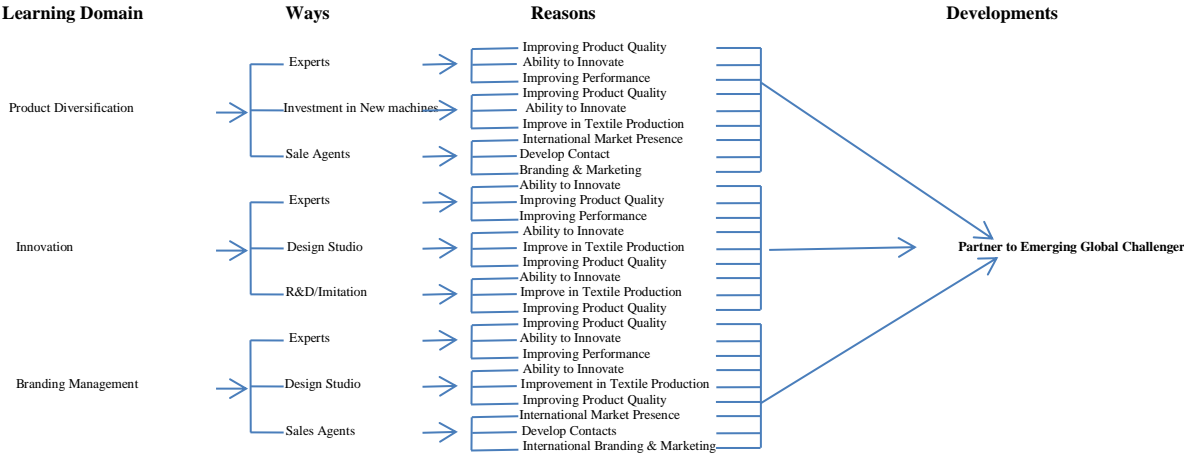
This development is characterized by the main learning related to in innovation, design and branding management in international market, and product diversification (enriching product portfolio) through investments in new machines, experts, sales agents, R&D/ RE and design studio. The main reasons to involved in mentioned learning domains and ways were to develop contacts, improving textile production, ability to innovate, branding and marketing and improving product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, developing contact and branding and marketing

are associated with product diversification and branding management in international market through sales agents.

The summary of the development from PART to EGC with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.2.8 Partner to Emerging Global Challenger (PART to EGC)



Overall, the case firms reveal eight development trajectories (Figures 4.2.1–4.2.8). Each development characterized by learning processes covers concrete domains, which are learned for specific reasons in particular ways. It was observed that the case firm predominantly concentrated on four stages – “experimental outsourcee”, “active outsourcee”, “explorer”, and “partner” – due to its quest to build overall capabilities in the latest production techniques, innovative processes, and value-added services in order to move along the value chain and/or expand its operations in the international market. In addition, the development to “emerging global challenger” and a backward development to “active outsourcee” are evident through learning and building capabilities in new product design, product development, production, and marketing and sales under its own brands.

It is important to note that the learning in the context of this study, “learning in offshore outsourcing ties,” is not only associated with learning from the outsourcer (taking over specific knowledge, capability, direct instructions, and specifications), but the strategic orientation of the outsourcee (case firm) as well. Hence, the main experiential learning seems to result in all kinds of interactions, including outsourcers, other market actors, and strategic steps taken by the case firm, so, the developments too.

#### 4.2.6 Case Database Sources

1. Interview with Manager Marketing
2. Interview with Manager Marketing and Planning
3. Interview with Senior Expert officer  
Company's Presentation and Video Presentations  
(<https://www.youtube.com/watch?v=P66tsEK2BpY>)
4. <https://www.gohartextile.com/designing.html>
5. <http://www.sartexquilts.co.uk/our-identity.html>
6. <http://www.sartexquilts.co.uk/company-history.html>
7. <http://www.gohartextile.com/majorCustomers.html>
8. <https://www.facebook.com/GoharTextileMills/photos/pb.235309119860285.-2207520000.1416516728./667544399970086/?type=3&theater>
9. <https://www.gohartextile.com/qualityPolicy.html#>
10. <https://www.gohartextile.com/certification.html>
11. <https://www.gohartextile.com/contact.html>
12. <http://www.fashionsrunway.com/armeena-rana-khan-designer-lawn-collection-2014-gohar-textile-mills/>
13. <http://athingwith-feathers.blogspot.no/2013/04/farah-legaris-back-in-pakistan-fashion.html>
14. [http://trade.ec.europa.eu/doclib/docs/2014/january/tradoc\\_152057.pdf](http://trade.ec.europa.eu/doclib/docs/2014/january/tradoc_152057.pdf).
15. [http://www.textileworldasia.com/Issues/2012/July-August-September/Features/Pakistan\\_Faces\\_Challenges](http://www.textileworldasia.com/Issues/2012/July-August-September/Features/Pakistan_Faces_Challenges)

## Appendix-VIII GTML Interview Quotes with Respective Codes

Quotes for Transcription	Learning	Ways	Reasons
1. “The company founded as Gohar Textile Office when Sartex setup its office in Pakistan in 1990. We were only commercial exporters at that time, as we were taking orders for various customers in different products categories of home textile. We purchase yarn, weave it, process it and stich it at our partners or outsourcees locations, dispatch and export the products form Gohar textile Pakistan. It was basically a buying house for international clients...” (Marketing Manager-Europe)	Setup and Start	Buying House	Latest demand Develop Contacts
2. “...the company started its operations as a commercial exporter under the name of Gohar Textile office for its UK based sister company Sartex in 1990. That time we were commercial exporters or a buying house for international customers as we were taking orders from foreign customers in different products categories of home textile. We purchase yarn, weave it, process it and stich it at our partners or outsourcees locations, dispatch and export the products according to customers’ requirements form Gohar textile Pakistani...” (Manager sale and Marketing Planning)	Setup and Start	Buying House Marketing Office	Latest demand Develop Contacts
3. “...the company started its operations as a commercial exporter under Gohar Textile office for its UK based sister company Sartex in 1990. The main job was taking orders from foreign customers in different products categories. We source yarn, weave it, process it and stich it at our sourcing partners and suppliers’ locations and dispatch the demanded products form Gohar textile Pakistan to respective clients...” (Export Officer)	Setup and Start	Buying House	Latest demand Develop Contacts
4. “...Gohar Textile Mills was founded in 1993 in a renowned city of Faisalabad for its textile industry. We are a vertically integrated textile manufacturing company specializing in the production of a wide range of home textile. We have based our production on the foundations of good understanding of customer requirements and market research. It is our constant endeavor to continuously define and improve the quality standards to match up the demanding requirements of our customers. We are committed to providing high customer service quality which is backed with modern high standards of production. The name and quality promise of Gohar Textile Mills is today synonymous, with the needs and demands of global clients & top brands around the world...” (Company Presentation)	Setup and Start Customer Relationship	Implementation of New Machine Customer Specifications	Latest Demand Improving Product Quality
5. “Gohar Textile Mills was incorporated in 1993 in the most renowned textile city of Pakistan (i.e. Faisalabad). Ever since its formation it is exporting its total production to the International Markets.” (company presentation)	Setup and start	Implementation of New Machine/System	Develop Contacts

6. "...In 1993, a complete new strategic move was carried out by moving directly to downstream by establishing a stitching unit with the name of Gohar International in Faisalabad. The manufacturing was limited to stitching for of quality home textiles through investment in modern equipment of the time to meet the international demand and increases its sale share through its own production..." (Manager sale and Marketing Planning)	New Production and Manufacturing Setup and Start	Implementation of New Machines/System	Latest Demand
7. "...In 1993, a complete new stitching unit was started in the name of Gohar International in Faisalabad. The manufacturing was initially limited to stitching of quality home textile through investment in modern equipment to meet our internal stitching requirements for export items..." (Export Officer)	New Production and Manufacturing	Implementation of New Machines/System	Latest Demand Improving Product Quality
8. "...Since 1993 we start with our own production and manufacturing setup in the name of Gohar International in Faisalabad. The manufacturing was limited to stitching for of quality home textile through investment in modern equipment of the time..." (Marketing Manager-Europe)	New Production and Manufacturing	Implementation of New Machines/System	Improvement in Textile Production Latest Demand Develop Contact
9. "...We gradually progressed, as a new quilting unit was inaugurated in Gohar Textile Mill in 1995 with the investment in latest plant and equipment to increase our sale further in the home textile." ... (Marketing Manager)	New Production and Manufacturing	Implementation of New Machines/System	Improvement in Textile Production Latest Demand
10. "...Since 1993, the company invested on continuous basis to reduce its dependency on supplier for vital production and control value chain activities. The company moves on by setting a new quilting unit as Gohar Textile Mill in 1995 to meet the demand through involvement in its own production..." (Manager sale and Marketing Planning)	New Production and Manufacturing	Implementation of New Machines/System	Improvement in Textile Production Latest Demand Supply Chain Control
11. "...The company moves a step forward in the journey of own production and control of value-added operations by setting a new quilting unit as Gohar Textile Mill in 1995. This investment enhanced the development of business in this area as well..." (Export Officer)	New Production and Manufacturing	Implementation of New Machines/System	Improvement in Textile Production Develop Contact Supply Chain Control
12. "... The combination "in house" high speed quality machines and our wadding facilities help us to ensure high quality and timely deliveries of quilted product with 1.0 million sets and wide range of quilted products..." (Company Presentation)	New Production & Manufacturing	Implementation of New Machines/System	Improving Product Quality Improving Performance Latest Processing Techniques Supply Chain Control
13. "...We stick to the upstream movement for value addition and control of important stage as a result of investment in latest weaving plant in 1997 i.e. Gohar Weaving Mill..." (Marketing Manager)	New Production & Manufacturing	Vertical Composite Production Facility Implementation of new machinery	Improvement in Textile Production Supply Chain Control
14. "...We keep our journey towards value addition as a result of investment in latest weaving plant in 1997 i.e. Gohar Weaving Mill. This investment was the major to control over fabric, as fabrics in the main product in the production and processing of home textiles made-ups..." (Manager sale and Marketing Planning)	New Production & Manufacturing	Vertical Composite Production Facility Implementation of new machinery	Improvement in Textile Production Supply Chain Control

15. "...We continue our production endeavor by investing in setting up a state of the art weaving plant in 1997 as Gohar Weaving Mill. This investment enables us to produce high quality and value-added fabrics of different types to meet our in house and international demand..." (Export Officer)	New Production & Manufacturing	Implementation of New Machines/System	Improving Product Quality Latest Demand Improvement in Textile Production
16. "...Gohar's extensive weaving setup with the variety of machine which can weave fabric from 1/1 plain, satin, twill, drill, half panama and jacquard. Our monthly production is 6.0 million meters per month..." (Company Presentation)	New Production & Manufacturing	Implementation of New Machines/System	Latest Demand
17. "...In 1999, we made expansion in our stitching unit to increase the stitching capacity and accommodate wide range of stitching needs to meet our international clients demand.... (Marketing Manager)	New Production & Manufacturing	Implementation of New Machines/System	Improvement in Textile Production Improving Product Quality Improving Performance
18. "...In 1999, we expand the production space to 300,000sq feet to increase the production capacity to accommodate the diverse demand for wide range products..." (Manager sale and Marketing Planning)	New Production & Manufacturing	Implementation of New Machines/System	Latest Demand
19. "...In 1999, we expand the production capacity of our stitching unit to meet our stitching requirements in different specifications and to meet increasing demand form international clients within scheduled time of supply..." (Export Officer)	New Production & Manufacturing	Implementation of New Machines/System	Latest Demand Improving Performance
20. "...Gohar's extensive stitching unit, equipped with various tools to produce a diversified product range having capacity of 1.2 million sets per month. Quilt covers/ sheets & embellishment articles..." (Company Presentation)	New Production & Manufacturing	Implementation of New Machines/System	Latest Demand Improving Product Quality
21. "...Similarly, keep expansion of other units on continuous basis, as we further expand the weaving unit through the installation of 100 Air Jet Looms in 2001 and 300 additional Auto Looms in 2003 respectively. The major drive for this expansion was to increase the production capacity and to accommodate the increasing need for quality products ..." (Manager sale and Marketing Planning)	New Production & Manufacturing	Implementation of New Machines/System	Latest Demand Improving Product Quality Improving Performance
22. "...We consecutively expand the capacity and capability of weaving unit through installation of 100 air jet looms in 2001 and 300 additional auto looms in 2003 respectively. These expansions strengthen our capability to produce fabrics in different styles, designs and specifications and meet diverse demand from big players in the market..." (Export Officer)	New Production & Manufacturing	Implementation of New Machines/System	Latest Demand Improving Product Quality Improving Performance
23. "...In 2006, we made huge investment by setting up state of the art processing mill the setup is equipped with latest plant and machinery to satisfy the requirements for latest and value-added processing, finishing, printing, and dying." ... (Marketing Manager)	Setup and Start Customer Relations New Production & Manufacturing	Emulation and Imitation Customer Specification	Latest Demand International Market Presence Improving Product Quality

		Implementation of New Machines/System	
24. "...In 2006, a state of the art textile processing mill was erected through huge investments. The set up was among the latest in the region to meet the needs for world class prints, dyeing and finishing. The processing unit enables us to handle latest functional and aesthetics processes and finishes in a professional way to enhance product quality..." (Export Officer)	Processing	Implementation of New Machines/System	Latest Demand Improving Product Quality Latest Processing Techniques
25. "...In 2006, a new state of the art processing mill was constructed with heavy investment to fulfill the requirement for latest value-added finishes, printing, dyeing and other processing under the name of Gohar Textile Mills, Faisalabad Pakistan..." (Manager sale and Marketing Planning)	Processing	Implementation of New Machines/System	Improving Product Quality Latest Processing Techniques
26. "...Both Riggani rotaries are installed those are able to print up to 15 colors designs with the max width of 320 cm & having the capacity of printing about 4 million meters per month..." (Company Presentation)	Processing	Implementation of New Machines/System	Improving Product Quality Latest Processing Techniques
27. "... <b>Printing:</b> It is a Reggiani 2005 Model Machine. It has 15 color options. Working width is 3.2 Meters and the capacity is 40,000M per day. We are able to do the three standard design repeats (namely 640mm, 819mm, and 914mm). The mesh categories that we can do are 80, 125 and 165..." ( <a href="https://www.gohartextile.com/printing.html">https://www.gohartextile.com/printing.html</a> )	Processing	Implementation of New Machines/System	Improving Product Quality Latest Processing Techniques
28. "...The Thermosol dyeing machine and Pad steam machines have been installed, those provide top quality dyeing in various techniques of reactive, disperse & vat etc. The total dyeing capacity is 2 million meters per month..." (Company Presentation)	Processing	Implementation of New Machines/System	Improving Product Quality Latest Processing Techniques
29. "... <b>Dyeing:</b> We have the Thermofix Stenter equipped with Double Infra-Red from Montex and the Extraction Device is from EVAC. We have the facility for reactive and disperse dyeing. The total Dyeing capacity is 25,000M per day..." ( <a href="https://www.gohartextile.com/dyeing.html">https://www.gohartextile.com/dyeing.html</a> )	Processing	Implementation of New Machines/System	Improving Product Quality Latest Processing Techniques
30. "...We have range of excellent stenter machines from Monforts Germany with fully automatic controls equipped with Weft Straightener from Mahlo. We have got extensive calendaring equipment including the latest Ramisch with "Nipco Bowls" and Sanforising machine. The finishing capacity is approximately 6 million meters per month. We also deal in wide range of finishes. ..." (Company Presentation)	Processing	Implementation of New Machines/System	Improving Product Quality Latest Processing Techniques

31. “... <b>Finishing:</b> It is an 8 compartment Montex 2005 Model Stenter. It is equipped with Weft straightener from Mahlo. Total working capacity of this machine is 60,000M per day...” ( <a href="https://www.gohartextile.com/finishing.html">https://www.gohartextile.com/finishing.html</a> )	Processing	Implementation of New Machines/System	Improving Performance
32. “...In 2012, we diversified into the designing and production of garment clothing in local market. What we done we invested in printing and embroidery machines and used the same production facility in producing garment fabrics with latest prints. We hired and collaborate with top local designers to design our garment fabrics collection and special embroidery. In 2013-14 we started selling garment fabric under our own brand in Bangladesh, India, UK and UAE through sales agents ....” (Marketing Manager)	Product Diversification Brand Management	Experts Implementation of New Machines/System Sales Agent	International Market Presence Develop Contact Branding and Marketing
33. “...We keep the movement and expansions in our value-added activities through continuous and need base investment in latest testing tools, labs, equipment, R&D and designers. This enables us to diversify our production into new directions i.e. garments fabrics (Lawn). Since 2012 we are producing and selling in local markets...” (Manager sale and Marketing Planning).	Product Diversification	Experts Implementation of New Machines/System	Develop Contact
34. “...In summer 2013, we sale the garment fabrics under our own brand and registered styles, designs and collections both in local, Bangladesh, India, UAE and UK successfully through exclusive agents. This move opens new doors of diversification and value additions in our operations to market and fulfill the demand in fashion clothing needs of the East...” (Manager sale and Marketing Planning)	Brand Management Promotional Management Product Diversification	Sales Agent R&D & Reverse engineering	International Market Presence Develop Contacts Improving Performance Branding and Marketing
35. “...Since 2013, we are in the erection phase of our spinning unit which is a mile stone towards the completion of our aspirations towards vertical integrated production facility...” (Export Officer)	Integrated Production	Vertical Production Facility Implementation of New machine/System	Supply Chain Control Improving Performance
36. “...In 2013-14 we started selling garment fabric under our own brand in Bangladesh, India, UK and UAE through sales agents. In 2013, we actively engaged with designers and established R&D and Design Studio units to offer innovative designs, prints and end products according to the latest needs of international markets to enhance our sale...” (Marketing Manager)	Brand Management Product Diversification	R&D & Reverse engineering Experts Sales Agent Design Studio	International Market Presence Develop Contacts Improving Performance Branding and Marketing Latest Demand Ability to Innovate
37. “...Our in-house design studio works with state of the art CAD/CAM facilities. We have also a set up in UK where our team of experienced and qualified designers works to the forecasts, colors and trends of the season. They develop the designs that cater to our customer requirements and preferences....” (Company Presentation)	Promotional Management	Experts Implementation of New Machine/System Design Studio	Latest Demand Ability to Innovate
38. “...CAD Cam and design studio. The current trends in the various regions of the developed world are used as inspirations for modern design creation. Collection are presented to and amended according to the individual customer’s taste...” ( <a href="https://www.gohartextile.com/designing.html">https://www.gohartextile.com/designing.html</a> )	Promotional Management Industry Trends	Experts Design Studio Imitation & Emulation	Latest Demand Ability to Innovate



<p>39. "...Since 2013, we are in the erection phase of our spinning unit which is a mile stone towards the completion of our aspirations towards vertical integrated production facility. It is expected that the spinning unit will start its production by March 2015, it will help us to control the value chain for desired quality yarn and shorter supply time..." (Manager sale and Marketing Planning)</p>	<p>Integrated Production</p>	<p>Implementation of New Machine/System Vertical Production Facility</p>	<p>Supply Chain Control Improving Product Quality</p>
<p>40. "...We are semi-integrated production facility as we don't have our own spinning unit now; we acquired and sourced our required quality yarn from local partners. Our Spinning unit is in the completion phase and by March 2015 we will be fully vertically integrated unit to have complete hold of value chain for better performance in quality and supply..." (Marketing Manager)</p>	<p>Integrated Production</p>	<p>Implementation of New Machine/System Vertical Production Facility</p>	<p>Supply Chain Control Improving Product Quality</p>
<p>41. "...We are expanding from a modest base on a very consistent and practically enviable growth rate. More than 70% increase in our foreign clients is in the last 6 years in different product categories. Previously we were mostly working in the EU and specifically in the UK market. Since, 2006 we changed in a real way as beside weaving and stitching we introduced lasted processing techniques that cater the needs for latest finishes, processes and treatments in our operations for high end and quality products. Similarly, we expand our business horizon as we extend our operations to Far East, Middle East, North America and small portion to South American markets in both finished home textiles products and fabrics (i.e. processed and greige fabrics). We are on our toe to invest constantly in latest machines, men, design studios and R&amp;D to cater the increasing demand for latest home fashion textiles. Additionally, our sales and marketing offices in Pakistan, UK and Germany enables us to project our products, explore new markets segments and customers for our quality and customized products ranging from fabric to home fashion textile according to customer needs. ..." (Marketing Manager)</p>	<p>Customer Relation New Production and Manufacturing Processing Promotional Management</p>	<p>Experts R&amp;D &amp; Reverse engineering Implementation of New Machinery Trade Fair &amp; Commercial Office Design Studio</p>	<p>Improvement in textile production Latest Textile Processing techniques Ability to Innovate Develop New Contacts Latest Demand</p>
<p>42. "...we have about 70% increases in our foreign clients form the last 5-7 years. Earlier our business and export were EU centric and specifically to the UK market. Now we expand our operations to Far East, Middle East, North America, South Asia, South Africa and small portion to South American markets in both finished home textiles products and fabrics (i.e. processed and greige fabrics). We are constantly investing in latest machines, men, design studios and R&amp;D to cater the increasing demand for latest home fashion textiles and market emerging needs. Additionally, our sales and marketing offices in Pakistan, UK and Germany enables us to project our products to existing clients, explore new markets segments and customers for our quality and customized products ranging from fabric to home fashion textile according to customer needs..." (Manager sale and Marketing Planning)</p>	<p>Customer Relation New Production and Manufacturing Industry Trends</p>	<p>Design Studio R&amp;D &amp; Reverse engineering Implementation of New Machinery Experts</p>	<p>Latest Demand Develop Contacts</p>

<p>43. "...We see high growth in establishing business with new or extending ties with existing clients in new product categories. The number of our international business ties is increased about 70% over a course of 5-7 years. Previously we were exported to European markets and especially to UK, but now we established and expands our ties to other regions such as Far East, Middle East, North America, South Asian neighbors, South Africa and South America in diverse categories (i.e. finished home textiles products and fabrics) through sales and marketing offices. A wide range of product was developed and markets through our sale offices to cater buyer's preferences in different quality and prices. We introduce fancy and special items like Dobby designs; Bedford cords Cavairy Twills and stretch fabrics at premium prices. We constantly involved in latest production and processes that consistently expanded our buyer base and explore different markets around the world..." (Export Officer)</p>	<p>Customer Relation New Production and Manufacturing Industry Trends</p>	<p>Design Studio R&amp;D &amp; Reverse engineering Implementation of New Machinery Experts</p>	<p>Latest Demand Develop Contacts</p>
<p>44. "...Similarly, we start our registered innovative designs, prints and finishes to show our innovative activities to the market. We continuously present our sample products to customers and expos to develop new ties..." (Manager sale and Marketing Planning)</p>	<p>Innovation Promotional Management</p>	<p>R&amp;D and Reverse engineering Trade Fairs &amp; Commercial Office</p>	<p>Ability to Innovate International Market Presence Develop Contacts</p>
<p>45. "...We are in the processes of launching our brand in home fashion textile and the market will witness within 6-10 months, this will include us among some of the Pakistani firm to produce and sell under its own brand name for value creation. Similarly, we are continuously developing and presenting our registered designs in the market as a promotion of our innovative product development..." (Marketing Manager)</p>	<p>Brand Management Promotional Management Innovation</p>	<p>R&amp;D and Reverse engineering Trade Fairs &amp; Commercial Office</p>	<p>International Branding and Marketing Ability to Innovate International Market Presence Develop Contacts</p>

<p>46. "...the client is a new one and wants to start business for the first time, they need some fundamental requirements about our production capabilities and capacities, our R&amp;D and handling of issues like environment, labor and CSR etc. They or their representative visit our facilities for their satisfaction. Once they satisfied form there, then they come of hard issue such as quality, cost and delivery time. Every customer has his own like and dislike in size, several types of quality and other requirements like yarn counts and type, some markets like Germany want original fiber like 100% cotton, other needs blended i.e. mixture of cotton and polyester fiber and fabrics, some are price conscious customer, they need reasonable quality, as they are targeting low or average quality products, but there are very few in numbers. Because EU has his own standards for quality and specifications and we are strictly following EU requirements i.e. REACH. When we followed REACH, we cannot calculate price below this standard and we can't produce product with low quality at low price that is why we are offering the average price to EU clients. If they want more below then we asked them to not stick with REACH standards and requirement. Because the raw materials used in the products complying with REACH standards are expansive than ordinary products and we cannot meet the demand and comply with the REACH standards. Below RACH we inform the customer well before booking the order to avoid any confusion in the production and every aspect of the order. Some clients have printing requirements i.e. OKEO TEX requirement, this is purely dye chemical requirements and ISO standards. We are certified in all three. We are also Organic Cotton certified, we are dealing and purchasing from the growers who cultivated cotton in natural and organic way. The fiber is cultivated in an organic way and we are using all dyes and chemicals sourced from organically cultivated suppliers. This type of product is comparatively expansive than ordinary and mostly tops brands are demanding and dealing in organic products. Some of our French clients are also demanding for Fair Trade products; we are also certified in that area. These products are expansive than that of non-fair trade products. Fair Trade products benefit the supply chain partners' and stakeholders i.e. local community, grower from raw materials to the finish product. The clients pay more prices in this regards to support and help the local people...." (Marketing Manager)</p>	<p>Customer Relation International and Regional Standards</p>	<p>Customer Specifications Certifications</p>	<p>Latest Demand Compliance with Standards Develop new contacts</p>
<p>47. "...I will classify into three categories as Pre-Ties, Ties (product specification) and soft issues. In the first one about every client is almost the same. The client who is going to establishing business are very concern about production capabilities and capacities, our R&amp;D and handling of basic environmental, labor and CSR issues. Most of the times the clients pay visit to our production facilities to observe it for their satisfaction. In case of satisfaction they come to the business table (ties) for main specifications which always revolving around quality, cost and delivery time. Every market and then every customer in the same market has his own like, dislike, body size, different types of quality requirements for fiber, fabrics and finishes etc. ..." (Manager sale and Marketing Planning)</p>	<p>Customer Relation</p>	<p>Customer Specifications Implementation of New Machines/System</p>	<p>Latest Demand Compliance with Standards Develop Contacts</p>
<p>48. "...In the recent time, almost every demand is somehow same. For example, whenever a client is going to starting business with us for the time is always looking for our technical capabilities and capacities (i.e. productions, R&amp;D and basic CSR). Most clients visit our facility prior to their approval and continuing business deal. Once they clear us then they come to hard business which consists of detail</p>	<p>Customer Relation</p>	<p>Customer Specifications</p>	<p>Latest Demand</p>

<p>specifications about the quality, cost, delivery, terms and conditions. All customer requirements are not the same despite they have standardize products, they are different in their choices and preferences such as color, shades, design, natural body shape and size of a specific region, fabrics and finishes etc....” (Export Officer)</p>		<p>Implementation of New Machines/System R&amp;D &amp; Reverse engineering</p>	
<p>49. “... some brands and customers need extra treatments in their products for better value through improvement in aesthetic, functionality and quality. They go for advanced finishes, dyes and processing such as Plain Dyed, Normal Finish, Easy-care Finish, Non-Iron Finish, Anti-Allergy Ultra Fresh Finish, Nano-tex, Wrinkle Free Finish, Sanforising, fire retardant, anti-mice, water proof, Mercerizing and Stain Resistant. We are competently applying such finishes as we invested in state of the art processing mills and paying for the license and patents to the innovators and suppliers of such finishes for the use in our production. It enhances the quality, aesthetic and functionality of our offerings...” (Marketing Manager)</p>	<p>Customer Relation Processing Industry Trend</p>	<p>Customer specification  Implementation of New Machine/System License</p>	<p>Latest Demand Improving Product Quality Latest Textile Processing Techniques</p>
<p>50. “... Some customers’ needs latest finishes and processes in their products as needs advanced finishes, dyes and processing such as Plain Dyed, Normal Finish, Easy care Finish, Non-Iron Finish, Anti-Allergy Ultra Fresh Finish, Nano-tex, Wrinkle free Finish, Sanforising, Mercerizing, water proof, fire retardant and Stain Resistant etc. These treatments are increasingly using for improvements in functionality, quality and value of product. We invested in latest techniques and paying for such finishes to include it in our products ...” (Manager sale and Marketing Planning)</p>	<p>Customer Relation Processing Industry Trend</p>	<p>Customer specification Implementation of New License</p>	<p>Latest Demand Improving Product Quality Latest Textile Processing Techniques</p>
<p>51. “... Some quality conscious customer demanded for extra processing and treatments in their products. They go for advanced finishes, dyes and processing to boost up the appeal of the product by adding value. We are doing all kind of finishes as per demand, what we do, we pay for license to different suppliers for the use of their dyes, treatments and latest processes in our operations ...” (Export Officer)</p>	<p>Customer Relation Processing Industry Trend</p>	<p>Customer Specification License</p>	<p>Latest Demand Improving Product Quality Latest Textile Processing Techniques</p>
<p>52. When it comes to the soft issues different regions have specific standards and requirements beside international standards for example EU and US have different standards in fiber, dyes, chemicals and processing. For example, EU clients prefer original fiber i.e. 100% cotton, fair trade and natural dyes etc. Additionally, every leading customer has set their targets in reducing their operations impact on environmental i.e. water and energy efficient specific washing and finishing, the use of chemicals, waste disposals, water treatment, emission of CO2, other treatment and processes, nature of cotton according to their region and segment. To do business ties with such customers the suppliers must have to fulfill its required standards. We are complying with international and customer’s specific regional standards. We acquired certifications and training from leading accreditation bodies and consultants. Gohar textile Limited is a certified company as ISO-9001, Global Organic Textile Standards, REACH, GOTS, OEKO TEX-100, Green Living Europe, Cotton USA certified (ASA)...” (Manager sale and Marketing Planning)</p>	<p>Customer Relation Processing International Standard Industry Trend</p>	<p>Customer Specification Certification Training</p>	<p>Compliance with Regulations Latest Textile Processing Techniques Enhance Positive Image of Firm</p>

<p>53. "...quality conscious customer demanded for extra processing and treatments in their products. They go for advanced finishes, dyes and processing to boost up the appeal of the product by adding value. We are doing all kind of finishes as per demand, what we do, we pay for license to different suppliers for the use of their dyes, treatments and latest processes in our operations. Beside International standards, every customer working in specific region has regional specific standards and requirements. Let take the example of EU have different standards in fiber, dyes, chemicals, processing in protecting environment and CRS than other regions, for instance USA. The EU customers for example German clients prefer original fiber i.e. 100% cotton, French clients always ask for fair trade and natural dyes etc. In order to work with international clients, we should have to comply with their regional standards as well. We acquired certifications and training from leading accreditation bodies and consultants. We are certified company as have ISO-9001, Global Organic Textile Standards, REACH, GOTS, OEKO TEX-100, Green Living Europe, Cotton USA certified (ASA) ..." (Export Officer).</p>	<p>Customer Relation Processing International Standard Industry Trend</p>	<p>Customer Specification Certification License Training</p>	<p>Compliance with Regulations Latest Demand Latest Processing Techniques Develop Contact Enhance Positive Image of Firm</p>
<p>54. "...form the last five years' things are dramatically and completely changed. First, if we look on the customer standards, it almost revised and changed. Right now, if we work with US or EU markets, they will send us the minimum requirements for each and every order like REACH. Five years or back they were not requiring different standards and specifications with such intensity as of today, now they are demanding in every order. Additionally, new things are evolving and emerging in their orders as some customers initiated their own requirements to be prominent in their dealings. We are fully complying with the international standards to keep working with our clients. Five years back only few big clients required labs test, final inspection and audit reports, but right now every establish client require final test lab reports in every deal, some customer require third party audit and inspection reports. They hired different consultants and Inspection Companies like SGS, Cotecna and other known for their audit and quality control service. They inspect and audit on customer behalf at our premises. We ship the consignment to clients and their nominated locations and agents in various parts of the world. Similarly, with the passage of time the innovations change the fad and fashion, specifications, construction and appearance of the fabrics and ultimately the end products. On the top the marketing and persuasion campaigns by leading actors in the industry create new dimensions in home textiles. Based on these changes we reformulate of route map through different means to be address the contemporary trends and ready for the future course of action..." (Marketing Manager)</p>	<p>Industry Trend Customer Relationship Product Innovation</p>	<p>Customer Specification License Certifications R&amp;D and Reverse engineering</p>	<p>Demand Improvement in textile Production Improving Performance Latest Textile Processing Techniques Compliance with Regulations Develop Contact</p>
<p>55. "...We are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines to equate our self with advance applications and processes which enable us to certain extent to meet any emerging demand and improve our overall performance. We induced innovative and latest finishes, dyes and treatments of world's leading supplier like Investa, DuPont GREEN LIVING etc. in our operations. We purchase their patents and license for the use of their innovative finished, dyes and finishing on our products to meet latest demand for trendy and high quality products..." (Marketing Manager)</p>	<p>Industry Trend Customer Relation</p>	<p>Customer Specification Experts Implementation of New machinery License</p>	<p>Latest Demand Improvement in Textile Production Improving Performance Latest Processing Techniques</p>

<p>56. "...In the past, the customers were mostly using the manual ordering system through mail, fax or emails but now it become system generated. Every customer has his own specialized system and software package for handling in their orders. They issue purchase orders on our name with detailed specifications and; we pulled the respective order form their system issued on our name. Similarly, we update their orders status through the said system. Similarly, the specifications, requirements and needs of the customer are totally changed. Orders are more customized and personalized with small batches for relatively short period of time (season). Now customers are more concerned about regional and internationals standards with respect to environment, CSR and ethics in handling their products, consumers, stakeholders and markets. There are innovations in processes, materials, dyes and machines which we never imagine five years back. Similarly, with the passage of time such innovations intensively change market trends, fashion, specifications, construction and appearance of the fabrics and end products. I will say that the market demand for advanced and unique treatment and standards that are changed from the past. Majority of clients requires certifications, final lab test reports, third party audit and quality inspection at different production stage. Consequently, we update our system, equipment, handling and operations in response of such changes in time, as we know very well that it will be the rule of the future game. ...” (Manager sale and Marketing Planning)</p>	<p>Industry Trend Customer Relationship International Standards</p>	<p>Customer Specification Certifications R&amp;D and Reverse engineering Implementation of New Machine/System</p>	<p>Demand Improving Product Quality Improving Performance</p>
<p>57. "...With the dynamic in market and changes in technology every customer is adapting and using latest applications and software packages in their processes and operations for efficiencies, clarity in actions, and entire value chain. Almost every customer use his own system for purchase order, what they do they issue order on a specific supplier name through their website. We draw the order as we have specific identity and password in the client system. In the same way, we sign the order on the website and updates the clients from the production to the supply schedule. The customer needs totally new parameters and processes when it comes to quality, specifications and value addition. The consumer taste for fashion, aesthetics and designs are changed in such a way that we never imagine it. Now customer is more aware about regional and internationals standards regarding sustainability, environment, CSR and ethics. We are constantly adopting latest practices and systems in our operations to create efficiency, improve quality and comply with standards in our offering, handling and operations ...” (Export Officer).</p>	<p>Industry Trend Customer Relationship International Standards Processing</p>	<p>Customer Specification Implementation of New Machine/System</p>	<p>Demand Improving Product Quality Improving Performance Latest Processing Techniques Improvement in Textile Production</p>
<p>58. "...We are following and implementing the market centered philosophy i.e. to learn about customer needs, influence of technology, competition and other forces to be competitive. We are moving with the changes by adopting and acquiring latest techniques, men, equipment and machines which enable us to certain extent to include internationally demanded trends in our productions. We induced innovative and latest finishes, dyes and treatments of world’s leading supplier like Investa, DuPont, Green Living etc. in our operations to improve product quality and functionality. We purchase their patents and license for the use of their innovative finishes, dyes and treatment on our products to meet the demand for high quality products. ....” (Manager sale and Marketing Planning)</p>	<p>Industry Trend Customer Relationship</p>	<p>Customer Specification Implementation of New Machine/System Experts License</p>	<p>Improving Product Quality Latest Processing Techniques</p>

<p>59. "...In general, the industry is changes form cotton filed to production, supply chain, market trends and business models. At the international stage evolution of the sector is fundamental in innovation and high end products at top level quality. There is a major long-term industry trends for the textile and clothing sector are well identified by the international and specifically by European technology platforms. The mode is changing from commodities to specialty products by high-tech processes; fibers, filaments, fabrics and final products with highly functional, purpose-targeted properties based innovative and high tech processes. Now the textiles are widely use and expands to material of choice in many sectors and application fields (transport systems, construction, medical applications, consumer electronics...) than that of staple clothing needs. With the passage of time the concept of mass production of textile products does not prevail anymore as there is move towards the new industrial philosophy characterized by customization, personalization, as well as flexible and agile production on-demand align with intelligent logistics, distribution and services..." (Export Officer).</p>	<p>Industry Trend Customer Relationship</p>	<p>Customer Specification Implementation of New Machine/System License</p>	<p>Improving Product Quality Latest Processing Techniques Improving Performance Latest Processing Techniques</p>
<p>60. "...Generally, textile industry is amongst the most changing industry from every front, as there are changes in technology, machines, demand, ethics, CSR and sustainability. As we say that "it changes form cotton to waste bins". There are innovations in production and processing techniques, supply chain, market trends and business models on regular interval. At the international level the (r)evaluation starts from the transfer of production to emerging and low cost production countries and regions. There are new demand and needs for special and latest processes, yarns, filaments, fabrics and end products with highly functional, specific purposed innovative properties. Textile is now increasing using in other sectors such as industrial, transportation, construction and medical purposes than that of staple clothing needs. New and alternative sources and methods of yarn manufacturing are discovered than that of cotton. ...." (Manager sale and Marketing Planning)</p>	<p>Industry Trend</p>	<p>Customer Specification Implementation of New Machine/System License</p>	<p>Improving Product Quality Latest Processing Techniques Improving Performance Latest Processing Techniques</p>
<p>61. "...the recent demand is highly customizing with agile logistics and supply solutions. Additionally, the industry is highly diverted towards CSR and sustainability in using alternative chemicals, dyes, cotton in production and processing to reduce the carbon foot prints. There are number of regional and international standards and certifications which are the norms of today's international business. Moreover, there are constant improvement in machines, systems and technologies to improve quality, reduces production cost and time.... we are addressing these changing trends through continuous compliance with standards investment in men, machine and latest techniques to enhance our handling and dealings in meeting the demand in timely manner ..." (Manager sale and Marketing Planning)</p>	<p>Industry Trend</p>	<p>Implementation of new Machine/System Experts R&amp;D &amp; Reverse engineering Certification</p>	<p>Latest Demand Improving Performance</p>

<p>62. "...there is a major derive in sustainability &amp; CSR to ensure resource efficiency and low ecologic impact in production and promoting consumer health and safety attitudes in products. There are developments in different textile sectors for the use of different applications in both conventional and technical textiles, to get aesthetic and functional aspects in end products ranging from basic textiles to other functional textiles (i.e. construction, medical industrial etc.).The transformation of textile industry towards the application of innovative and advanced processes and technologies creates an opportunity for companies in developing new technologies, processes and techniques. The innovations in machines, technology and treatments are key factors to address the change in better way..." (Export Officer).</p>	<p>Industry Trend</p>	<p>Implementation of new Machine/System Experts R&amp;D &amp; Reverse engineering Certification</p>	<p>Latest Demand Improving Performance</p>
<p>63. "...There are worldwide changes and improvements with respect to taste and demand, processes, applications, new and alternative sources of raw materials, (i.e. technical textile) and innovations in equipment, machinery, testing and standards. There are innovations in technical and operational aspects at world stage which changes the industry structure and dynamics from every aspect. Being the 4<sup>th</sup> largest producer and 8<sup>th</sup> largest exporter our local industry is receptive to the changes taking place at international level. We have one of the world's mature infrastructures of related industry due the fact that Pakistan is being an agricultural economy. Specific cities and regions are the hub of textile and cotton productions, specialized research and training institutes. But the industry is very mature in the traditional and conventional textiles which have no power to compete at international level. Demand for new and improved processes, substitute raw materials, highly automated machinery and techniques drive the industry into new directions. Unfortunately, we are lagging in innovative practices, cotton research, machinery and technical textiles with some exceptions at individual firm level. Similarly, there are changes in standards and regulations at regional and global levels regarding quotas, duties, taxes, trade, transportations, raw materials, chemicals, processes, environment, CSR, labor etc. In order to address abrupt changes and industry trend we are changing and improving our practices to high end products, processes and value-added services through continuous investment in men, machines, ties with important market player and compliance through certifications....." (Marketing Manager)</p>	<p>Industry Trend</p>	<p>Implementation of new Machine/System Experts R&amp;D &amp; Reverse engineering Certification</p>	<p>Latest Demand Ability to Innovate Develop Contact Improving Performance</p>
<p>64. "...Gohar Textile Limited has the strategy to focus on international markets and exports due to lucrative profit margin and high demand for home textile products. Since our formation, we are stick to our export strategy. Similarly, our international engagements expose us to learning, knowhow and latest trends..." (Manager sale and Marketing Planning)</p>	<p>Industry Trend Customer Relationship</p>	<p>Customer Specification Imitation and Emulation</p>	<p>Latest Demand Develop Contacts</p>
<p>65. "...from our inception, we are focusing on international markets due to high demand for our products (i.e. home textiles). On the top, it is our strategic orientation to have more share in international markets, as we are better off in term of price, profit and hand on innovative specifications. We consider our international engagement as source of learning and knowledge about latest market trends. We need latest technology, techniques and capabilities to meet the higher end demand for quality products, which is out of question without the interactions with external actors..." (Marketing Manager)</p>	<p>Industry Trend Customer Relationship</p>	<p>Imitation and Emulation Customer Specification Product Partnership</p>	<p>Latest Demand Develop Contacts Improving Performance  International Market Presence</p>



66. "...Based on the demand of the world market, we pursue our strategy of value addition through involvement in modern production and processes than that of conventional. Similarly, our interaction with different actors in the market(s) expose us to other dimensions such as learning, knowhow and latest market trends apart from sale and exports..." (Export Officer)	Industry Trend Customer Relationship New Production and Manufacturing	Imitation and Emulation Customer Specification Product Partnership	Latest Demand Develop Contacts Improving Performance
67. "...form our foundation we are focusing on international markets, as we started our journey as commercial export back in 1990, to meet the international demand for home textile products. On the top, it is our strategic orientation to have more shares in international demand due to better prices and hand on innovations. We consider our international engagement as source of learning, and know how about the latest happening in international markets. We need latest technology, techniques and capabilities to meets the increasing high end demand for quality products, which is impossible without international engagements to better serve our purpose..." (Marketing Manager)	Industry Trend Customer Relationship New Production and Manufacturing	Customer specification Implementation of New Machines/System	Latest Demand Develop Contacts Improving Product Quality
68. "...we started as commercial exporters in 1990, as we were taking orders for various customers in diverse products categories of home textile. We purchase yarn, weave it, process it and stich it at our partners or outsourcees locations, dispatch and export the products form Gohar textile..." (Marketing Manager)	Setup and Start	Buying House	Develop Contact Latest Demand
69. "...Yes, Gohar Textile Limited started as buying house or we can say a commercial exporter in 1990 as Gohar textile Office Pakistan. The main job of this office was to get order from foreign client's source yarn form local suppliers, weave it, finish it and stich it at various suppliers' location and dispatch the product to respective clients..." (Manager sale and Marketing Planning)	Setup and Start	Buying House	Develop Contact Latest Demand
70. "...Gohar Textile Limited started as buying house or we can say a commercial exporter in 1990 as Gohar textile Office Pakistan. The main job of this office was to get order from foreign clients buy yarn form local supplier, weave it, processes it and stich it at various supplier's location and dispatch the product to respective client. In the coming years, we added value in operations through starting our own stitching and production..." (Export Officer)	New Production and Manufacturing	Implementation of New Machines/System	Improvement in Textile Production Develop Contacts

<p>71. "...Since 1993 we start with our own production and manufacturing setup in the name of Gohar International in Faisalabad through investment in modern equipment. The manufacturing was limited to stitching for of quality home textile products. We gradually progressed, as a new quilting unit was inaugurated in Gohar Textile Mill in 1995. We stick to the downstream movement for value addition because of investment in latest weaving plant in 1997 i.e. Gohar Weaving Mill. In 1999, we made expansion in our stitching unit to increase the production to accommodate wide range and demand form international clients. We further expand the weaving unit production capacity to accommodate the increasing demand as we installed 100 air jet looms in 2001 and 300 additional auto looms in 2003 respectively. In 2006, we made huge investment by setting up state of the art processing mill. The setup is equipped with latest plant and machinery to satisfy the requirements for latest and value-added processing, finishing and dying. We diversified our product line in 2013, as we launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, which further expands to UAE, India and UK. It is basically very delicate thin and light fabrics mostly used for women garments and a basic ingredient of the eastern clothing needs. Till now we are semi-integrated production facility as we don't have our own spinning unit, we acquired and sourced our required quality yarn from local partners. Since 2013, we started the construction of our latest spinning unit to complete the aspiration of vertically integrated unit to control for the desired quality yarn and supply chain. It is expected that the spinning unit will start production by March 2015. We are also in the processes of establishing our own brand(s) which is expected to launch in 6 months' time..." (Marketing Manager)</p>	<p>Implementation of New Machines/System Processing Product Diversification Integrated Production Brand Management</p>	<p>Implementation of New Machines/System Vertical production Facility Experts Design Studio Customer Specification</p>	<p>Supply Chain Control Improving Performance Latest processing Techniques Improving Product Quality Develop Contacts</p>
<p>72. "...As a result of strategic move the management decided to start their own production instead of outsourcing the demanded orders to local suppliers. The implementation was stated by the coming years as the group invested in value-added operations at up and down in value chain. In 1993, the company achieved a mile stone towards his own production by setting up a latest stitching unit with the name Gohar International in Faisalabad. In 1995, a new plant to produce quilts was established in Gohar Textile Mill through investment in latest equipment and machine to cater the increasing demand for technical quits in international markets. In 1997, new investment was made in setting of a small weaving unit (i.e. Gohar Weaving Mill) with 100 Sulzer Looms latest at that time to meet the needs for own fabrics and export some quantity. In 1999, an expansion was made in stitching unit to increase the production space, accommodate diverse stitching demand form international clients. Further expansion was made in weaving through installation of latest 100 air jet looms in 2001 and 300 auto looms in 2003 respectively. These successive installations increase the production capacity to accommodate the increasing demand for diverse range of processed and greige fabrics. In 2006, we made huge investment by setting up state of the art processing mill as Gohar Textile Mills Limited. The setup is equipped with latest plant, equipment and machinery to fulfill the requirements for latest and value-added processing, finishing and dying. We diversified our product line in 2013, as we produced and launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, Bangladesh, India and UK simultaneously through stockists. Since 2013, we started the erection of our latest spinning unit to complete the vertical aspiration. The spinning unit will enable us to control for the</p>	<p>New Production and Manufacturing Processing Product Diversification Integrated Production Brand Management</p>	<p>Implementation of New Machines/System Customer Specification Vertical Integrated Facility Experts Design Studio Sales Agent</p>	<p>Latest Demand Supply Chain Control Improving Performance Latest processing Techniques Improving Product Quality Improvement in Textile Production Develop Contacts Branding and Marketing International Market Presence</p>

<p>desired quality yarn and supply chain. It is expected that the spinning unit will start production by March 2015. We sourced our required quality yarn from local suppliers. Moreover, we are in the processes of establishing our own brand(s) which is expected to be launch in near future....” (Manager sale and Marketing Planning)</p>			
<p>73. “... In 1993, we stated movement towards self-reliance as the company entered in its own production by setting up a latest stitching unit in the start in the name of Gohar International in Faisalabad. In 1995, we established a quilting unit in Gohar Textile Mill through investment in latest equipment and machine to cater demand for technical quits in international markets from our own production unit. To decrease our production dependency on supplier, in 1997 we set a small weaving unit (i.e. Gohar Weaving Mill) with investment in 100 Sulzer Looms latest at that time to meet the needs for own fabrics and export some quantity. Later in 1999, further expansion was made in stitching area to increase the production space, accommodate diverse stitching demand form international clients. Similarly, further expansion was made in weaving through installation of latest 100 air jet looms in 2001 and 300 auto looms in 2003 respectively. These successive installations increase the production capacity to accommodate the increasing demand for different quality and range of fabrics. In 2006, a state of the art processing mill as Gohar Textile Mills Limited was established through a huge investment. The setup is equipped with latest plant, equipment and machinery to fulfill the requirements for latest and value-added processing, finishing and dyeing. In 2013, a twist was made in our offering, as we enrich our product line through diversified our product line. We simultaneously started the production and launched our own brands in fashion clothes fabrics (Lawn) in Pakistan, Bangladesh, India, UAE and UK through reputed garments and fabric stores. We were feeling deficiencies in our vertical facility since our involvement in production. Since 2013, we started the erection of our latest spinning unit to complete the vertical aspiration. The spinning unit will enable us to control for the desired quality yarn and supply chain. It is expected that the spinning unit will start production by March 2015...” (Export Officer)</p>	<p>New Production and Manufacturing Processing Product Diversification Integrated Production Brand Management</p>	<p>Implementation of New Machines/System Customer Specification Sales Agent</p>	<p>Latest Demand Supply Chain Control Improving Performance Latest processing Techniques Improving Product Quality Improvement in Textile Production Develop Contacts Branding and Marketing International Market Presence</p>
<p>74. “...our regular collaborations with experts, designers and investments in R&amp;D and design facilities us to produce latest trends in prints, finishes and fabrics confection. Based on this expertise we present our own registered designs and fabrics as marketing engine to inspire and develop new clients. We visit our customer, world markets and participate in exhibitions and trade expos like Heimtex, Moscow Textile Fair, Indo-Pak Fashion Street-India, Life Style Pakistan-India and Trade Development Authority of Pakistan (TDAP) etc. These contacts help to get necessary insights for our concept(s) that we present on seasonal basis, and keep us in touch with market trends in developing our products and service. We are preparing our innovative styles, designs and products for the upcoming Heimtex 2015. You can visit us on our stand at Hall 10.1 Stand A55...” (Marketing Manager)</p>	<p>Innovation Promotional Management</p>	<p>Experts R&amp;D and Reverse engineering Design Studio Imitation and Emulation Commercial Office</p>	<p>Develop Contact Ability to Innovate Improvement in Textile Production</p>

<p>75. "...we passed through a lengthy process and value addition in our operations we continuously invested in experts, designers, R&amp;D and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. Additionally, we are visiting our international clients and world markets to updates ourselves about market prevailing trends through visiting our international customers, markets and participating in exhibitions. Which we further converted in our own developments. This enables us to present our own registered innovative designs and fabrics as marketing tools to different regions and markets in short possible time. We present our designs and fabrics on regular basis to inspire and attract new clients through personal visits, marketing offices and participation in expos...." (Manager sale and Marketing Planning)</p>	<p>New Production and Manufacturing Innovation Promotional Management</p>	<p>Experts R&amp;D and Reverse engineering Design Studio Imitation and Emulation Commercial Office</p>	<p>Develop Contact Ability to Innovate Improvement in Textile Production</p>
<p>76. "...we invested significantly in experts, designers, extensive R&amp;D department and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. This enables us to extend our operations into more value centric processes, finishes and products in similar category. Such extensions facilitate our ability to present our own registered innovative designs and fabrics more extensively and improve quality of our offering to trap new clients. We present our new product concepts on regular basis to inspire, attract and develop new clients through personal visits, participation in expos and marketing offices..." (Export Officer)</p>	<p>New Production and Manufacturing Innovation Promotional Management</p>	<p>Experts R&amp;D and Reverse engineering Design Studio Imitation and Emulation Commercial Office</p>	<p>Develop Contact Ability to Innovate Improving Product Quality</p>
<p>77. "...client sends us different types of inquiries which are not really for Gohar Textiles. We address such orders with our internal teams comprising personnel from product planning and control (PPC), design, P&amp;D, R&amp;D, production and procurement etc. In case of further help on the technicalities the company also contact and consults European designers on our payroll. Moreover, we also consult different producers who are specialized in the demand products. In case of possibility the company first develops the sample or prototype and sends it to the concerned clients for further process i.e. comments, acceptance, edition or rejections. The company does not promise for anything that is unable or does not meet the required standard. In such a case the company simply excuses for execution of such orders and refer the clients to the most relevant producers here in Pakistan. But in our area i.e. woven home textile we did not come across with such major refusal. I mentioned in the start that we are fully complying with the international standards and invested significantly in intensive research and development facilities to stay abreast of latest trends in prints and fabric confections. Additionally, in dealing with unique orders we need the right technology and knowledge that enable us to meet the latest demand from international markets. To address the latest and unique orders we import and acquired state of the art machines, equipment, labs and testing tools from Japan, Germany, Switzerland and China. Similarly, we are acquiring latest and innovative finishes dyes and coating techniques from world's leading suppliers through licenses to accommodate market leading features in our products and processes..." (Marketing Manager)</p>	<p>Innovation Customer Relation Industry Trend</p>	<p>R&amp;D and Reverse engineering Implementation of new Machinery Experts License Customer Specification</p>	<p>Latest Demand Ability to innovate Develop Contacts Improving Product Quality Latest Processing Techniques</p>

<p>78. "...In case of unusual order or I can say the order which we never handle before is double evaluate by our evaluation teams to judge whether we can develop required order in available expertise or we need something extra. In case of further help on the technicalities we contact and consult European designers at our payroll. We also consult different supplier and producers who are specialized in the demanded products. In case of possibility the company first develops the sample or prototype and sends it to the concerned clients for approval. We never promise for the things which we are unable to develop or don't meet the required standards properly. We excuse our clients in a sincere way and inform them about our constraints in fulfilling his required products. Back in 2012, we received an inquiry from a French client for a knitted bed sheet which is not our areas of specialty, we checked the possibility but we were not confident. We referred the client to Massod textile a big name knitting. In woven home textile, we did not come across with such major refusals, although we faced problems in the start but we managed to meet the requirements.... I mentioned in the start that we are fully complying with the international standards and invested significantly in intensive research and development facilities to stay abreast of latest trends in prints and fabric confections. We acquired state of the art machines, equipment, labs and testing tools from Japan, Germany, Switzerland and China to address the unique and emerging orders. Similarly, we are acquiring innovative finishes, dyes and coating techniques from world's leading suppliers through licenses to accommodate market leading features in operations..." (Manager sale and Marketing Planning)</p>	<p>Innovation Customer Relation Industry Trend</p>	<p>License Product Partnership R&amp;D and Reverse engineering License Customer Specification</p>	<p>Develop Contact Ability to innovate Improving Product Quality Latest Processing Techniques</p>
<p>79. "...We have a systematic approach towards any order and inquiry. When we receive an inquiry first we evaluate it with a team consist of personnel from various departments. We carefully evaluate and cross check different dimensions of orders which are new or different from our previous production. We carefully judge our capacities whether we can develop such order in available resources or we are in need of something extra. In case of need we ask for necessary changes to make the processes speedy and avoid investments. Further needs on technicalities we consult our foreign designers, different supplier and producers for help and clarifications. In case of possibility we first develop the sample or prototype and send it to the concerned clients for approval. In the start, we always ask for trial order i.e. small quantity. Once the customer satisfies when the product is launch and friction with consumer, we ask for quantities. We never promise beyond our expertise or control, as we simply excuse for execution of such orders and refer the clients to the most relevant producers here in Pakistan. We received an inquiry from a French client for bed sheets in knits, which is not our areas of specialty, we checked the possibility but it was costly for the customer, so we refereed the client to Massod textile and others who have expertise in knitting. In our area of specialty i.e. woven home textile we did not come across with such major refusal, although we faced problem but we managed to fulfill the demand. Similarly, we received an inquiry for Green First Finish form a Bulgarian client. It was a totally new concept for us; we never done it before. We request the Clint for detail specifications; we worked out for 2 weeks and finally found one local supplier who was importing such chemicals and dyes from France. We contacted the said supplier, got the required chemicals and successfully developed the sample fabric and approved form the client and respective accreditation agency form France. Now we are producing Green First Finish without any problem..." (Export Officer)</p>	<p>Innovation Customer Relation Industry Trend</p>	<p>License Product Partnership R&amp;D and Reverse engineering License Customer Specification</p>	<p>Develop Contact Ability to innovate Improving Product Quality Latest Processing Techniques</p>

<p>80. "...These orders are vital from the learning and gaining experience perspectives as these are information and knowledge carriers from outside. It exposes us to new concepts and different means of doings. Working on unique orders enables us to put hand in new machines, techniques and technology. We extend and keep developing on such unique orders as our R&amp;D and design teams continuously presetting novel designs and fabrics for future business. For example, I got an order form one of my Bulgarian clients for "Green First Finish" that was totally new concept for us, as we never done such finish before. I request the Clint to provide me detail specification; they educate me about this special finish. We evaluate it for possible solution and execution we almost spent 15 days and at last we broke the code. We got one source from Karachi, i.e. the supplier importing such chemicals from France. We got it from that supplier, applied it and successfully develop the sample fabric. The client demanded for two samples, one for them and one for the accreditation company in France. They evaluate the sample, checked and certified it. We got the logo and certification that we are producers of "Green First Finish". Now we can confidently develop and produce Green First Finish products. It also exposes important players and supply chain partners for future business and contacts..." (Marketing Manager)</p>	<p>Innovation Customer Relation Industry Trend</p>	<p>Learning by Doing Imitation and Emulation R&amp;D &amp; Reverse engineering Product Partnership Customer Specification</p>	<p>Develop Contact Improving Product Quality Improvement in Textile Production Ability to Innovate Latest Processing Techniques</p>
<p>81. "...Yes, these orders challenge us and evaluate us form different perspectives, mean that we know ourselves, we judge our expertise, capabilities and deficiencies. Such inquires carries information and knowhow from outside as we always get some new insights and market trends that are vital for our existence. It exposes us to innovative ideas and alternative techniques of doings things and to fill the gap for new machines, techniques and technology. We extend the certain aspects of such order to our register designs and samples that we are using for marketing for future business. We got an order form a Bulgarian client for "Green First Finish" that was totally new concept for us; we never come across with such finish. We request the Clint for detail specification; they send us comprehensive details about the said finishing. We spend some time to work on it and finally found that one local supplier importing such chemicals from France. We contacted the said supplier; we got the required chemicals and dyes and successfully developed the sample fabric. The client demanded for two samples, one for them and one for the accreditation company in France. They evaluate the sample, checked and certified it. We got the logo and certification that we are producers of "Green First Finish". Now we can confidently develop and produce Green First Finish products. It also exposes important players and supply chain partners for future business and contacts..." (Manager sale and Marketing Planning)</p>	<p>Innovation Customer Relation Promotional Management</p>	<p>Learning by Doing Imitation and Emulation Product Partnership Customer Specification</p>	<p>Develop Contact Ability to Innovate Latest Processing Techniques Improvement in Textile Production</p>
<p>82. "...these orders are source of our self-reflection in a way that we know our capabilities, deficiencies and emerging trends based on such inquires. Such inquiries are carrier of external information and new insights and recent market trends that are vital for operations and existence. It exposes us to innovative ideas and alternative techniques of doings things and to fill the gap for new machines, techniques and technology. We include certain parameters of these orders in our product concepts and designs as we reengineer it according to our need. We got an order form our Bulgarian customer for "Green First Finish" that was a totally new finish for us. We request for detail specifications and technicalities they equipped us with all necessary information. We searched and finally found a local supplier importing</p>	<p>Innovation Customer Relation Promotional Management</p>	<p>Learning by Doing LICENSE Product Partnership Customer Specification Imitation and Emulation</p>	<p>Develop Contact Ability to Innovate Latest Processing Techniques</p>

<p>such chemicals from France. We contacted the supplier; we got our required stuff and successfully developed the sample and send accordingly to our clients and his mentioned accreditation company in France. They assessed, checked, approved and certified the sample. We got the logo and certification that we are producers of “Green First Finish”. Now we can confidently develop and produce Green First Finish products. It shows the important players and supply chain partners (i.e. supplier, dyes producer and accreditation agency etc.) for our future contacts...” (Export Officer)</p>		R&D & Reverse engineering	
<p>83. “...There is no boundary for business, religion culture and other parameters are not hurdle at all, everyone is working for his benefits, profits and efficiencies in operations. Clients working with us if we are attractive and profitable for them, otherwise they switch to others. Similarly, we are doing the same in our supplies (raw materials). If they found other suppliers attractive they defiantly switched to others. Now it depends on us how we manage to engage and retain them. If we provide the demanded quality, delivery at average price they will stick with us, otherwise they will have jumped out of the pan I can’t say anything categorically. It is very hard to attract and develop clients form the scratch, as you need lots of resources and energy to persuade the clients with your actions and offerings. We have the policy of long-term relationships with our clients. Once it develops we retain him at every cost and cultivate it over time. Some prestigious brands and chain have their accounts with us form the last 16-18 years. We have also some transactional buyers who come and go on continuous basis. We consider our clients as partners; we value them with positive response...” (Marketing Manager)</p>	Customer Relation	Customer Specification	Develop Contact Latest Demand
<p>84. “...We are committed to providing high customer service quality which is backed with modern high standards of production...” (<a href="https://www.facebook.com/GoharTextileMills/info?ref=page_internal">https://www.facebook.com/GoharTextileMills/info?ref=page_internal</a>)</p>	Customer Relation	Customer Specification Implementation of New Machine/System	Develop Contact Improving Product Quality
<p>85. “...Our operations are customer centric, as we are continuously collaborating and learning with customers in order to respond to their individual and emerging needs. Our aim is to gain and maintain their trust and reliance on us on a perpetual basis through excellence in manufacturing and customer services. It enhances our sales and exports in international markets. We have the policy to have continuous and long-term relation with our customers at every cost. At one side, it contributes to keep our business with the existing clients, develop more over time and learning about latest happenings in their markets and region. We invest in men, machine and latest techniques to best match with their demanded specifications for quality and high end products. We continuously entertain them with innovative designs, finishes, quality fabrics as a marketing tool to keep the beat of our proactive approach through our sales and marketing offices. We present our registered designs in local and international trade expos on regular basis to attract potential clients for future development. Beside transactional customers some leading brands and chain are our permanent customers form the last 18 years. In the last 6 years, we almost added 30 new customers....” (Manager sale and Marketing Planning)</p>	Customer Relation Promotional Management	Customer Specification Implementation of New Machine /System Experts R&D and Reverse engineering Commercial Offices	Develop Contact Improving Product Quality International Market Presence Improvement in Textile Production Latest Processing Techniques

<p>86. "...To gain customers' trust in textile business through quality, social and environmental commitments, with the help of our valuable employees, through efficient and effective textile technologies..." <a href="https://www.facebook.com/GoharTextileMills/info?ref=page_internal">https://www.facebook.com/GoharTextileMills/info?ref=page_internal</a></p>	<p>Customer Relation International Standards</p>	<p>Customer Specification Experts Implementation of New Machine /System</p>	<p>Improving Product Quality Compliance with Standards Enhance Positive Image for Firm Latest Processing Techniques</p>
<p>87. "...Our aim is to gain and maintain the customers' trust and reliance on a perpetual basis through excellence in manufacturing and customer services to become the major exporter from Pakistan. We have the policy to have continuous and long-term relation with our customers at every cost. At one side, it contributes to keep our business with the existing clients, develop more over time and learning about latest happenings in their markets and region. We invest in men, machine and latest techniques to best match with their demanded specifications. We continuously entertain them with innovative designs, finishes, fabrics and marketing tools to keep the beat of our proactive approach through our sales and marketing offices in various parts of the world. We present our registered design in trade expos at local and international level to attract potential clients for future development. Beside transactional customers some leading brands and chain are our permanent customers form the last 18 years. In the last 6 years, we almost added 30 new customers..." (Export Officer)</p>	<p>Customer Relation Promotional Management New Production &amp; Manufacturing</p>	<p>Customer Specification Implementation of New Machine /System Experts R&amp;D and Reverse engineering Commercial Offices</p>	<p>Develop Contact International Market Presence Improvement in Textile Production Latest Processing Techniques</p>
<p>88. "...Gohar Textile Mills was founded in 1993 in a renowned city of Faisalabad for its textile industry. We are a vertically integrated textile manufacturing company specializing in the production of a wide range of home textile. We have based our production on the foundations of good understanding of customer requirements and market research. It is our constant endeavor to continuously define and improve the quality standards to match up the demanding requirements of our customers..." (<a href="https://www.facebook.com/GoharTextileMills/info?ref=page_internal">https://www.facebook.com/GoharTextileMills/info?ref=page_internal</a>)</p>	<p>New Production &amp; Manufacturing Industry Trends</p>	<p>Customer Specification Implementation of New Machine /System R&amp;D and Reverse engineering</p>	<p>Latest Demand Improving Product Quality</p>
<p>89. "...In case of any mismatch in product specifications, quality, and shipment etc. we try our level best to find every possible means to resolve it for smooth ties. We have a well-developed and organized back tracking system for investigation of problems for each and every order. We are conducting our operations and business in responsible way to comply with customer's regional and international standards. We guarantee complete protection of any customer trade secrets and specifications..." (Marketing Manager)</p>	<p>Customer Relationship Conflict Resolution</p>	<p>Negotiation &amp; Discount Trade Secrets</p>	<p>Compliance with Regulations Develop Contacts Enhance Positive Image for Firm</p>
<p>90. "...In case of any problem we take any corrective action to solve it in short possible time through various means. Sometime leading and big customer exercise power in certain way, but we always coop to fulfill their needs for the continuity of our business. We are responsible in our conduct; we never disclose customer's R&amp;D and related information..." (Manager sale and Marketing Planning)</p>	<p>Customer Relationship Conflict Resolution</p>	<p>Negotiation &amp; Discount Trade Secrets</p>	<p>Compliance with Regulations Develop Contacts Enhance Positive Image of Firm</p>



<p>91. "...Sometime there are distractions due to certain reason we are always trying to take corrective action to keep things on track in short possible time. We try different options and means for better settlement. Sometime leading and big customer exercise power in certain way, but we always coop to fulfill their needs for the continuity of our business. We are responsible in our conduct; we never divulge customer R&amp;D and trade information..." (Export Officer)</p>	<p>Customer Relationship Conflict Resolution</p>	<p>Negotiation &amp; Discount Trade Secrets</p>	<p>Compliance with Regulations Develop Contacts Enhance Positive Image of Firm</p>
<p>92. "...It is common to have full detail specifications and requirements from clients whenever they place their orders. They always send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carried out and they need. Our products should meet and comply with all the requirements of the customers from every aspect. Our sourcing partners, clients, international consultants, designers, suppliers and sister company personnel continuously train and guide us about their required criteria. Very recently we learned about different standards and certification from the requirement of different customers. Our sister company who is also our client help us a lot in designing and innovative treatments in our products..." (Marketing Manager)</p>	<p>Processing International Standards New Production and Manufacturing</p>	<p>Customer Specifications Training/Workshop Certifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques Compliance with standards Improving Performance</p>
<p>93. "...Every client places the order with full specifications and requirements. Customers always send their requirements in type of yarn, aesthetics, finishing, fabric type, yarn counts, washing and dozens of actives which we are supposed to carry in meeting fulfilling their orders. Our products should comply with all the demanded requirements of the customers from every aspect. Beside customer elaborated specifications, other value chain actors such as suppliers, sourcing partners, international consultants, designers, and sister company continuously train and guide us about latest techniques for improvement and efficiency in our operations. We learned about different standards and certification from the requirement of customers from different regions. Our UK based sister company always helping us in designs and innovative techniques in our operations and processes..." (Manager sale and Marketing Planning)</p>	<p>Customer Relationship New Production and Manufacturing Processing International Standards</p>	<p>Customer Specifications Training/Workshop Certifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques Compliance with standards Improving Performance</p>
<p>94. "...we get a detail specifications and requirements whenever we received an inquiry or order from different clients. Customers always send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of spec which we should take care of in fulfilling their orders. Sometimes we get guidance or short training in quality and waste control etc. Similarly, we get instructions and tips from suppliers for the use of new acquired machines, labs and testing tools for perfect treatment. Similarly, based on working with certain clients lead us to different standards and certifications from their requirements. Our UK based sister company who is also our client helping us on continuous basis in designs and innovative treatments in our products..." (Export Officer)</p>	<p>Customer Relationship New Production and Manufacturing Processing International Standards</p>	<p>Customer Specifications Training/Workshop Certifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques Compliance with standards Improving Performance Latest Demand</p>
<p>95. "...when it comes to home fashion textiles, it has so many variations and product categories based on different regional demand. Such variations and diversifications connect us to the rich source of external knowledge, market needs, learning and overall industry trend through practical involvement on the production floor. I mentioned earlier that there is something new in almost every order for us i.e. an order is a combination of dozens of tasks (i.e. from yarn to final supply and after sale tasks) which are</p>	<p>Industry Trends Promotional Management</p>	<p>Learning by doing Customer Specification Imitation</p>	<p>Latest Demand Develop Contact Improvement in Textile Production</p>

<p>carrying out by different subunits of our company, those subunits learn and practiced innovative ways of experiencing and executing different things. Diversified orders are the best way of learning by doing and hands in experience of trendy practices, which we extend to our future production and engagements...” (Marketing Manager)</p>			<p>Latest Textile Processing Techniques</p>
<p>96. “...Every interaction with clients is important whether it is on transactional basis or long-term basis. We gradually learn from our customers about their needs, resources, strategies and businesses context. We learn customer specific liking and disliking, coordination of different activities to produce and fulfill their demand. Based on working and learning from different customer in a certain situation or setting can help us in relationship development with the existing customers and or with the potential ones. We can extend such learning and experiences to establishing new relationship with potential customers’ in the same market or their competitors in other markets. Similarly, these interactions with customers make visible the important players in the value chain or network which are important for the inclusion of new aspects in our production and future business developments. These diversified orders are the best way to learn and hands in experience for future engagements...” (Manager sale and Marketing Planning)</p>	<p>Customer Relationship New Production and Manufacturing</p>	<p>Learning by doing Customer Specification Imitation</p>	<p>Develop Contact</p>
<p>97. “...Interaction with diverse foreign customers is vital source of learning and an opportunity for experiencing new things on regular basis. The relations with international clients help us to learn about different regions and market needs, latest technology and techniques, competitors, vital value chain actors and other forces. Based on our interaction and learning from our international customers we shape our strategy and tactics to become more skillful and competitive. As at one side we adapt the latest best practices to serve the present market needs for our survival while on the other hand based on the existing practices we create more possibilities and products in new directions for future developments. Similarly, these engagements force us to invest in R&amp;D, latest technology and machines to cater the presents and emerging needs of the market...” (Export Officer)</p>	<p>Customer Relationship New Production and Manufacturing Promotional Management</p>	<p>Learning by doing Customer Specification Imitation R&amp;D and Reverse engineering</p>	<p>Develop Contact Improving Product Quality Improvement Latest Textile Processing Techniques</p>
<p>98. “...There are certain issues and limitation which are not practically possible and workable in the production and after sale. In such situation, we guide the clients with certain options and possible alternatives to make the production and processing easy and safeguard the clients form after sale complaints in their designed and marketed products. At the time of booking and signing the production order, we evaluate the order from every angle based on our experience. If there anything problematic we immediately contact the respective clients for clarifications and corrections. In the developing and sample production, we check and test each aspect of the product and if we feel something that could be problematic for us or for the clients we communicate it through proper channels for avoidance of any future problems and losses. This is also a routine that about every order is changing in some way, to make it production friendly according to our capabilities’ and capacities. We advise certain changes and get response from clients about our advices. If the customer insists on his hard and fast requirements which are hard for us in the production, then we inform the clients that he will pay up charge for such order than normal charges. Sometimes we can’t book any upcharge order, because those types of conditions are not workable for us in any case. About 99% orders and products are</p>	<p>Customer Relationship</p>	<p>Technical Advises</p>	<p>Develop Contact Improving Performance Improving Product Quality Enhance Positive Image of Firm</p>

<p>always improved in certain ways. Our advises and in time technical decisions with different options and alternatives for improvements are respected and trusted by clients, considered Gohar Textile reliable supplier...” (Marketing Manager)</p>			
<p>99. “... If we find something unclear we contact the respective client for further clarifications. Once, we clear the order for production, we start developing sample. In the developing and sample production, we check and test each aspect of the product by passing through several tests and checks, if we note something that could be problematic for us or for the respective client we communicate it through proper channels for avoidance of any future problems and losses. This is also a routine that about every order is changing in some way, to make it production friendly according to our capabilities’ and capacities. We advise certain changes to clients and get their responses as well. If the customer insists on his specifications which are hard for our production unit in a certain way, then we demand for pay up charges. Sometimes we avoid certain pay up charge orders, because those orders are not workable and can affect our efficiencies. About 99% orders and products are always improved in certain ways. Our advises and recommendations with certain technical alternatives for improvements are respected and trusted by clients, and make us reliable in the market...” (Manager sale and Marketing Planning)</p>	<p>Customer Relation</p>	<p>Technical Advises</p>	<p>Positive Image for the Firm Develop Contact Improving Performance</p>
<p>100.“...If there are issues that could create problem in the production or after sale we inform the client in a formal way. It is common that abut every order is changing in certain respect(s) to make it ready for effective and efficient execution. Sometime the clients have different view as they insist on their original parameters, if we feel that it is hard with the available means, then we ask for certain extra charges. In some cases, we don’t opt for such orders as they are problematic and can affect our relations and repute in the market that is why we don’t commit with the client. Let me share an interesting incident with one of my client from Brazil, they were going to import raw fabrics from us for the first time. I asked the contact person that you are going to buy raw fabric from us; we need to know the purpose for the use of this fabric. If we know we can manufacture this fabric according to your technical requirements. They told us that they are using the said fabrics for making blankets, they will process it, make blanket for export to Argentina. We asked about the size of the requirement fabric and they replied that we need 245cm, we discussed and very surprised that how it is possible that you finish the fabrics and will get 240cm. It was impossible that you will only loss 5cm in the process and will get 240cm. They replied no, no, they need to follow their technical requirements and we just need to follow them. We said ok, but we wrote an email clearly stating that “that after finishing this fabric will become much shorter and reduced to approximately 235cm instead of 240cm”. They denied repeatedly, we said ok we produced the fabric, passed through internal quality control and external quality auditors SGS and ship the container to them. They received the consignment and when they started the finishing, his production manager call that there is a problem, as the fabric reduces to 232 cm. After that they always buy 250cm from us, sometime customer doesn’t accept our advises they stick with their own requirements as they know their market’s needs. We always advise them based on our expertise in production and technicalities of different parameters. Our recommendations and in</p>	<p>Customer Relation</p>	<p>Technical Advises</p>	<p>Positive Image for the Firm Develop Contact</p>

<p>time technical decisions with certain options and alternatives for improvements are respected and trusted by clients, and make us reliable in the market...” (Export Officer)</p>			
<p>101. “...Similarly, we continuously visiting our clients located in different parts of the world, continuously participating in trade shows such as Heimtex and TADP etc., buying latest products form top of the line store and keep searching professional sites such as Business Recorder and Bloomberg for our continuous updates and happing around the world to better understand and cater the emerging trends and demands. We are extremely open and flexible towards any idea and information from any source. (Manager sale and Marketing Planning)</p>	<p>Promotional Management Industry Trend New Production and Manufacturing</p>	<p>Trade Fairs and Commercial Offices Emulation and Imitation</p>	<p>Develop New contacts International Market Presence Latest Demand Improving Performance</p>
<p>102. “...Similarly, to keep the beat of expansion and value addition in our operations we continuously invested in experts, designers, R&amp;D and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. Additionally, we are visiting our international clients and world markets to updates ourselves about market prevailing trends. Which we further converted in our own developments. This enables us to present our own registered innovative designs and fabrics as marketing tools to different regions and markets. We present our designs and fabrics on regular basis to inspire, and attract new clients through personal visits, participation in expos and marketing offices...” (Manager sale and Marketing Planning)</p>	<p>Promotional Management Industry Trend New Production and Manufacturing</p>	<p>Trade Fair &amp; Commercial Offices Emulation and Imitation</p>	<p>Develop New contacts International Market Presence Latest Demand Improving Performance</p>
<p>103. “...Additionally, we invested significantly in experts, designers, extensive R&amp;D deoportment and design facilities to stay abreast of the latest trends in prints, finishes and fabrics confection. This enables us to present our own registered innovative designs and fabrics as marketing tools. We present our designs and fabrics on regular basis to inspire, attract and develop new clients through personal visits, participation in expos and marketing offices...” (Export Officer)</p>	<p>Promotional Management Mew Production / Manufacturing Industry Trends</p>	<p>Trade Fair &amp; Commercial Office Imitation and Emulation Experts R&amp;D &amp; Reverse engineering</p>	<p>Develop New contacts International Market Presence Latest Demand Improving Performance Ability to Innovate</p>
<p>104. “...We have multiple engagements with certain clients and or in different markets. I mentioned earlier that we started as commercial exporter. Today we export more than 90% of our and provide complete services for private labeling and brand manufacturing for world leading brands and chains. We equally involve in both upstream and downstream value-added activities in different product categories as we diversified our offering into fashion clothes fabrics. We had well equipped infrastructure for home textile, what we done we collaborate with famous designers; invest in design studio and special embroidery equipment to move in the direction of change. We sell our own brands and registered seasonal collections in fashion clothing fabric in Pakistan, Bangladesh, UAE, India and UK through our own marketing strategy and exclusive agents. In local market, we market our own and sale through exclusive agents in almost every major city across the country backed by a very organized online sale with free delivery and discounts. We are in the processes of launching our brand in home fashion textile and the market will witness within 6-10 months, this will include us among some of the Pakistani firm to produce and sell under its own brand name for value creation. Similarly, we are continuously developing and presenting our registered designs in the market as a promotion of our innovative product development. We offer a wide range of quality products in different categories</p>	<p>Customer Relations Product Diversification Brand Management Innovation Promotional Management</p>	<p>R&amp;D &amp; Reverse engineering Implementation of new Machines/System Sales Agent Experts Design Studio</p>	<p>Branding and Marketing Ability to Innovate Develop Contacts</p>

<p>(fabrics and finish products) of home fashion textiles that covers the complete spectrum of colors, prints; fabrics, finishes and confections...” (Marketing Manager)</p>			
<p>105.“...We also provide full range of innovative services from concept to door step delivery of semi-finished and end products according international demand on our semi integrated production facility. We are also providing audit and quality control services to world leading home textile chains as we are self-approved auditors. We audit and send the consignment to their specified agents and retailers...” (Marketing Manager)</p>	<p>Customer Relations Design and Pattern Development Innovation</p>	<p>Customer Specification Vertical Production Facility R&amp;D &amp; Reverse engineering Experts</p>	<p>Commercial Services Latest Demand</p>
<p>106.“...Our engagements are multiple in different markets and product categories. I will basically have divided it in the following areas:</p> <ol style="list-style-type: none"> <li>Home Textile Fabrics- We develop, manufacture and export both greige and processed fabrics to Far Japan, South Africa, Italy, France, USA, Canada and Sri Lanka more intensively than before. The fabrics are considered as intermediate production the value chain.</li> <li>Finished Products- We are developer, manufacturer and exporters of a wide range of home textile finished products such as, quilts, bed sheets, kitchen linen and curtain etc. in various cast and designs. We aggressively developed and developing other markets than EU and North America for our products.</li> <li>We diversified our business and production line by introducing garment fashion fabrics in different dye caste, shades, designs and quality.</li> <li>We started our R&amp;D and designing unit to design, develop and present our registered products in fabrics, finished items and fashion clothing fabrics to retain and attract clients in different market segments. The need base investment in R&amp;D and designing facilities fortify our manufacturing capabilities of private labels and brands from product idea and design to full execution of finish product.</li> <li>We move down as we are selling under our own brand name is garment fabric and are in the processes of launching our own brand in home textile as well.</li> <li>We will be fully vertical integrated production facility by the end of March 2015, which will enable us to control for the required quality and save time at different production stages...” (Manager sale and Marketing Planning)</li> </ol>	<p>Customer Relations Design and Pattern Development Product Diversification Brand Management Integrated Production Promotional Management</p>	<p>R&amp;D &amp; Reverse engineering Implementation of New Machine/System Design Studio Sales Agent Customer Specification Vertical Production Facility</p>	<p>Branding and Marketing Ability to Innovate Develop Contacts Improving Product Quality Improvement in Textile Production Latest textile Processing Techniques Improving Performance Supply Chain Control Commercial Services</p>
<p>107.“...we have multi-dimensional involvement in different markets and regions. We are designer, developer, producer and suppliers of both processed and unprocessed fabrics in different categories of home textiles. We design, develop and manufacture private labels for world leading brands and supply chains in a wide range of finished products. Since 2013, we are continuously involving in R&amp;D and designing to design and develop our registered products in fabrics and finished products in home textiles and fashion clothing fabrics to retain and attract clients in different product categories. We are selling under our own brands and collections in garments fabrics. We are focusing developing other</p>	<p>Customer Relations Design and Pattern Development Brand Management Integrated Production Promotional Management</p>	<p>Vertical Production Facility R&amp;D &amp; Reverse engineering DESIGN CENTER R&amp;D &amp; Reverse engineering</p>	<p>Branding and Marketing Ability to Innovate Develop Contacts Improving Product Quality Supply Chain Control</p>

regions than EU and North America to expand our operations. Additionally, the erection of our spinning unit (expected to start production by April 2015) will enable us to expand our business in yarn and fiber as well..." (Export Officer)			
108. "...We have developed a wealth of experience in designing and producing latest products for top retailers. We offer an extensive range of products from very basic to more functional to suits our client's varied needs. We started as commercial exporters in the beginning. Now we are manufacturer and suppliers of a wide range of quality home textile to world leading brands and retails chains. We keep investing to expand, mechanize and modernize our production capabilities to cater the emerging needs form international clients and markets. If you look back in 1990 we were just commercial exporters but now we are private brand manufacturer, suppliers to world's leading names in home textiles. We tripled our production capacities and capabilities to accommodate international market demands. Similarly, we are a step further in our operations as we are providing latest finishes, dyes, and treatments and processing to improve quality and stay at the higher end. We are developing and presenting our own registered designs as a marketing tool on annual basis, which shows our class and innovative capabilities through our research and development. We diversified our business as we started producing and registered our own brand in fashion clothes. We are on the way to establish our own brand in home textile as well in near future. We installed the latest power generation plant as a backup for uninterrupted power supply for our production and manufacturing..." (Marketing Manager)	Customer Relation Promotional Management Brand Management New Production and Manufacturing Product Innovations	Customer specifications Implementation of new Machinery R&D & Reverse engineering	International Market presence International Branding Latest Demand Improving Performance Improvement in Textile Production Improving Product Quality
109. "...we are also specialized in concept to execution for any world leading brand in developing their private labels and brands through our involvement in latest designing, R&D and Reverse engineering endeavors. We are self-certified auditor and quality controller as; our internal independent audit teams check the consignment before shipment on behalf of certain clients..." (Marketing Manager)	Customer Relations Design and Pattern Development	Experts R&D & Reverse engineering Implementation of New Machinery	Commercial Services
110. "...Generally, textile industry is amongst the most changing industry from every front, as there are changes in technology, machines, demand, ethics, CSR and sustainability. As we say that "it changes form cotton to waste bins". There are innovations in production and processing techniques, supply chain, market trends and business models on regular interval..... we are addressing these changing trends through continuous involvement in certifications, investment in men, machine and latest techniques to enhance our firm performance in handling the upcoming uncertainties in market demand..." (Manager sale and Marketing Planning)	Industry Trend	Experts Implementation of New Machines/System Certification Customer Specification	Latest Demand Improving Performance
111. "...We passed through a lengthy process of acquiring, investing, learning, trails and error to produce quality products and move down in value chain. We started as commercial exporters back 1990. Now we are not only a supplier but a manufacturer of private labels in both semi-finished products (i.e. different types of fabrics) and finished product (wide range of home textile products) to world's leading brand and chains. We have the expertise to design, develop, manufacture and ship the product from ideas. We are actively involved in innovation and application of latest finishes through our newly	Customer Relations Design and Pattern Development New Production & Manufacturing	Experts R&D & Reverse engineering Implementation of New Machinery Commercial Office	Supply Chain Control Develop Contacts International Market Presence Brand and Marketing

<p>established R&amp;D, testing labs and design centers backed by our UK based sister company. It enables us in designing, developing and presetting our own register products in fabrics, finished items and fashion clothing fabrics beside design and pattern development for world's leading customers to retain and attract clients in different market segments. We established marketing office in UK and Germany they help us to raise our product and registered designs at international level to develop new business. We diversified our product range as we are selling and marketing under our own brand names and styles in garment fabric. We are on the way in launching our brand in home textile as well. By next year we will be fully vertical integrated production facility through the addition of latest spinning unit to control the whole value chain for short supply time and maintain required standards for quality at every production stage....” (Manager sale and Marketing Planning)</p>	<p>Promotional Management Product Diversification Integrated Production Brand Management</p>	<p>Vertical Production Facility Customer Specification Design Center</p>	
<p>112.“...We passed through a lengthy process of acquiring, investing, learning, trails and error to produce quality products and move down in value chain. We started as commercial exporters back 1990. Now we are not only a supplier but a manufacturer of private labels in both semi-finished products (i.e. different types of fabrics) and finished product (wide range of home textile products) to world's leading brand and chains. We have the expertise to design, develop, manufacture and ship the product from ideas. We are actively involved in innovation and application of latest finishes through our newly established R&amp;D, testing labs and design centers backed by our UK based sister company. It enables us in designing, developing and presetting our own register products in fabrics, finished items and fashion clothing fabrics beside design and pattern development for world's leading customers to retain and attract clients in different market segments. We established marketing office in UK and Germany they help us to raise our product and registered designs at international level to develop new business. We diversified our product range as we are selling and marketing under our own brand names and styles in garment fabric. We are on the way in launching our brand in home textile as well. By next year we will be fully vertical integrated production facility through the addition of latest spinning unit to control the whole value chain for short supply time and maintain required standards for quality at every production stage....” (Manager sale and Marketing Planning)</p>	<p>Customer Relations Design and Pattern Development New Production &amp; Manufacturing Promotional Management Product Diversification Integrated Production Brand Management</p>	<p>Experts R&amp;D &amp; Reverse engineering Implementation of New Machinery Commercial Office Vertical Production Facility Customer Specification Design Center</p>	<p>Supply Chain Control Develop Contacts International Market Presence Brand and Marketing</p>
<p>113.“...adopted changes in our operations and processes for our survival at one side and expansion for future on the other side. We invested heavily in latest equipment, techniques and processes to reduce dependency on conventional practices and semi-finished products in the pursuit of value addition. We started since 1990, at that time we were working as a buying house, as we got orders produced and processed at others production facilities and exported. Then a sudden but steady change came in as I will call it “2 years jolts” we started from the back as our stitching operations in 1993. We got the demanded processed fabrics from our local sourcing partners cut it and stitch it and export. Now we are suppliers and manufacturer of private labels in both semi-finished products (i.e. diverse types of fabrics) and finished products (wide range of home textile products) to world's leading brands and chains. Additionally, we have the expertise to design, develop, manufacture and ship the required quality product according to product concept. We have the capabilities to produce innovative products by applying latest finishes through our newly established R&amp;D and local and UK based design units.</p>	<p>Innovation Customer Relations New Production &amp; Manufacturing Promotional Management Design and Pattern Development Industry Trend</p>	<p>Implementation of New Machine/System Customer Specification R&amp;D &amp; Reverse engineering Design Studio Imitation and Emulation Commercial Office</p>	<p>Develop Contacts Improving Product Quality Latest Demand International Market Presence</p>

<p>We are continuously visiting our clients, top of the line stores in foreign markets to get latest market trends in designs and color. Additionally, we are participating in trade expos and conference at local and international level to present our innovative products to potential buyers and to know about latest developments in prints, finishes and fabric confections. We collect information from various sources, convert it through our R&amp;D and design units in designing and developing latest registered products in fabrics (home textile and fashion clothing) and wide range of home textiles finished products. ...” (Export Officer).</p>			
<p>114.“...adopted changes in our operations and processes for our survival at one side and expansion for future on the other side. We invested heavily in latest equipment, techniques and processes to reduce dependency on conventional practices and semi-finished products in the pursuit of value addition. We started since 1990, at that time we were working as a buying house, as we got orders produced and processed at others production facilities and exported. Then a sudden but steady change came in as I will call it “2 years jolts” we started from the back as our stitching operations in 1993. We got the demanded processed fabrics from our local sourcing partners cut it and stitch it and export. Now we are suppliers and manufacturer of private labels in both semi-finished products (i.e. diverse types of fabrics) and finished products (wide range of home textile products) to world’s leading brands and chains. Additionally, we have the expertise to design, develop, manufacture and ship the required quality product according to product concept. We have the capabilities to produce innovative products by applying latest finishes through our newly established R&amp;D and local and UK based design units. We are continuously visiting our clients, top of the line stores in foreign markets to get latest market trends in designs and color. Additionally, we are participating in trade expos and conference at local and international level to present our innovative products to potential buyers and to know about latest developments in prints, finishes and fabric confections. We collect information from various sources, convert it through our R&amp;D and design units in designing and developing latest registered products in fabrics (home textile and fashion clothing) and wide range of home textiles finished products. ...” (Export Officer).</p>	<p>Innovation Customer Relations New Production &amp; Manufacturing Promotional Management Design and Pattern Development Industry Trend</p>	<p>Implementation of New Machine/System Customer Specification R&amp;D &amp; Reverse engineering Design Studio Imitation and Emulation Commercial Office</p>	<p>Develop Contacts Improving Product Quality Latest Demand International Market Presence</p>
<p>115.“...We are getting nearer to be fully vertical integrated production facility by completing of our latest spinning unit. It will enhance our ability to control the supply chain for short lead time and maintain required quality standards at every production stage...” (Export Officer)</p>	<p>Integrated Production</p>	<p>Implementation of New Machine/System Vertical Production Facility</p>	<p>Supply Chain Control Improving Product Quality</p>
<p>116.“...We established sales and marketing offices in UK and Germany to present ourselves and our products at international level for expansion. I mentioned earlier that we diversified our operations into fashion garments as we are selling and marketing garments fabrics under our own brand names and styles collection in local, Bangladesh, India, UAE and UK through agents and stockists. We are on the way in launching our brand in home textile as well. ...” (Export Officer)</p>	<p>Customer Relations Product Diversification Brand Management</p>	<p>Trade Fairs &amp; Commercial Offices Sales Agent</p>	<p>International Market Presence Develop Contact</p>



<p>117. "...There are worldwide changes and improvements respect to taste and demand, processes, applications, new and alternate sources of raw materials, (i.e. technical textile) and innovations in equipment, machinery, testing and standards. There are innovations in technical and operational aspects at world stage which changes the industry structure and make it dynamic from every aspect. Being the 4th largest producer and 8th largest exporter our local industry is receptive to the changes taking place at international level. We have one of the world's mature infrastructure of related industry due the fact that Pakistan is being an agricultural economy. Specific cities and regions are the hub of textile and cotton productions, specialized research and training institutes. But the industry is very mature in the traditional and conventional textiles which have no power to compete at international level. Demand for new and improved processes, substitute raw materials, highly automated machinery and techniques drive the industry into new directions. Unfortunately, we are lagging in innovative practices, cotton research, machinery and technical textiles with some exceptions at individual firm level. Similarly, there are changes in standards and regulations at regional and global levels regarding quotas, duties, taxes, trade, transportations, raw materials, chemicals, processes, environment, CSR, labor etc. In order to fulfill the internal demand, we should have change our practices to high end products and value-added services at industry rather than individual level....." (Marketing Manager)</p>	<p>Industry Trend Innovation New Production and Manufacturing</p>	<p>Implementation of New Machine/System Certification R&amp;D &amp; Reverse engineering DESIGN</p>	<p>Latest Demand Improving Product Quality Compliance with Regulation</p>
<p>118. "...There are contemporary trends and needs for special and latest processes, yarns, filaments, fabrics and end products with highly functional, specific purposed innovative properties. Textile is now increasing using in other sectors such as industrial, transportation, construction and medical purposes than that of staple clothing needs. New and alternative sources and methods of yarn manufacturing are discovered than that of cotton. Similarly, the recent demand is highly customizing with agile logistics and supply solutions. Additionally, the industry is highly diverted towards CSR and sustainability in using alternative chemicals, dyes, cotton in production and processing in order to reduce the carbon foot prints. There are number of regional and international standards and certifications which are the norms of today's international business. In response to the abrupt changes, the local industry is receptive to some extent (i.e. at individual or firm level) there are still lots to do in R&amp;D, innovative and technical textile for value addition. The local industry is mature but in traditional and conventional lines, although there are some deadly slow improvements at local level which is not an answer to the question of globalization and innovations at international level. At our firm level, we are addressing these changing industry trends through continuous investment in men, machine, latest techniques and certifications to meet the demand in time...." (Manager sale and Marketing Planning)</p>	<p>Industry Trend Innovation New Production and Manufacturing</p>	<p>Implementation of New Machine/System Certification R&amp;D &amp; Reverse engineering DESIGN</p>	<p>Latest Demand Improving Product Quality Compliance with Regulation</p>

<p>119. "...the industry is changes form cotton filed to production, supply chain, market trends and business models. At the international stage evolution of the sector is fundamental in innovation and high end products at top level quality. There is a major long-term industry trends for the textile and clothing sector are well identified by the international and specifically by European technology platforms. The mode is changing from commodities to specialty products by high-tech processes; fibers, filaments, fabrics and final products with highly functional, purpose-targeted properties based innovative and high tech processes. Now the textiles are widely use and expands to material of choice in many sectors and application fields (transport systems, construction, medical applications, consumer electronics...) than that of staple clothing needs. With the passage of time the concept of mass production of textile products does not prevail anymore as there is move towards the new industrial philosophy characterized by customization, personalization, as well as flexible and agile production on-demand align with intelligent logistics, distribution and services. Similarly, there is a major derive in sustainability &amp; CSR to ensure resource efficiency and low ecologic impact in production and promoting consumer health and safety attitudes in products..... We are continuously changing through investing in latest technology, processes and equipment. The success of the application of modern technologies depends on the level of multidisciplinary competences and relation with value chain actors..." (Export Officer)</p>	<p>Industry Trend Innovation New Production and Manufacturing</p>	<p>Implementation of New Machine/System Certification R&amp;D &amp; Reverse engineering DESIGN</p>	<p>Latest Demand Improving Product Quality Compliance with Regulation</p>
<p>120. "...We are extremely open and flexible towards any idea and information from any source. Our learning and gaining new perspective is on daily and task basis through multiple nodes and sources. We bring in any best practices, ideas, concepts and innovations we discuss it, adapt it, copy it or develop new ones based on existing form different angels and parameters. These practices are vital beside active involvement in R&amp;D for improvements and strategic change to keep business influx. ...." (Marketing Manager)</p>	<p>Industry Trends New Production &amp; Manufacturing Customer Relation</p>	<p>Imitation Customer Specification Learning by Doing</p>	<p>Latest Demand Develop Contact</p>
<p>121. "...We also provide full range of innovative services from concept to door step delivery of semi-finished and end products according international demand on our semi integrated production facility. We are also providing audit and quality control services to world leading home textile chains as we are self-approved auditors. We audit and send the consignment to their specified agents and retailers...." (Marketing Manager)</p>	<p>Integrated Production Design and Pattern Development Innovation</p>	<p>Integrated production facility Experts</p>	<p>Commercial Services Latest Demand</p>
<p>122. "...we are providing manufacturing service of private label/ brand form the concept to end products of various qualities as per requirement of leading brands. We are also auditing and quality check on behalf of our clients through our independent internal audit unit...." (Manager sale and Marketing Planning)</p>	<p>Customer Relation Design and Pattern Development Innovation</p>	<p>Customer Specification R&amp;D &amp; Reverse engineering Experts</p>	<p>Commercial Services</p>
<p>123. "...We have been approved over the years in quality audits by our customers like IKEA, M&amp;S and others..." (Company Presentation)</p>	<p>Customer Relation Innovation</p>	<p>Customer Specification Experts</p>	<p>Commercial Services</p>

<p>124. "...We design, develop and manufacture private labels for world leading brands and chains in a wide range of finished products.....Gohar textile is among the leading quality manufacturer from this region who provide audit and quality control service to their major clients through internal audit and QC team. We dispatch on our customer behalf to different regions of the world..." (Export Officer)</p>	<p>Design &amp; Pattern Development</p>	<p>R&amp;D &amp; Reverse engineering Customer Specification</p>	<p>Commercial Services</p>
<p>125. "...Most of the time it arises from issues in matching certain aspects of specification and or delivery schedules. Sometime customers cooperate and understand our position, but certain clients are very strict in such incidents as they never compromise when it comes to quality or longer delays in shipment. It depends on product category and market segment. In such circumstances, we are making sincere efforts to stele down the matter in a best possible way. What we do, we replace the mismatch lot, defective items, ship the consignment through fast mode of transportation and give them discounts in a certain percentage. We replaced the defective lots, share cost; offer special discount on agreed prices, ship the consignment through fast mode of transportation and other services. Such measures have pleasant effect on relations with our clients, business longevity and future developments. We openly discuss the issue with respective clients to clears our position in a better way and rectify with relevant factor. There was a British client who had some financial loses and started cheating with us. Despite several requests, negotiations and ultimatums he did not cope, so we decided to stop working with him as a last resort. Such measures are vital to keep running business ties and develop more in the future..." (Marketing Manager)</p>	<p>Conflict resolution  Customer Relationship</p>	<p>Negotiation and Discount  Customer Specification  Technical Advises</p>	<p>Positive Image Develop Contacts</p>
<p>126. "...that we should have work for their satisfaction and it is 100% impossible. Sometime there are issues in matching the specifications, delivery and after sale complaints, despite sample approvals which we have address on priority basis to retain the clients. A surprising incident happened with us when a French client registered his complaint regrinding color shades that consumer experiencing problems in colors after wash. We investigate the matter and found that we informed this client through proper channel regarding this issue during our sampling development. We even advise him certain changes but at that time we reused to do so. We negotiate with the client and change the specified color and dyes dips form the required. There was a British client who start cheating as he suffered financial losses it was a setback for us, we negotiate but did not succeeded eventually we stop working with him... deviations happen, some clients accept it to certain level for other it is out of question. In such situations, we find every possible way to compensats and retain the customer, as we offer them reductions on the agreed price, replace defective lot, ship consignment through air in case of late delivery. Such actions are vital for retaining existing relations, longevity and future developments..." (Manager sale and Marketing Planning)</p>	<p>Conflict resolution  Customer Relationship</p>	<p>Negotiation and Discount  Customer Specification  Technical Advises</p>	<p>Positive Image Develop Contacts</p>

<p>127. "...When it comes to engagements with customer we are very careful and conscious in every step in fulfilling their needs and requirements. Production is a tedious job from marketing perspective as we are going back and forth to the clients, product development and production people to communicate and fully execute the order. Challenges do come at different production stages in matching the specifications, meeting delivery schedules and after sale complaints (i.e. bugs and color fading etc.,) which we entertain on priority to retain the clients. We faced a surprising incident with one client as he complaint about color shade after sale. The consumer experienced problems in colors after washing the product. We investigate the matter and found that we communicate the respective client about this issues that above certain washing temperature such problem will arise. We even advise him certain modifications in the color schemes but he insists on his requirements. Luckily, we dispatched him limited quantity of the said item; we negotiate and settle the matter in a nice fashion. We then changed the specified color and dyes dips form the demanded. Similarly, there was a British buyer who suffered from some financial losses and he did not keep his business obligations it was a setback for us, we talk but in vain at the end we stopped working with him..." (Export Officer)</p>	<p>Customer Relationship Conflict Resolution</p>	<p>Negotiation and Discount Technical Advises</p>	<p>Positive Image Develop Contacts</p>
<p>128. "...Customer standards and procedures are carefully documented and administered through the merchandizing team..." (Company Presentation)</p>	<p>Customer Relation Innovation</p>	<p>Experts Customer Specification</p>	<p>Compliance with Regulation Latest Demand Develop Contact</p>
<p>129. "...internal and external forces shaping our activities. If we look form the start it was owner and entrepreneurial back that continuously inject latest machines, men and processes through heavy investments. Similarly, our technological readiness, acquisition and absorption of knowledge for learning from various sources are vital for change and improvement in our operations. We remained in a close contact with our clients, suppliers, experts and sister company for developments. Such contacts and investments enhanced our production quality, R&amp;D and marketing capabilities to some extents in fulfilling increasing international demand..." (Marketing Manager)</p>	<p>Customer Relation Innovation New Production &amp; Manufacturing</p>	<p>Experts Implementation of new machinery CEO Interest PARTNERSHIP</p>	<p>Improving Performance Improving Quality Ability to Innovate Latest Demand International Market Presence</p>
<p>130. "...inter-related internal and external factors that shape and restrict our movement and new modes of operation. The basic ingredient is entrepreneurial push, investments and encouragement for change that shape the company strategy. Our flexible routine and open system approach help us in acquisition of external knowledge and learning are the major drive for change. Similarly, the increasing demand for home textile products is a stimulating factor for our growth, investment and expansions. Similarly, relationships and contacts with value chain actors such as clients, suppliers, experts and sister company are the major drive for experiencing new and latest techniques for our developments. Such contacts and investments enhanced our production, R&amp;D and marketing capabilities to some extents. But there are still certain areas where are lagging behind. Political, economic, local industry infrastructure, changes in demands and continuous innovations are the key factors affect our operations. Despite comparative advantage in materials there is a wide gap in technology, knowhow, expertise, machinery, R&amp;D and innovations between us and modernized countries that struck us badly in the voyage of value creation. We need huge investments in latest technology, equipment and knowhow to maintain quality</p>	<p>Customer Relation Innovation New Production &amp; Manufacturing</p>	<p>Customer Specification LICENSE Implementation of New Machines/System CEO Interest</p>	<p>Latest Demand Develop Contact International Market Presence Improving performance Improving Product Quality Ability to Innovate</p>

<p>and innovations in our operations and offering. Similarly, international and regional imposed duties, taxes, quotas and other regulations restrict our movement. The worst political, economic and security situation in Pakistan put the whole industry in inertia. Further, the energy shortages and blackouts rise in energy and material prices halt our capabilities to meet production targets and supply schedules....” (Manager sale and Marketing Planning)</p>			
<p>131. “...A mix of internal and external factors plays vital role in determining our movement towards change and in value-added operations. From the internal perspective, the main drive is entrepreneurial push, continuous injection of investments and backing change in our organizational culture shapes our strategy. Goher’s flexible and open culture faster the acquisition, absorption of external knowledge and learning for change and involvement in latest operations. Similarly, related industry and availability of raw materials in this region always give us competitive edge. Looking on the external front the increasing demand for home textile products in international markets is the main stimulus for investment and expansions in both conventional and latest products and processes. Similarly, engagement in international markets, close contact with our clients, suppliers, experts and sister company open new doors of thinking and acting new things. Such contacts and continuous investments improved our production, R&amp;D and marketing capabilities. We are just in the beginning of our journey there is long way to go as there are still certain areas where are lagging. Our internal Political, economic, local industry infrastructure, stiff competition and abrupt changes in demands and technology in international markets are the main factors that affect us badly. Despite comparative advantage in labor and materials we are lagging in technology, knowhow, expertise, machinery, R&amp;D and innovations than others which hit us every moment when it comes to value creation. It sucks us financially to invest in these areas. Similarly, international and regional imposed duties, taxes, quotas restrict our expansions. Additionally, the recent energy shortages and raise in energy and material prices retardate our capabilities to meet in time production targets supply schedules...” (Export Officer)</p>	<p>Customer Relation Innovation New Production &amp; Manufacturing Processing</p>	<p>Customer Specification Implementation of New Machines/System Experts Imitation and Emulation CEO Interest PRODUCT PARTNERSHIP</p>	<p>Latest Demand Develop Contact International Market Presence Latest Textile Processing Techniques Ability to Innovate Improving Performance</p>
<p>132. “...our changing mode of operations will positively affect our engagements with clients in different markets. It will open new and diverse business ties and opportunities in various product categories and market segments. We changed our operational modes in order to expand our manufacturing capabilities to meet the increasing demand. We invested 2 Billion Rupees in the last 6 months of 2012 in the installation of machines, equipment and hiring experts. I will say that as a manufacturer of private labels and brands for world leading customers we are contributing towards their growth and keep running their business...”(Marketing Manager)</p>	<p>Customer Relationship Innovation Design &amp; Pattern Development</p>	<p>R&amp;D and Reverse engineering Implementation of New Machine/System Experts Customer Specification</p>	<p>Ability to innovate Compliance with Regulations Latest Demand Develop Contact</p>

<p>133. "...we are changing our operations on continuous basis to serves our clients effectively. In the start, we were working with few clients, but regular investment in latest hardware and processes enable us to involve in diverse value-added activities that retain the existing and attract potential clients in different product categories. We invested almost 2 Billion Rupees very recently in the installation of state of the art machines, equipment and experts to better manage the international demand for quality products. On the other side, we diversified our product line as we launched and sale under our own brand in garment fabric in neighboring countries through stores. It will not affect our relationship with our clients at all but will attract more form that product category. The number of our clients are increase with more than double in the last 7 years, and it is all due to continues investment in latest techniques, processes and changing mode of operations in new dimensions...." (Manager sale and Marketing Planning)</p>	<p>Customer Relationship Product Diversification Brand Management</p>	<p>R&amp;D and Reverse engineering Implementation of New Machine/System Experts Sales Agent</p>	<p>Develop Contact Improving Performance Improving product Quality</p>
<p>134. "... Yes, absolutely it has deep effect in retaining and attracting potential clients for our future business developments. I mentioned earlier that we continuously invested in infrastructure, innovative designs, techniques, processes and production that help us to spread our activities web wider under one roof. It is customer psyche that they prefer one stop shopping and extend their business with suppliers to whom they have previous valuable experience and relation. If we look 7 years back, at that time we were working with 30 small and some big clients, but now the number is almost reached to 70..." (Export Officer)</p>	<p>Customer Relationship New Production &amp; Manufacturing Integrated Production</p>	<p>Implementation of New Machine/System Vertical Production Facility Customer Specifications</p>	<p>Develop Contact International Market Presence Supply Chain Control</p>
<p>135. "...we are working in a global village and adopt the best practices of others to improve ours. As the markets are evolving form various aspects such as international standards and certification (ethics, CSR and innovation), innovation in machines, processes and systems. We gained experience and learned on continuous basis while working with different customers, sourcing partners about latest techniques, procedures and technology. We are getting information about the market needs, trends and fashion through our visits, marketing offices, participating in trade expos and other means. Similarly, we came to know about the best and alternative solutions, suppliers and competitors. This is the way we keep learning, manufacturing and running our business in an integrated way..." (Marketing Manager)</p>	<p>New production and manufacturing International Standards Integrated Production Industry Trend</p>	<p>Experts Product Partnerships- Training Certifications Implementation of New Machinery Learning by doing Imitation Trade Fair / Commercial Office</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques International Market Presence Compliance with Regulations Improving Performance</p>
<p>136. "...Every engagement with clients is contributing something in one way or another. It enhances our understating and learning in both hard (i.e. specifications, latest process, market trends) and hard aspects (i.e. standards, certifications, ethics, CSR) and emerging trends. Additionally, some clients nominate suppliers and agents for procurement of special types of materials, dyes and processes to use in their products, they also explicitly mentioned about agents to whom we ship their end products. This shows us important actors in the value chain for our future developments. Similarly, working and dealing with certain clients in a specific situation help us to understand important relational aspects that we extend to others in the same markets or their competitors...." (Manager sale and Marketing Planning)</p>	<p>Customer Relationship</p>	<p>Learning by doing Customer Specification</p>	<p>Develop Contact Compliance with Regulations Improving Performance</p>

137. "...interaction and order brings us something new, as every order represent specific region's or segment behavior in a more detailed fashion. Working with clients from different regions around is a complete package of information about hard and soft issues ranges from simple product specifications, designs to compliance with standards and certifications. Apart from that it makes visible the important players in the value chain for our future operations. Such aspects are extremely important for our entire facility, as it compel us to adopt, polish our existing and execute innovative aspects to added latest trends and value in our operations..." (Export Officer)	Customer Relationship Industry Trend	Learning by doing Customer Specification Certification	Latest Demand Develop Contact Compliance with Regulations Improving Performance
138. "...we started as commercial exporter now we stand as a fully vertically integrated company with our brands. Our recent position is based on what we learned and experienced from the last two decades..." (Marketing Manager)	Innovation	Implementation of New Machinery	Develop Contacts Improving Performance Improvement in Textile Production Processing Technique
139. "...We are using it both at individual units and as a whole i.e. company. We started as buying house working for others. We gradually learned important aspects and started our own production which we further extend to both up and downstream operations and become vertically integrated company. We further extend our operations to highly value addition (i.e. sale and marketing under our own registered design and brands)..." (Manager sale and Marketing Planning)	Innovation New Production & Manufacturing Brand Management Promotional Management Integrated Production	Implementation of New Machinery DESING R&D & Reverse engineering Experts Learning by Doing	Brand & Marketing International Market Presence Improving Performance Supply Chain Control
140. "...Our actions reflect what we learned and execute over time. We always remain open to adapt best practices, alternative ways of doing things and innovative practices. We execute them on continuously through investments in latest practices and processes..." (Export Officer)	Innovation	Learning by Doing Implementation of New Machine/System Imitation & Emulation	Improving Performance
141. "... I will simply mention that the contributions of these factors combined with others converted us to vertical integrated facility which enables us to involve in high quality production and value-added operations according to international market demand to increase our sales and exports. ..." (Marketing Manager)	Integrated Production	Vertical Production facility	Improving Performance Improving Product Quality Latest Demand
142. "...Vertically integrated textile manufacturing company specializing in the production of a wide range of home textile..." (Marketing Manager; <a href="http://www.sartexquilts.co.uk/company-history.html">http://www.sartexquilts.co.uk/company-history.html</a> )	Integrated Production	Vertical Production facility	Improving Performance Improving Product Quality Latest Demand
141. "...It is contributing towards our strategy of growth through manufacturing and supplier of quality products and value-added services..." (Manager sale and Marketing Planning)	New Production & Manufacturing	Implementation of New Machine/System	Improving Performance Improving Product Quality Commercial Service

142“...Continuous learning and improvement enables us to address changes and emerging trends in best possible way. We are not only offering quality and high-end products to world’s leading brands but sell under our own brand and innovative designs through active involvement in R&D and Designing...” (Senior Export Officer)	Brand Management Promotional Management Innovation	Learning by Doing Implementation of New Machine/System Design Studio R&D & Reverse engineering	Brand and Marketing Improving Product Quality
143.“...AD Cam and design studio. The current trends in the various regions of the developed world are used as inspirations for modern design creation. Collection are presented to and amended according to the individual customer’s taste....” ( <a href="https://www.gohartextile.com/designing.html">https://www.gohartextile.com/designing.html</a> )	Industry Trend Design and pattern Development Promotional Management	Design Studio Imitation and Emulation Customer Specifications	Ability to Innovate International Market Presence Develop Contacts
144. “...Traceability of the produced article with the machinist and the machine numbers is another feature to have the quality assured...” ( <a href="https://www.gohartextile.com/qualityPolicy.html#">https://www.gohartextile.com/qualityPolicy.html#</a> )	Customer Relation	Implementation of New Machine/System	Improving Performance
145“...We are equipped with the latest tracking system to ensure the quality at every production stage. It enables us to trace back the produced item through the whole production process with the identity of respective ma(e)n and machine(s)....” (Senior Export Officer)	Customer Relation	Implementation of New Machine/System	Improving Performance
146“...We installed a tracking system to control for quality and have clarity in our operations at every stage of production. If we received complaints in a certain produced article we can now trace the entire production process to the identity the problem cause at certain stage with respective technician and machine...” (Manager Planning and Marketing)	Customer Relation	Implementation of New Machine/System	Improving Performance
147 “...We are now among the few Pakistani companies to have a sophisticated tracking system to ensure control for quality and defects. In case of quality issue(s) in our produced articles we can certainly investigate the root cause with time, technician and machines for future avoidance...” (Marketing Manager)	Customer Relation	Implementation of New Machine/System	Improving Performance



## Appendix-IX AZ9 Full Case Presentation

### 4.3 AZ9 Limited

Indicators	Case Information	Sources
Industry	Textiles	
Area of Specialization	Specialized Yarn, Open End Yarn, Denim Fabric, Apparel and Garments	[1,3,4,5,18]
Company ownership classification	Public Limited Company listed in Karachi Stock Exchange Pakistan	[18]
Country of Origin	Pakistan	
Year of Establishment	<b>1994 (1995 started latest production as Nafees Denim Mills)</b>	[3,4,5,9]
	<b>2004 (AZ9 become a separate company)</b>	[3,4,5]
Number of employees	8000 in two shifts	
International Presence	Marketing and Sales offices in Sweden, Italy, USA, Turkey, and exports in 4 continents, America, Europe, Asia and Australia	[1,3,4,10]
Estimated Company Value	250 Million USD	[10]
Expected Foreign sale/ export as June 2014	1.3 Billion USD	[9,20]
<b>Product Type</b> Yarn Denim (Fabric) Garment (Jeans)	<b>Major International Clients</b> Nike, Gap Gap, H&M, Sixty, Energi, Mavi, A&E, Tom Tailor H&M, Sixty, Energi, JC, Massimo Dutti, New Yorker, Gina Tricot, Blend, Next, Debenhams	[3,4,5,10]
<b>Product Type</b> Yarn Denim (Fabric)+ PFDs (white fabric) Garment (Jeans)	<b>Production Capacity</b> 67 Million lbs./ year 30 Million meters/year 9 Million pieces/year	[3,4,5,10,15,16,17]
Major activities	Vertically Integrated production facility from cotton fiber to retail-ready garments and denim products	[1,3,4,5]
<b>Milestones</b> 1990-91 1993 1994 1995 1996 1996 1996-97 2002 2002 2004 2004 2006 2008 2008 2008 2009	Erection of latest production facility through collaboration with Italian Denim Giant Legler SPA Incorporated as public limited company Started its latest production (Yarn and Denim fabrics) JV with Mexican industrial group Alpha in yarn twisting. Started Garment production Listed in Karachi Stock Exchange Acquired laundries and technology transfer from Italy. Merger with Legler SPA Italy- Legler Nafees Denim Mills (LNDM). It helps AZ9 to involve in international marketing and sales. Merger ended Separate independent Company AZ9 Acquisition of latest garment manufacturing facility from Italy to increase production capacity to 15000 pieces per day. Acquisition of Italian company Montebello Acquisition latest weaving machinery and technology from Italy to increase capacity to 2.4 million meters per month Installation of latest SNG from USA for power and combustion processes	[3,4,5] [9,15,17] [16] [9] [3,4,5,9] [3,4,5,10] [3,4,5,10] [3,4,5,10] [3,4,5] [3,4,5] [3,4,5,10] [10,12] [3,4,5,6,7, 9,10,11] [21]
Machinery	Sourced/Acquired from Switzerland, Italy, Japan, UK & USA.	[1,15,16,17]
International Standards & Certification	ISO -9001, ISO -14001, SA -8000, GOTS (Global Organic Textiles Standards), OE-100 (Organic Exchange), OE –Blended, OEKOTEX-100, Cotton USA certified (ASA)	[3,4,5,8,10]

### 4.3.1 Case Overview

AZ9(formerly Nafees Group) is a family business that started in 1886 when a ginning mill was established in Shamkot, India. Since the formation of Pakistan in 1947, the AZ9parent group has undergone massive growth, whilst consolidating its position in the market. The group currently focuses on its textiles, chemical, and corporate divisions. The textile division has passed through various developmental stages and routes through acquisitions and collaborations with leading companies and group from around the world. In 1972, the group started operations as a yarn manufacturer under Nafees Cotton Mill (NCM). NCM became international by expanding its operations in the textile sector to Ireland. In 1978, the textile operations were extended to the United States by acquiring Burke Mills Inc. in North Carolina and further expanded with the addition of another company, Tennessee Textiles, in 1980. After these successive involvements in textile, NCM (the parent group) solidly focused on the textile sector.

In 1993, the company was incorporated in as public limited company under the name 'Indigo Denim Mills Limited' and obtained Certificate for Commencement of Business on January 27, 1994. The name was changed to 'Legler-Nafees Denim Mills Limited' on 28-02-1994 as a result of investments in specialized denim production facility in collaboration with Italian Denim giant Legler SPA [19,23]. In 1995, the Company engaged in the manufacturing and sale of yarn, denim and denim products. The setup started its latest denim yarn and fabric manufacturing in order to establish business in both local and international markets [2,4,5,19]

In 1996, Nafees Denim Mills Limited (NDML) extended its yarn production endeavor through a joint venture with Mexican company Alpha Group, in yarn twisting. This joint venture expanded NDML's operations across borders, and also enhanced its capability in yarn manufacturing to meet the international demand [9]. NDML exported denim fabric to Bangladesh, Turkey, Europe, and North America.

The company moved downstream in the high-value-added segment as it started its garment manufacturing operations in collaboration with Legler SPA of Italy in 1996. The garment operation was the newest addition to complement the AZ9 portfolio and

completed the company's fully vertical aspirations and visions. A state-of-the-art garment production facility and equipment were acquired from Italy and installed to meet the demand for latest garments and increase its exports [1]. The vertical production enabled NDML to maintain full control over the production processes from cotton fiber to retail ready-made products. In 1998, NDML invested further in laundry and washing technology in order to become involved in the latest washing and laundry techniques. These investments and engagements enabled NDML to shift its product into higher value to meet the increasing demand by adding aesthetics and functional aspects in fabrics and garments.

In 2002, new developments came in manufacturing and marketing when NDML merged with Legler SPA, creating a new entity named Legler Nafees Denim Mills Limited (LNDML) [4]. This merger drove the newly established company into new directions as it further enhanced the garment production and sales and marketing capabilities [10]. LNDML searched new markets and added international clients in both the fabric and garment industry by establishing marketing and sales offices in New York, Florence, Stockholm, and Istanbul [4,10]. In 2004, the merger ended and a new company called Azgard-9-9 was established [3,4,5].

After separating Legler S.P.A, AZ9 continued the momentum of investing and enhancing its operations on a continuous basis to grow and meet the increasing demand for value-added garments. In 2006, AZ9 acquired a modern garment manufacturing facility from Italy. This investment was necessary to upgrade and increase the production capacity of garments (to 15,000 pieces/day).

Similarly, AZ9 engaged with experts and R&D to offer innovative designs, washes, and functional apparel to meet the international demand for innovative fabrics and garments. AZ9 established R&D and design units (such as the Blue Attitude Division (BAD) and Robust Art Division (RAD) to offer future concepts, designs, and washing as promotional collections biannually to showcase its innovative capabilities and attract clients.

In 2007–2008, AZ9 acquired the denim division of an Italian company called Montebello, which had its own brands and served as a buying house for major European garments and apparel customers. AZ9 became the first Pakistani company to market and sale under its own brand in the international market through Montebello SRL [12, 25]

In 2008, AZ9 upgraded and expanded its fabric production to 2.4 million meters per month by acquiring modern equipment and machinery from Italy. This investment enabled AZ9 to meet international demand for variety and depths in different quality fabrics. In 2009, AZ9 installed state-of-the-art SNG (synthetic natural gas) to meet the uninterrupted energy and gas supply for power and combustion processes. The company is equipped with the latest testing tools, labs, IT, and a back-track system for effective handling of orders.

AZ9 (henceforth, “the company”) was incorporated in Pakistan as a public limited company and listed on the Karachi Stock Exchange (Guarantee) Limited [18]. The company is headquartered in Lahore, Pakistan and has three production facilities in Lahore and Muzaffargarh, both in Pakistan. The company’s principal business is the vertically integrated manufacture and marketing of denim-focused textile apparel products from raw cotton to retail ready goods. AZ9 is the largest denim products company by sales in Pakistan, as well as one of the largest garment manufacturing businesses in the country. It manufactures virgin fibers to retail ready products in spinning, weaving, and garments. The company produces 20.75 million pounds of yarn, 30 million meters of denim fabric, and nine million pieces of garments per year [3, 4, 5, 9,10,15,16,17].

The company supplies innovative products and services (yarn, fabric and garments) to about 30 customers and brands in four continents (Asia, America, Europe, and Australia) through its global marketing, sales, and distribution set-ups in five countries. Azgard-9’s major international clients include Nike and Gap in Yarn; H&M, Sixty, Energie, Gap, Tom Tailor in denim fabric; and Mango, Sixty, Energie, H&M, Tom Tailor, Gina Tricot, Blend, and Next in garments. AZ9 provides a full range of services, from design to door-step delivery of readymade products; that is, private brands and labels to global brands. The company also produces, markets, and sells apparel, denim fabrics, and

accessories under its own brand [9,10,11,18]. AZ9 has multidimensional engagements in different markets with an annual growth rate of 18–20 percent. The company's mission is “to retain a leadership position as the largest value-added denim products company in Pakistan”.

AZ9 is currently about a 250 million USD enterprise [9]. The company aimed to exceed 500 million USD in textiles and apparel by June 2014 [9]. AZ9 is among the leading Pakistani textile establishment to comply with local, regional, and international standards. AZ9 is certified with ISO-9001, ISO-14001, SA-8000, GOTS (Global Organic Textiles Standards), OE-100 (Organic Exchange), OE-Blended, OEKOTEX-100, and Cotton USA (ASA) [3,4,5,10,24]

The company is currently facing a variety of internal and external challenges, including tough competition from regional denim producers in Bangladesh and Sri Lanka, the African Union, and Turkey due to duty-free access to European and American markets [3,4,5,19]. The European Union granted the Generalized Scheme of Preferences (GSP) Plus status to Pakistan in December 2013. This status allows almost 20 percent of Pakistani exports to enter the EU market at zero tariff and 70 percent at preferential rates. This status would enable AZ9, along with other Pakistani apparel exporters, to increase exports and compete in international markets [12].

Moreover, Pakistan's recent unstable political and economic situation, security, and terrorism issues have made the situation worse [3,4]. Similarly, abrupt changes in demand and technology have dramatically increased [3, 4, 5, 12] raw material and energy prices and shortages, which have added to the pressure the company is experiencing [13,14].

### **4.3.2 Findings**

After a careful analysis of the interview transcripts and codes, different dimensions were identified under three main themes: Learning Domain, Learning Ways and Reasons for Learning. Each identified dimension under a specific theme was defined to have a clear view and meaning. Further, each dimension under a specific theme was corroborated with relevant and illustrative quotes (see Appendix VII, VIII, IX, X, XI and XII) from the interview transcripts as reference, so as to provide an authentic proof of the occurrence of mentioned dimensions, as shown in Tables 4.3.1, 4.3.2 and 4.3.4 respectively.

#### **How was Learning Manifested in the Case Under Investigation?**

In order to obtain a detailed and complete scenario of how learning has occurred in AZ9, it is necessary to first look for what actually was learned. After the identification of learning domains ('what'), it is easy to understand the different modes ('how') AZ9 adopted for learning.

#### **Identified Learning Domains**

The learning domains identifies what the case company has learnt, or in what area of business the company has learnt from the offshore outsourcee experience. In terms of learning domains ('what'), 12 dimensions were identified, defined and mentioned, with respective illustrative quotes listed in Table 4.3.1

Table 4.3.1: Identified “Learning Domain”

Label	Definition	Quote number)
Setup and Start	Refers to operational and production capabilities, infrastructure, testing techniques and knowhow in a proper way.	1,3,4,6,7,8,13,75
New Production & Manufacturing	Refers to the manufacturing, production and development of latest products, processes and services	1,3,4,5,7,8,9,11,13,14,15,18,23,24,29,31,32,33,34,36,48,57,59,67,70,71,72,75,76,86,87,95,105,107,108,115,116,138
Promotional Management	Refers to the developments in transferring commercial information and sample(s) to customers.	16,18, 21,41, 42, 45, 46, 67, 69, 79, 106, 114, 117,132,133
Washing and Laundry	It relates to the modern laundry developments and washing processes, latest techniques and procedures	12, 21,22,23,24, 25, 26, 29,31, 44,74,86,88,90,91,92,135
Customer Relationship	Refers to interactions with existing or new customers and their orders that are totally new to the firm existing operations and or to market.	20,28,29,30,31,33,34,35,36,49,55,56, 59,65,70,73,80,84,85,86,89,90,93,94, 112,119,120,121,122,123,124,125,126,136,138
International and Regional standards	It refers to the firm’s ability to adopt and work under recognized criteria and standards	32, 37, 38, 39, 40, 86, 101, 102, 103
Innovation	Refers to the creation of totally new and/ or improvement to the existing products, processes, techniques, systems, services and overall organization culture.	2,5,7,11,16,18,19,24,27,41,42,43,44, 45,47,55,56,57,58,59,65,68,69,70,71, 79,81,91,93,92, 104,106,114,115,116,118,128,129,130,134,135
Branding Management	It is the ability of the firm to design, develop, manufacture, market and sells under its own name and logo in local and or international markets.	50, 51,52,53,54,73, 96, 97, 98, 99, 100
Design and Patterns Developments	It refers to latest digital fashion and sewing designs from which garments are traced onto fabrics before cutting.	20, 21,46, 61, 62, 67, 82, 85,110,134,137
Integrated Production	It refers to the vertically in-house processes and production capabilities.	4, 6,10,58, 60,61,63, 64,65,71,76, 109,110, 111, 113,131
Industry Trend	It refers to changes that occur in market demand over time.	16,17,20,27,28,30,46, 49,59,66,67,77,78,80,82,83,95,104,107,115,116,128,129,130
Conflict Resolution	It defined as “elimination of differences between supplier and client on product specifications, processes, prices, and delivery”.	122,123,124,136

The identified learning domains related to acquisition and enhancement of capabilities associated with production, designing, new product development, enhancing customer relations, meeting and overall market dealings.

### Identified Learning Ways:

The learning ways relate to CBL’s different modes of learning; that is, how does AZ9 approach different modes of learning through their work with sourcing partners in offshore outsourcing ties? In terms of learning ways (‘how’), 18 dimensions were identified, defined and mentioned, with illustrative quotes as listed in Table 4.3.2:

Table 4.3.2: Identified “Learning Ways”

Label	Definition	Quotes Number
Experts	Refers to specialists who have extensive knowledge and experience in specific textile area (i.e. design, process, production, shipment).	1,3,11,16,18, 21, 27,41,45,46, 55, 56, 57, 58,62, 65, 67, 68, 69, 71, 76, 81,110,116,121,122,133
Market Partnership	A relationship or an agreement in which two or more parties join forces to enhance services, sales and marketing activities.	7,10,11,13,23, 49,71,118,135
Mergers & *Acquisitions (M&A)	Refers to an arrangement that is used by the focal firm to buy or combine different companies or similar entities in its business.	7,10,11, 13,14,23,27,49,50,51,52,53,54,71,73, 74,84,96, 97,98,99,100,105,118
Product Partnership/Sourcing-JV	A relationship or an agreement in which two or more parties agrees to contribute assets, machinery technology and services for production, manufacturing and services (design etc.)	2,3,4,5,6,7, 8,9,10,11,12,21,22,23,25,44, 45, 47, 70, 71,75,91, 105,
Imitation and Emulation	Refers to ability of firm to copy and or alter others best and successful products and practices according to its need.	16,17, 65, 77,78,79,80,117
Training	It is the learning and acquisition of knowledge, skills and techniques regarding specific issue from others (i.e. clients, partners, national & international bodies).	25,26,33,34,38,39,40, 65, 86,87,88,94, 101,102
Customer Specification	It refers to customer description and details of specific needs which they require in handling their order.	17,20,28,29,30,31,32,35,36,38,56,57, 58,59,61,62,64, 65,79,85,86,89,90,92,93,94,95,103,10 7,110,119,120,138
Certification	It refers to the confirmation of certain characteristics of an entity or organizations in accordance with a set of standards granting them formal recognitions as meeting standards from recognized external institutions and bodies.	32,37, 38,39, 40,101,102,103
Implementation of New Machinery	Refers to acquisition, sourcing and applications of state of the art equipment, systems and processes in production.	2,3,6,7,8,9,10, 11, 14,15,21,23,24,48,57,58,59,70,71,72, 74,75,76, 85,86,92,104,105, 107,108,109,128,129,130
Vertical Production Facility	Refers to the production and related processes in a composite manner under one roof.	4, 6,10,58, 60,62,63,64, 109,110,111, 112,113,131
R&D and Re-engineering	Refers to creation of new and or reformulation of existing knowledge, production processes and practices.	2, 16, 18, 19,21, 41,42,43, 45, 46, 47,55,56,59, 61,62, 65,67,77,78, 104, 106,110,114,115,116,117,132,133,13 4,135,137
Trade Fairs and Commercial Office	Refer to ability of firm to involve and get in touch with external markets through active participation in related events and networks.	16,17,20,52, 66,80, 81,82,83, 84,85,97,115
Learning by doing	Refer to learning from experience/ trial and error over time.	29,31,34, 36, 55,59,86, 90,93,138
License	It refers to firm arrangement to get authorizations for the use of others innovative practices, processes and products.	29,128,129,130,135
Technical Advising	It refers to firm’s provision of technical recommendations and problem identifications in client designs, products and processes	33,86,119,120,121
Negotiations and discount	A mutual arrangement between supplier and clients	122,123,124,136
Trade secrets protection	It defined as “firm’s code of conduct in protecting client’s R&D and commercial information”	125,126,127



In order to obtain a coherent and logical understanding of the “how” element of learning, each identified learning domain (mentioned in Table 4.3.1) is combined with identified ways (mentioned in Table 4.3.2) in Table 4.3.3 to reflect how different learning domains were actually learned.

Table 4.3.3: Learning domains by ways they were learned

Learning Ways \ Learning Domain	Experts (Insider/Outsider)	Market Partnership /JV	Mergers & Acquisitions (M&A)	Product Partnership/ Sourcing-JV	Imitation & Emulation	Training	Customer Specification	Certification	Trade Secret Protection	Implementation of New Machinery	Vertical Production Facility	R&D & Re-engineering	Trade Fairs & Commercial Office	Learning by Doing	Technical Advises	Discount & Negotiation	License
Setup and Start	1,3,11,71	7, 71	7,13,14,21,75	2,3,4,6,7,8,75						1,,3,7,75		2					
New Production and Manufacturing	11,18,57,67,71,116		7,11,13,14,23,70,71,72,	4,5,7,8,9,11,23,70,71,72,75	115	33,34,87	29,31,32,36,57,59,86,95,107,138			7,8,9,11,12,14,15,23,24,48,57,59,70,71,72,75,76,86,107,105,108	4	18,59,67,115,116		29,31,34,36,59,86,138	33,86		29
Promotional Management	18,21,41,45,46,67,69,132,133			45	16,79,117		79,					16,18,21,41,42,45,46,67,106,114,117,132,133	16,79, 132				
Washing and Laundry	21		23	12,21,22,23,24,25,26,44,91,135		25,26,88	29,30,31,90,92			12,23,24,74,86,92		21,135		29,31,90			29,135
Customer Relationship	35,55,56,65,121,122	49,70	70,73,84	70		33,34,65,93,94	17,20,28,29,30,31,35,36,48,56,59,65,85,86,89,90,92,93,94,119,120,121,138		125,126,127	48,59,70,86,112	112	17,55,56,59,65	20,80,84	29,31,34,36,55,93,138	33,86,119,120,121	122,123,124,136	
International and Regional standards						38,39,40,86,101,102,103	32,38,86,103	32,37,38,39,40,101,102,103	86						86		
Product Innovation	11,18,27,41,45,55,56,57,58,65,68,69,71,81,116	19,70,118	7,11,19,27,70,71,118	5,7,11,44,45,47,70,71,91,135	79 include more	65	56,57,58,59,65,79,92,93			7,11,24,57,59,65,70,71,92,128,129,130		16,18,19,27,41,42,43,45,47,55,56,59,65,106,114,115,116,134,135	81	55,59,93			92,128,129,130,135
Branding Management			50,51,52,53,54,73,96,97,98,99,100										52,97				
Design and Patterns Development	21,46,62,67,110						20,61,62,110			85	62	46,61,62,67,110,134,137	20,21,82,85				
Integrated Production	27,57,68,71,76,110	7,10	7,10,27,71	4,5,6,7,10,71			58,61,64,110			6,10,24,57,58,71,76,109,110	4,6,10,58,60,61,63,64,76,109,110,111,112,113	42,61,104					

Industry Trend	27,46,67,116		27		17,77,78	65	17,20,28,30,38,59,65,95			104,128,129,130		59,67,78,134	17,20,46,66,80,82,83				128,129,130
Conflict Resolution																	122,123,124,136
# of Citations	55	9	40	46	8	20	63	8	4	58	17	58	19	18	8	8	11

Interesting and logical insights can be obtained from Table 4.3.3 through the combined explanations of learning domains and learning ways. In the following, we shall identify ways of learning, going domain by domain, presenting three illustrative quotations behind each.

### **Setup and starts**

The mother company of AZ9 started its operations as a specialized yarn manufacturer under Nafees Cotton Mill, through investment and implementation of latest machinery and production facility.

*“...AZ9 mother company started its operations back in 1971-1972 by establishing a cotton mill. The operation was limited to the specialized open-end yarn...” (GM Garment Division)*

*“... An open yarn manufacturing was started in 1972 by setting a spinning unit under Nafees Cotton Mill, to start yarn and textile business...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

### **New Production and Manufacturing**

AZ9 adopted different routes and ways to get involve in modern production processes. As the company heavily invested in the modernization of its infrastructure, latest machines, equipment and processes continuously to get in production of market demanded product and processes.

Initially NCM (now AZ9) invested in new setup of Denim manufacturing in collaboration with Italian Denim giant Legler SPA to produce denim yarn and fabrics according to international market requirements.

*“...Nafees Cotton Mills started its Denim fabric and Garment production in early 1990s with a collaboration of Italian company Legler SPA. The company move down stream in high value-added segment by started its garment manufacturing operations with collaboration of Legler SPA, Italy in 1996...” (GM Garment Division)*

*“...1995, the company started its latest spinning production and exported to major American and European brands in 1996...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“... In 1995, the company started its latest spinning and denim fabric production in collaboration of Italian partners Legler S.P.A and exported ...” (GM Garment Division)*

*“...1995 we started our denim fabric production with the export to Bangladesh, Turkey, Europe and North America. The company move down stream and started its garment manufacturing operation with collaboration of Legler SPA Italy in 1996...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

. *“...we acquired laundry and washing technology transfer from Italy in 1998 to shift our products into higher value.... in 2006, we acquired latest FPR 15000 pieces per day garment manufacturing facility for latest production to increase capacity and meet demand...” (GM Garment Division)*

*“...in 2008, we sourced weaving plant to increase our denim fabric capacity to 2.4 million meters per month to meet the increasing foreign demand...” (GM Garment Division)*

Customer and diverse orders played a phenomenal role in the AZ9 involvement in latest production and manufacturing. Customer specifications for new and latest products are important source to learn and execute latest process in operation.

*“...some brands and customers also demand for technical textile and one or more special finishing, washing, processing and treatments like, antibacterial, antifungal, Nano-technological treated fiber.... such treatments are best to know, learn and apply new insights in our operations. ...” (GM Weaving/Fabrics)*

*“... completing the recent orders are more irritating and challenge than in the past”. We need to be updated form every aspect i.e. from technological and knowledge aspects... we are producing various products with latest and sophisticated attributes and variation depends on customer demands...” (GM Garment Division)*

*“...Very recently we learned about better cotton initiatives (BCI) i.e. organic products, previously we used the organic cotton but did not used the organic chemical, dyes and related processes environment friendly. We came to know that cotton has to be produce; process and treat in an organic way through our sourcing partner H&M...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

AZ9 continuously made alliances with world leading textile firms to get new insights, machines and practices in its operations for latest product and processes.

*“Italian technology partners – the industry leaders drive our technology and techniques whilst imparting the latest knowledge and know how to our manufacturing methodology”. (Company Presentation)*

*“We set up AZ in 1994 as a fully integrated vertical denim unit for fabrics and garments in collaboration with Legler SPA, of Italy. (<https://www.facebook.com/Azgard9/info>)*

. *“...the company passes through a mix of several developmental stages of acquiring, partnering and sourcing of latest technology, processes, techniques and machinery from various sources and different parts of the world to achieve world class excellence in denim....” (Marketing Manager-USA and Manager Sales and Marketing (Brands).*

*“...The Company adopted various steps and routes for our developments. We made various partnerships, collaborations, mergers and acquisitions of s best companies in different parts of the world ...” (GM Weaving)*

AZ9 merged with and acquired European leading companies to get market best practices and process in its manufacturing.

. *“...the company adopted various steps and routes for its developments. We made various partnerships, collaborations, mergers, acquisitions of some of the best companies in different parts of the world. ...” (GM Weaving/Fabrics)*

*“... in 2002, we merged with our Italian partner Legler SPA which further enhanced our capability of production, marketing and sale of garments...” (GM Garment Division)*

AZ9 acquired the services and expertise of professionals on continuous basis to bridge the competence gap in its production and operations. AZ9 involved in balancing modernization and rehabilitation (BMR) plan continues with great focus being placed on quality and service by men and machine efficiencies.

*“...I will say that the entire DNA is originated from Italy, the machinery/plant, initial developments and tactics were from Italy. Most of the time we have development experts from Italy. Even now we got an office in Italy. (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“.... we have a common saying that “our entire DNA is originated from Italy” the men, machines initial developments and tactics all and all were from Italy. Most of the time we have development experts from Italy...” (GM Weaving)*

*“...the company adopted various steps and routes for its developments. We made various partnerships, collaborations, mergers, acquisitions of some of the best companies in different parts of the world. Similarly, we sourced and acquired the latest equipment, machinery and personnel to bridge the expertise gap between East and West...” (GM Weaving/Fabrics)*

*The operation is manned by the best team of specialists and machinery bought in from Italy the garment "Mecca" of the world. The human capital that created this operation was drawn from the "best of breed" talent pools across the globe to bridge the gap between the third and the first world nations. (GM Garment Division; <http://www.Azgard9.com/textile.htm>)*

AZ9 learn new aspects through practically involved in executions on the production floor ground.

*“...The practical involvement and executions of such detailed requirements, advises and training are rich source of learning and hand on experience for us....” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“.... our all-time customers are visiting our production facilities to train and guide us with the latest techniques on the production floor; we learn and improve our manufacturing processes on ground lessons...” (GM Garment Division)*

## **Promotional Management**

AZ9 offers innovative designs and wide range of Denim fabric and apparel on seasonal basis as promotional tool to showcase its expertise and latest trends in its offering. This proactive approach is vital to move with the pace of market needs, nourish business ties with existing customers and attract potential ones.

AZ9 mainly used R&D and Reverse engineering, Imitation/emulations and experts for idea generation and development of promotional samples.

*“.... For a collection, we need inspiration....., it can be from anywhere, from nature, from our daily life, from our sourcing partners and customers, from brands, designers, competitors, foreign visits /conferences and expos. Sometimes we exactly copy the same thing with changes. For example, you are setting in front of me and I notice something really interesting or unique in your dress or jeans, we pick the idea from there and give practical shape to it. We developed the product from that idea, check it, evaluate and test it here from every aspect i.e. from PPC, quality, production, finishing, P&D, R&D and stitching etc. The ideas can be from the nature, from Internet, visit foreign markets, directly from brands, designers, copy exactly the same thing with little variation. For example, a customer demanding something from you in a discussion we mostly the business persons and marketing guys are not so technical in fabric manufacturing. We get ideas from such discussions and develop something different for our collection. ....” (GM Weaving/Fabrics)*

*“...we are closely working with the Italian and German designers hired by our company, sometimes we ask them for a specific design and fit in the fabric so they design for us and we produce here, sometimes they themselves send us some specific designs which they developed we test, produce and include in our collection ...” (GM Weaving/Fabrics)*

*Our researchers and designers are working round the clock to feed customers with innovative/cutting edge developments in designs, use of new chemicals and washing techniques in our annual collections...” (GM Garment Division)*

*. “...we produce two fabric collections annually, one is for spring-summer and one is for fall-winter on continues basis. And this is the part where our innovation starts, as Denim is quite different from other textiles.... first you must produce something from your own and then you have to market to different brands. The produced collection reflects what you present/ offer new stuff to your customers...” (GM Weaving/Fabrics)*

The commercial offices were the main mode to present and market innovative samples to the customers and market.

*“...We present our collections in the market through our personal visits, marketing offices or participate in trade expos to attract clients....” (GM Weaving/Fabrics)*

*“...after every collection, AZ promotes and market it through own commercial offices or the customers come and select from our collections which best suits them in quality, specifications, price and other aspects...” (Marketing Manager-USA and Manager Sales and Marketing).*

*“...we get ideas from such discussions and develop something different for our collection to present in the market, attract clients and meeting their demands for new products....” (GM Weaving/Fabrics)*

## **Washing and Laundry**

Washing and Processing is the integral part in denim apparel for value creation (i.e. improve the functionality, aesthetic and other aspects) in the product. AZ9 approaches to state of the art laundry and processing facilities through investment in latest

equipment, Customer Specifications and partnership with leading European firms and suppliers.

AZ9 acquired latest laundry/ processing equipment and techniques through special alliance with top European firms and chemical suppliers.

*“.... A team from our Italian partner visited us to train our laundry and washing department about the latest techniques and washing of garments. Similarly, we send our laundry and washing personnel to our partner premises for training and learning in garments washings....” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...We also get a lot from our Italian partners and our suppliers especially in dying, laundry, designs and finishing. An Italian partner’s Tonello SRL (i.e. special agreement with the industry standard in garment washing) team visited us here to train and advise our laundry and washing team about the latest techniques in garments washing. ....” (Head of garment division)*

*“...denim is something really fashionable and different from non-denim this is the beauty in the denim. We are very strong in the production and finishing of denim through different processes and means, we are doing a lot of coating, dyeing, finishing and so many crazy stuffs with majority of major European chemical supplier’s i.e. Daystar, CHT, Rodolf, Portra, Clairiant, BSA etc....” (GM Weaving/Fabrics)*

Additionally, AZ9 pay for license and patent to world leading suppliers for the use of their innovative finishes and treatments in the production.

*“...We brought in innovative finishes and treatments invented by world’s leading supplier like Investa, DuPont etc. in our processes and operations. We pay for patents and license....” (GM Weaving)*

*“...We pay to different suppliers (Investa, DuPont etc.) of chemicals, risen and other treatments for the use of their innovative processes in our production....” (GM Garments Division)*

Similarly, AZ9 invested in state of the art machines and equipment to adopt and induce market demanded washing and processes in its offerings.

*“... we are also moving along with the pace of these changes by adopting and acquiring latest techniques, equipment and machines as we feel necessity. We are equipped with some of the latest washing applications and finishing processes....” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...We acquired laundry and washing technology transfer from Italy in 1998 to shift our products into higher value...” (GM Garment Division)*

Different customers have diverse demand in washing, finishing and processing according to their regional and or segment market needs. AZ9 know about and hand in latest washing and finishes from the execution of such diverse orders.

*“...some brands and customers also demand for technical textile and one or more special finishing, washing, processing and treatments like, antibacterial, antifungal, Nano-technological treated fiber.... such treatments are best to know, learn and apply. ...” (GM Weaving/Fabrics)*



*“...The customer sends us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carried out and they need. Our products should meet and comply with all the requirements of the customers from every aspect. Such detailed specifications and requirements are rich source of learning and gaining firsthand experience...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

## **Customer Relationship**

Maintaining good business ties with customers is most vital for manufacturing services provider firms like AZ9. AZ9 trying hard to retain and nourish business ties at every cost.

AZ9 keep relations with clients through deeply understand and match with their diverse specifications and standards through R&D.

*“... unusual or unique things pop up or the company gets totally new aspects in their customer orders which need prior approval form P&D and R&D. We love and keep trying new and unusual things. We evaluate the order specifications with a team comprising personnel from product planning and control (PPC), design, P&D, R&D, production and procurement etc. In case of further help on the technicalities we also contact and consult our internal design teams based in Pakistan, Florence Italy and Germany. In case of possibility the company first develops the sample or prototype and sends it to the concerned clients for further process i.e. comments, acceptance, edition or rejections...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...we welcome varieties and uniqueness in order as we always doing new and different things. We address and evaluate such order in a very detailed and structured way. Our evaluation team checks the possibilities of every single detail with our advanced research cell for fashion and functional fabrics (Blue Attitude Division-BAD) and Robust Art Division (RAD)...we also consult our Italian designers and German consultants.... generally, develop prototype and send it to concern customer for review...” (GM Garments Division).*

*“...the customers and clients give complete direction and full list of things which we need to consider and take care whenever handling a unique product or a new brand is coming into the market. The customer sends us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carried out and they need. Our products should meet and comply with all the requirements of the customers from every aspect....” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

AZ9 uses its constant engagements with experts and providing technical sound recommendations as ways to interact with clients effectively.

*“...we have a standard and formal procedure to evaluate the orders from various aspects and angles with teams of experts from different departments. The execution starts form sample development (i.e. pre-sample and post sample) which consist of a series of tests and experimentation to best match with the specifications both aesthetic and technical aspect of a specific orders. We are very vigilant to any minor abnormal aspects or behaviors of the under developed product sample, we note them evaluate them with our standards. If we feel that it will cause problem(s) in the production or after launching it in the market we, immediately inform our clients through proper channel. We provide them with different alternatives and solution for improvements in quality and costs. It is a common practice in apparel that every order or some aspects of the order change in one or another way, to make it production friendly for us and cost effective for respective client...” (GM Weaving)*

*“...we love and keep trying new and unusual things. We evaluate the order specifications with a team comprising personnel from product planning and control (PPC), design, P&D, R&D, production and procurement etc. In case of further help on the technicalities we also contact and consult our internal design teams based in Pakistan, Florence Italy and Germany. In case of possibility the company first develops the sample or prototype and sends it to the concerned clients for further process...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...H&M specifically advised us to stop sand blasting on their jeans for finishing purposes because of the potential danger of cancer for workers. The practical involvement and executions of such detailed requirements, advises and training are rich source of learning and hand on experience for us. We installed and using the alternative finishing processes for H&M. We are ready to address such initiative and developments in the near future...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

State of the art machines, equipment and technology are vital in matching with diverse production needs of the clients.

*“... we employ only the best European and Japanese equipment to ensure that our customers’ stringent quality standards are met with the quality those they would expect from any top end supplier from any country of the world...” (<http://www.Azgard9.com/textile.htm>)*

*“... More than 90% of our business comprises exports and provide complete services for private labeling and brand manufacturing to world leading brands. Our annual growth rate is 18%- 20% in its exports. The company moves both upstream and downstream very fast in the value chain activities through investing in latest equipment and machines in a vertical integrated facility....” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...H&M specifically advised us to stop sand blasting on their jeans for finishing purposes because of the potential danger of cancer for workers. The practical involvement and executions of such detailed requirements, advises and training are rich source of learning and hand on experience for us. We installed and using the alternative finishing equipment and processes for H&M. We are ready to address such initiative and developments in the near future...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...from our inception, we are export oriented and the main reason of course is to increase our export base... Our focus is also on learning, gaining and acquiring know how and equipment form anywhere. We are doing need base investment in latest technology and capabilities to meets the demand. ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

AZ9 uses international marketing offices and expos as an effective way to establish relation in the market.

*“...Our product line is driven from the front end of the market by constant collaboration with our customers, and keeping a "finger on the pulse" of what is happening with the cutting edge in the marketplace in the countries renowned for developments with denim. Our multi-cultural commercial offices in Italy, USA, Sweden, and Turkey are able to provide services from trend analysis to sales support and product design and development...” (<http://www.Azgard9.com/textile.htm>; (Company Presentation))*

*“...our international commercial offices at various locations and acquisition of Italian company enable us to increase our sale and export ...” (GM Weaving/Fabrics)*

AZ9 retain and nurture relation through protecting client's business information and corrective actions to encounter arising problems.

*"...in case of problem we are trying our level best to resolve such issues through sincere efforts and possible means to keep the things on track. We replaced the defective lots, share cost, offer special discount on agreed prices, ship the consignment through fast mode of transportation and other needed services. Such measures have pleasant effect on relations with our clients..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*"...Garment is tedious job and problems do come. We face challenges and surprise, it just pop-up from minor issues in the products, services and delivery schedule. We are doing our level best to manager it. We are open in our discussions with the customers and internal production teams. We are always trying to resolve it in best manner through different means to accommodate any compliant. We facilitate them with extra services, pay for transportations, offer special discounts to resolve and avoid any misunderstanding. ..." (GM Garment Division)*

*"...We are conducting our dealings in a responsible way, as we have strict code of conduct in keeping customer's privacy, R&D, IPR and business information form the last 17 years. We do not disclose any of our customer databases and business secrets..." (GM Weaving)*

*"...We are the exclusive suppliers from Pakistan for some of the world's leading brands. We conduct our business in a more responsible and professional way, we guarantee complete secrecy of our clients and partners business as we do not disclose any of our customer databases and business secrets to others..." (GM Garments Division)*

## **International and Regional Standards**

AZ9 actively involve for the better and support for neighboring communities, fulfill international, regional and customer's specific standards and requirements.

AZ9 uses customer specifications as the main way to know about the international, regional and customer's specific needs/standards through execution in its operations.

*"...customers are also different in taking care of environment, society and ethical standards.... We are complying with international and customer's specific regional standards from every aspect ..." (GM Weaving/Fabrics)*

*"...Very recently we learned about better cotton initiatives (BCI) i.e. organic product's, previously we used the organic cotton but did not used the organic chemical, dyes and related processes environment friendly. We came to know that cotton has to be produce; process and treat in an organic way through our sourcing partner H&M. ..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

AZ9 compliance with demanded standards in its operations to the varying needs of international and regional markets. Mostly, AZ9 learn and execute international standards through training and certifications from customers, sister company, consultants and accreditation agencies.

*"... we are certified company with these certifications as: ASA certified in cotton, ISO-9001, ISO-14001, SA-8000 REACH, Global Organization Textile Standards (GOTS), OEKOTEX-100, BSCI, OE Blended, Cotton USA Certified (ASA)..." (GM Weaving/Fabrics; Marketing Manager; GM Garment Division; company presentation)*

*“...we learn and practice the latest environmental friendly processes through training and certification on continuous basis...” (GM Weaving/Fabrics)*

*“...company is fully complying with international and customer’s specific regional standards. We got certifications and training from various leading bodies and consultants from various parts of the world...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“... fully complying with international, American and European standard regarding various environmental, labor and CSR issues. We got training and certifications from different consultants around the globe ...” (GM Garment Division)*

## **Innovation**

AZ9 continuously searching innovative ways and /or improve the existing one for the creation of new/improve products, processes, techniques, system and services. AZ9 actively engaged in R&D, experts and invested in latest equipment and testing tools to address innovations and change. In addition, product partnerships with Western companies and customers’ specifications further add to AZ9 innovative abilities.

AZ9 addressed innovation and changes in product, processes and operations through R&D and Reverse engineering and active engagement with textile professional in different operational areas.

AZ9 develop new and reengineered its own or market’s successful products and processes through active engagement with local and foreign designers, developers and professionals.

*“...we are closely working with the Italian and German designers hired by our company, sometimes we ask them for a specific design and fit in the fabric so they design for us and we produce here. ...” (GM Weaving/Fabrics)*

*“...We are not solely dependent on external sources of learning and knowledge. We have a well-established product development and research units namely: Blue Attitude Division (BAD), Robust Art Division (RAD) and our sister company that keep us developing innovative ideas, concept and execute them in products round the clock...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...We have well established R&D and product development units (i.e. RAD and BAD) with additional Italian and German developers and designers which work round the clock on enhancing existing and developing new products and processes as per customer specification and market trends ...” (Garment Division Head)*

AZ9 alliances with leading Western companies and chemical suppliers (i.e. production and operational areas) in different time frames to innovate/ improve products and processes.

*“...the company passes through a mix of several developmental stages of acquiring, partnering and sourcing of latest technology, processes, techniques and machinery from various sources and various parts of the world to*

*achieve world class excellence in denim....” (Marketing Manager-USA and Manager Sales and Marketing (Brands).*

*“...denim is something really fashionable and different from non-denim this is the beauty in the denim. We are very strong in the production and finishing of denim through different processes and means, we are doing a lot of coating, dyeing, finishing and so many crazy stuff with majority of major European chemical supplier’s i.e. Daystar, CHT, Rodolf, Portra, Clairiant, BSA etc....” (GM Weaving/Fabrics)*

*“...We are working on the energy and water efficient washings with our main sourcing partners and suppliers. We are in the processes of inventing customized chemicals for our processes and products with our chemicals suppliers. ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

**Matching with customers’ exclusive specifications and unique orders further add to AZ9 innovative abilities.**

*. “...we welcome varieties and uniqueness in order as we always doing new and different things. We address and evaluate such order in a very detailed and structured way. Our evaluation team checks the possibilities of every single detail with our advanced research cell for fashion and functional fabrics (Blue Attitude Division-BAD) and Robust Art Division (RAD)...we also consult our Italian designers and German consultants.... generally, develop prototype and send it to concern customer for review...” (GM Garment Division).*

*“.... handling the latest /unique orders and moving with the pace of changes is a very painful and costly process. It need hard and soft resources i.e. investments, technology and knowledge. ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...unique and unusual orders are very important for learning and gaining experience in both cases whether we are able to fulfill or unable to fulfill the unique orders. Unique orders always serve as a carrier of information and knowhow from outside. We always get new insights and unique market trends that are vital for our future operations. The personnel expose to innovative ideas, techniques and alternative ways of doing and feel necessities for new and upgrades machines installation, techniques and technology. We extend and keep developing on such unique orders ...” (Marketing Manager-USA)*

**Investments in state of the art machines, equipment and testing tools are instrumental for innovative offering and operational change.**

*“...from our inception, we are export oriented and the main reason of course is to increase our export base... Our focus is also on learning, gaining and acquiring know how and equipment form anywhere. We are doing need base investment in latest technology and capabilities ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...We acquired machinery, tools and latest equipment from Switzerland, Italy, Japan, UK and the USA to fill the gap of East and West in research and innovation...” (GM Garment Division)*

*“...We are also moving along with the pace of these changes by adopting and acquiring latest techniques, equipment and machines as we feel necessity. We are equipped with some of the latest applications and processes which enable us to certain extent to meet any demand....” (Marketing Manager-USA and Manager Sales and Marketing).*

## **Branding Management**

AZ9 is one of its kinds in Pakistan to market and sale under its own brand name in international market. AZ9 uses its acquired Italian company Montebello SRL as platform to market and sell own brand in Europe.

*“... In 2007-2008 we acquired the denim division of an Italian company Montebello. This acquisition enables us to market and sell under our own brand as Montebello has his own brands and work as a buying house for major European garments and appeal customers. ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...2007-2008 we acquired a leading European company based in Italy and used it as a platform for international branding, marketing and buying house. Majority of the customers in European pan is dealing with Montebello...” (GM Garment Division)*

*. “... international commercial offices at various locations and acquisition of Italian company enable us to increase our sale and export by 20% per annum with higher value addition and profit margins through own brandings and marketing...” (Marketing Manager-USA/ GM weaving)*

## **Design and Pattern Development**

AZ9 provides design and pattern development services to world leading brands beside production and manufacturing of private label and brand. AZ9 mainly relying on experts, customer specifications and R&D and Reverse engineering.

AZ9 develop design and pattern development through developers and designers.

*. “...we are closely working with the Italian and German designers hired by our company, sometimes we ask them for a specific design and fit in the fabric so they design for us...” (GM Weaving)*

*“...We have well established R&D and product development units (i.e. RAD and BAD) with additional Italian and German developers and designers work round the clock on enhancing existing and developing new products, processes, design and pattern developments...” (Garment Division Head)*

*“... in house design team based in Florence, Italy, which handles product development.... offering a full design service to suit any customer needs...” (Company Presentation)*

Based on working with a diverse group of customers form various parts of the world AZ9 learn, develop and execute the order from customer’s product concept into door step delivery of physical products.

*“... provide full range services of product design (garments and fabrics) according to the concept in customer’s mind...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...provide a range of services from product design to finish products according to customer concept within 4-6 weeks...” (GM Garments)*

*“... in house design team based in Florence, Italy, which handles product development..... offering a full design service to suit any customer needs...” (Company Presentation)*

AZ9 develop novel design and pattern through its R&D and reverse engineering units (i.e. RAD and BAD)

*“...in denim, the designer and producers love to see something that change the aesthetic of the fabric, i.e. visually you can change something where one can see it and feel it. Our R&D is involved in latest designs and patterns round the clock...” (GM Weaving)*

*“...we have well established R&D and product development units (i.e. RAD and BAD) with additional Italian and German developers and designers work round the clock on enhancing existing and developing new products, processes, design and pattern developments...” (Garment Division Head)*

*“...BAD (Blue Attitude Division)-advance research cell for fashion and functional fabrics. Feeds customers with cutting edge developments focused on new chemicals and techniques from fabrics to washes... RAD (Robust Art Division)-research for vintage Denim heritage, with a primary goal to innovative and cutting-edge designs...” (Company Presentation)*

## **Integrated Production**

Right from the start AZ9 endeavored to have vertically in-house production capabilities to control over the supply chain and maintain the desired quality and depth at different production stages. Composite production facility is vital for provision of full service (i.e. from concept to finish product) besides manufacturing.

Product partnership and implementation of new machines, equipment in an integrated manner are the motivation factor behind AZ9's learning and involvement in an integrated production. Most customers prefer one stop shop to reduce the headaches in delivery and matching quality in their orders. In addition, AZ9 provide concept to execution services to certain clients which is out of question without implementation integrated production facilities.

*“...The company move down stream in high value-added segment by started its garment manufacturing operations with collaboration of Legler SPA, Italy in 1996. The garments operation was the newest addition to complement the AZ9 portfolio and thus completes the fully vertical aspirations and visions of the group....” (GM Garment Division)*

*“...we set up AZ in 1994 as a fully integrated vertical denim unit for fabrics and garments in collaboration with Legler SPA, of Italy. (<https://www.facebook.com/Azgard9/info>)*

*“...the company passes through a chain of deliberate and emergent activities i.e. partnering, mergers, acquisitions and sourcing of modern technology and processes to become a fully vertical integrated unit.... (GM Garment Division)*

*“...The Company moves both upstream and downstream very fast in the value chain activities with fully vertical integrated facility...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

**AZ9 integrates and executes up and downstream activities in the value chain through experts and specialists.**

*“...In addition to engage with developers, designers, our fully integrated vertical and well-equipped production facility with latest machines and testing tools allows speed, control and flexibility throughout supply chain to meet any order. We acquired our machinery, tools and latest equipment from Switzerland, Italy, Japan, UK and the USA in order to fill the gap of East and West in research and innovation...” (GM Garment Division)*

*“...The Company adopted various steps and routes for its developments. We made various partnerships, collaborations, mergers, acquisitions of some of the best companies in different parts of the world. Similarly, we sourced and acquired latest equipment, machinery and personals to bridge the gap between East and West and move down in the value chain with quality offerings... Since 2004 we are working as a separate and independent company i.e. AZ9 9 limited with three integrated divisions namely Spinning, Weaving and Garments” (GM Weaving/Fabrics)*

*“...The garments operation is the newest addition to complement the AZ9 portfolio and thus completes the fully vertical aspirations and visions of the group. It starts its production in 1996. The operation is manned by the best team of specialists and machinery bought in from Italy the garment "Mecca" of the world. The human capital that created this operation was drawn from the "best of breed" talent pools across the ... (GM Garment Division)*

**AZ9 involved in integrated operations to accommodate diverse customer demand in wide range of products.**

*“...In addition to engage with developers, designers, our fully integrated vertical and well-equipped production facility with latest machines and testing tools allows speed, control and flexibility throughout supply chain to meet any order. We acquired our machinery, tools and latest equipment from Switzerland, Italy, Japan, UK and the USA in order to fill the gap of East and West in research and innovation...” (GM Garment Division)*

*“...provide full range services of product design (garments and fabrics) according to the concept in our customer's mind through our integrated infrastructure ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...product offering absolutely unique in its niche in the global arena. This uniqueness is felt through its translation into our full-service concept that customers feel when working with an AZ9 division. The concept is a brand in itself that nurtures a positive response to our product offering and our way of serving you - the customer...” (Company Presentation)*

## **Industry Trend**

**AZ9 open to developments and happenings to adapt latest trends in its operations and offering. It equally uses internal and external sources get in touch with emerging market trends.**



AZ9 get the latest happenings in world market through its marketing offices located in Europe and USA.

*“...established sales and marketing office in USA, Sweden, Italy and Turkey enable us to provide services from trend analysis to sales support, product design and development...” (Company Presentation).*

*“...our international marketing and sales offices feed us with the latest market information and developments. Such arrangement put us ahead of the game....” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...additionally, our own sales offices at various parts of the world also provide rich information reading the ongoing and future markets trends...” (GM Weaving/ Fabrics)*

Working with diverse orders enables AZ9 to know, learn and execute latest developments.

*“...mostly clients give us their own specifications and requirements in their orders according to their market, region and seasonal needs. The nature of orders is a mix of standardized, customized and unique. Each order is somehow different from others ... European and American have different tastes and needs. The aesthetics, physic i.e. body size and structures are also different...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...our product line is driven from the front end of the market by constant collaboration with our customers, and keeping a "finger on the pulse" of what is happening with the cutting edge in the marketplace in the countries renowned for developments with denim...” (<http://www.Azgard9.com/textile.htm>)*

*“...We are taking care of customer’s specific needs and demands from every aspect. We are fully complying with international, American and European standard regarding various environmental, labor and CSR issues. We also complying with any new or customer specific needs as they arise, as we are well aware that it would be the norm of the industry...” (GM Garments)*

*“...customers required unique, unusual and extra treatment in their orders which are very change from previous years...we are adopting the changes and take them inside in our activities ...” (GM Weaving/Fabrics)*

AZ9 upgrading on continues basis through acquisition of latest machines and equipment according to market needs.

*“...We are also moving along with the pace of these changes by adopting and acquiring latest techniques, equipment and machines as we feel necessity. We are equipped with some of the latest applications and processes ...” (Marketing Manager-USA and Manager Sales and Marketing).*

*“...We are adopting the changes and take them inside in our activities as we feel the necessity for those. We are equipped with some of the latest applications and processes which enable us to certain extent to entertain any sort of demand.....” (GM Garments Division)*

Engagements with experts are vital way to address market demanded changes.

*“...our acquired sister company in Italy, Italian and German based consultants and designers feed us with the latest market information and developments. Such arrangement put us ahead of the game I ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“... in house design team based in Florence, Italy, which handles product development..... offering a full design service to suit any customer needs ..... Proposes promotional collections at regular intervals.... team also travels to the fashion capitals of the worlds to keep watch of the global pulse and direction of the hottest trends and technical developments...” (Company Presentation)*

*“...We have well established R&D and product development units (i.e. RAD and BAD) with additional Italian and German developers and designers work round the clock on enhancing existing and developing new products, processes, design and pattern developments ...” (Garment Division Head)*

R&D, reverse engineering and imitation is vital for AZ9 to induce latest trends in its operations and offering.

*“...BAD (Blue Attitude Division)-advance research cell for fashion and functional fabrics. Feeds customers with cutting edge developments focused on new chemicals and techniques from fabrics to washes... RAD (Robust Art Division)-research for vintage Denim heritage, with a primary goal to innovative and cutting-edge designs and washes...” (Company Presentation)*

*“...beside profit and business opportunities our focus is also on the learning, acquiring knowledge from any source to be the excellent textile solution provider in Asia...” (GM Garment Division)*

*“...we continuously visit our international clients, participating in expos/ trade shows, buying rival brands from different places and keep searching internet for the information and learning to better cater the emerging trends....” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

## **Conflict Resolution**

Establishing and retaining business is challenging specially in integrated setting. AZ9 always try to resolve problems through certain arrangement to have long-term relationship with its clients. In case of such issues AZ9 negotiate with respective client and take corrective actions to settle down the matter.

*“...We face challenges in our working routines. It pop-up from simple problem to complex issues in designing, production, quality, color matching or delays in delivery. We discuss it with our internal quality control and respective client(s) in a very open way. Sometime the clients understand our situations they cooperate an accept variances in specification and delays in delivery, some strictly follows the set criteria. It depends on customers, product category, and target market. In case of problem we are trying our level best to resolve such issues through sincere efforts and possible means to keep the things on track. We replaced the defective lots, share cost, offer special discount on agreed prices, ship the consignment through fast mode of transportation and other needed services....” (Marketing Manager-USA and Manager Sales and Marketing/Brands)*

*“... there are always up and downs in every relationship. Every customer is different from others in its preferences and demands. It is very hard to have 100% satisfaction. Garment is tedious job and problems do come. We face challenges and surprise, it just pop-up from minor issues in the products, services and delivery schedule. We leave no stone unturned to control it. We are open in our discussions with the customers and our internal teams. We are always trying to resolve it in best manner through different means to accommodate any compliant. We facilitate them with extra services, pay for transportations, offer exclusive discounts to resolve and avoid any misunderstanding ...” (GM Garment Division)*

*We consider the customers as partners and value them with open and positive response in meeting their orders. In case of any problem in product's specifications, quality, shipment, we always try to negotiate for possible outcomes to resolve it mutually. We use different options such as; replacing the defective lots, offer special discount on agreed prices, ship the consignment through air instead of sea, and needed services. We even pay penalties to compensate our clients ...” (GM Weaving)*

## Why is The Firm Learning the Way It Does?

### Identified Learning Reasons

The learning reasons relate to different motivations and involvement of firm in diverse set of strategies; that is, why does CBL approaches to different modes of learning and uses strategies? In terms of learning reasons (‘why’), 13 reasons have been identified, defined and mentioned, with illustrative quotes as listed in Table 4.3.4:

Table 4.3.4: Identified “Reasons for Learning”

Label	Definition	References (quote number)
Improvement in Textile Production	It refers to the firm’s needs to bring up new ideas, skills, tools, machines and techniques into the existing production and products.	1,3,4,5,6,8, 9,10,13,14,16, 29,33,36,44,45,64,65,67,71,72, 76,77,78,79,80,82, 87,93,105,116,138
Improving Performance	It is defined as a “firm’s desire to enhance overall firm operations through involvement in latest production and processing”.	2,7,8,12,14,15,17,27,34,33,36, 45,48,53,57,58,59,64,66, 68,70,71, 76,77,78,84,86,87,93,94,97,108, 110,112,119,120,121,131,138
Latest Textile Processing Techniques	It refers to the “firm’s need to adopt latest practices, procedures and methods in washing, finishing and shipment”.	4,5,10,12,13,21,22,23,24,25, 29,32,44,45,47, 49, 65,69, 74, 83, 91,92,116
Supply chain control	It refers to the desire of the firm to have control over the upstream value chain	4, 6,10, 58, 60, 62,63, 109, 111,113,131
Latest Demand	It is defined as the “firm’s ability to meet customer needs, and market requirements and trends”	4,14,15,16,17,20,26,28,30,31,46 ,48,57, 61,65, 67, 70, 72,75,78,80,81,83,85,86,88,89,9 0,92,95,103, 104,106,107,114,115,116,128,1 29,130,135,137
Ability to innovate	It is defined as the “firm’s need to produce new or update its existing products, processes, services and operations”.	11,16, 17,18,19, 21,27, 29,41,42,43,45,46,47,55,56,59,6 5,67,69,79,81,91,106, 115,116,117,128,129,130,133,1 34,135
International Market Presence	It refers to the firm’s desire and ability to establish connections and make its presence in foreign markets.	8,9,11,13,20,23,43,49,54, 70,71,73,75,83, 96,97,112,118

Develop Contacts	It is defined as the “firm’s desire to establishing new business relations with potential customers and or strengthening the existing one”.	1,4,7,8,13,16,17,18,19,20,31,35,36,41,42,45,47,49,50,51,52,53,55,56,57,59,69,70,73,75,78,79,82,83,89,90,97,117,122,123,124,125,126,127,132,133,136,138
Branding & Marketing	It is defined as the “firm’s need to develop, present, promote and establish its offerings under specific logo, name or trade mark in market”.	23,43,50,51,52,53, 73,96, 97,98, 99,100
Compliance with Regulations	Refers to the firm’s need to comply with demanded international and regional standards.	31,32,37,38,39,40,86,90,101,102,103,125,126,127
Improving Product Quality	It is defined as the “firm’s need to constantly enhance its offerings and presenting high value and superior products and services”	2,7,12,21,23,24, 26,33,43,47,48, 59,71,74,76,78,84,87,88,94,105, 109,128,129,130,135,137
Enhance Positive Image of Firm	It refers to the firm’s desire for creation of competence and goodwill in the market.	38,39,40,102,103,119,120,121,122,123,124,136
Commercial Service	It is defined as the “firm’s need to provide services such as design, product and pattern development, business model, quality audits and supply solutions in exchange for payment”	61,62,64,67,82,110,112,

In order to better understand why the company tends to learn the way it does, Table 4.3.5 combines ways of learning with reasons for learning. Learning from experts or learning by imitation and emulation is not equally important in relation to all reasons for learning.

Table 4.3.5: Learning ways by reasons for learning

Reasons Learning Ways	Improvement in Textile Production	Commercial Service	Improving Performance	Latest Textile Processing Techniques	Supply chain control	Latest Demand	Ability to innovate	International Market Presence	Develop contacts	International Branding & Marketing	Compliance with regulations	Improving Product Quality	Enhance Positive Image of Firm	Main Ways
Experts (Insider/Outsider)	1,3,45,67,71,116	110	27,45,57,58,68,71,76,110,121	45,65,69,116		26,46,55,56,65,67,81,116	11,16,18,21,27,45,46,55,56,67,69,81,116,133	11	1,18,69,			21,71,76	121	
Market Partnership/JV	6		7,11,70,71		10			11,13,23,49,70,71,118	49	49				
Mergers & Acquisitions (M&A)	10,13,14,71,72	72	7,11,13,27,53,70,71,84,97	10,13,23,49,74	10	14,27,70,72	11,19,27	11,13,23,54,70,71,73,96,97,118	7,13,19,50,51,52,53,73,84,97	23,49,50,51,52,53,73,96,97,98,99,100		7,74,84		
Product Partnership/Sourcing-JV	4,5,6,8,9,10,21,44,45,71,		3,7,8,10,11,12,45,70,71	4,5,12,22,23,25,26,44,45,47,74,91	4,10	4,70,72,135	11,45,91,135	4,5,9,70,71,75	4,7,8,23,47,70,75			12,22,23,47,71,74,135		
Imitation and Emulation	16,65,77,78,79,80		17,77,78	65		16,17,65,115	16,17,65,115		16,17,79,117,135			78		
Training	33,65,87		33,34,87,94	25,65		26,88	65,88				38,39,40,101,102	26,33,87,88,94	38,39,40,102	
Customer Specification	29,36,65,79,93,138	61,62,110	17,36,57,86,94,110,138	29,32,65,92,	62	20,28,30,31,61,65,79,85,89,90,92,95,103,104,107,116	17,29,56,59,65,79		17,31,35,36,56,59,89		31,32,38,86,90,103	59,94	119,120	
Certification				32							32,37,38,39,40,101,102,103		38,39,40,101,102,103	
Implementation of New Machinery	1,7,8,9,10,14,23,71,72,76,104,105		3,7,8,10,11,12,14,15,48,57,58,70,71,76,86	10,23,24,74,92	10	14,15,57,72,75,86,92,104,107,128,129,130	11,59,128,129,130	8,75	1,7,8,23,57,59,75		86	7,12,23,24,48,59,71,74,76,104,105,109,128,129,130		

Vertical Production Facility	4,64	62,112	58,64,112,131		4,6,10,58,60,62,63,64,109,111,113,131			112				109		
R&D and Re-engineering	2,16,17,45,67,78,116	67,109	45,109	21,45,65,116		16,17,46,65,67,106,114,115,116,135,137	7,16,17,18,19,41,42,43,45,46,47,55,56,57,59,65,67,59,106,115,116,117,133,134,135	43	17,18,19,41,42,45,55,56,57,59,78,115,117,132	43		2,21,43,57,59,78,135,137	114	
Trade Fairs and Commercial Office	80,82	82	66,84,97	83		20,80,81,83,85,115	16,17,20,66,80,81,115	20,83,84,97	16,17,20,82,83,84,115	52,97				
Learning by doing	29,31,36,138		31,34,36,59,86,93	29		86,90	29,59		31,36,55,59,90,138		31,86,90	59		
License	29,			29,92,128,129		128,129,130	29,128,129,130,135					128,129,130,135		
Technical Advises	33,86		86,119,120,121			86			119,120,121		86	33	119,120,121	
Negotiation & Discount									122,123,124,136				122,123,124,136	
Trade Secret Protection									125,126,127		125,126,127			
<b># of Citations</b>	<b>63</b>	<b>10</b>	<b>82</b>	<b>42</b>	<b>18</b>	<b>69</b>	<b>74</b>	<b>32</b>	<b>73</b>	<b>16</b>	<b>27</b>	<b>51</b>	<b>21</b>	

Interesting insights are evident from Table 4.3.5, describing the identified learning reasons through specified ways:

## **Experts**

AZ9 acquired the services of experts and textile specialists from outside besides its internal expertise to get the latest expertise and competencies directly in its operations. Such involvement is necessary to fill the knowledge and competencies gap in producing high end market products and services in short possible time.

AZ9 acquired the expertise of specialist in various operational areas to overcome its knowledge constraints to induce latest production, innovative operations and meet the latest demand.

*“I will say that the entire DNA is originated from Italy, the machinery/plant, initial developments and tactics were from Italy. Most of the time we have development experts from Italy. Even now we got an office in Italy. “I will say that we are a good example of how a local firm learn and earn from working with foreigners....” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...I was attending a seminar in Germany and it was very cool over there.....I was freezing, from there I got idea that why we do not make denim which keeps us warm. We discussed the idea with our R&D divisions (i.e. RAD and BAD), developers and chemical suppliers, we found that already such products were existed in the market and brand like UNIQLO is working with this.... we searched deep and found that they are using some capsulation technology which was not acceptable for me and for our R&D team. ....the capsule has some specific life, and after that period the product become normal denim/ Jean...” (GM Weaving)*

*“... in house design team based in Florence, Italy, which handles product development..... offering a full design service to suit any customer needs .... Proposes promotional collections at regular intervals.... team also travels to the fashion capitals of the worlds to keep watch of the global pulse and direction of the hottest trends and technical developments....” (Company Presentation) (<http://www.Azgard9.com/textile.htm>)*

*“...We have well established R&D and product development units (i.e. RAD and BAD) with additional Italian and German developers and designers work round the clock on enhancing existing and developing new products, processes, design as per customer specification and market trends ...” (Garment Division Head)*

Involvement with experts enables AZ9 to involve in latest operations that enhance its overall firm operations

*“...Similarly, we sourced and acquired the latest equipment, machinery and personnel to bridge the expertise gap between East and West...” (GM Weaving/Fabrics)*

*“...our acquired sister company in Italy, Italian and German based consultants and designers feed us with the latest market information and developments. Such arrangement put us ahead of the game apart from cheap imitation and survival tool ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*the installation and erection of these machines and equipment carried out by the engineers and architects commissioned from Italy and UK for the best performance and perfections...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...human capital was drawn from the "best of breed" talent pools across the globe in order to bridge the gap between the third and the first world nations...” (Company Presentation)*

AZ9 continuously involve in latest processing techniques, washing and finishing for offerings. Where specialists and leading chemical suppliers are main ways to engage in processing to develop business ties.

*“...we discuss this idea with our experts and chemical suppliers and we conclude that if we get some sort of risen, that should be durable to wash and can absorb the UV/ heat part of the light and become warm...we are in the process of checking different alternatives and solution with the related people.*

*For fall- winter people normally used slightly thicker fabric that can help in keeping warm while for spring summer the customer prefer light fabrics. Our idea is that instead of using the ticker fabric we will use the thinner fabric which customers love to wear with respect to feeling comfort even in winter. So, we can use the same fabric in both seasons with extra risen in winter. We are working on this product and planning to launch the product into the next fall collection.....” (GM Weaving/Fabrics).*

*“...designers are working round the clock to feed customers with innovative and cutting edge developments in designs, new chemicals and washing techniques for our 4 annual collections. Such offerings are main source to attract clients in the coming season...” (GM Garment Division)*

*“...We have well established R&D and product development units (i.e. RAD and BAD) with additional Italian and German developers and designers work round the clock on enhancing existing and developing new products, processes, design and pattern developments as per customer specification and market trends ...” (Garment Division Head)*

AZ9 engagements with experts beside other sources as an effective way to develop business in high value products segment.

*“I will say that the entire DNA is originated from Italy, the machinery/plant, initial developments and tactics were from Italy. Most of the time we have development experts from Italy. Even now we got an office in Italy. “I will say that we are a good example of how a local firm learn and earn from working with foreigners...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...we are closely working with the Italian and German designers hired by our company, sometimes we ask them for a specific design and fit in the fabric so they design for us and we produce here, sometimes they themselves send us some specific designs which they developed we test, produce and include in our collection to attract customers. ...” (GM Weaving/Fabrics)*

*“...designers are working round the clock to feed customers with innovative and cutting edge developments in designs, new chemicals and washing techniques for our 4 annual collections. Such offering is main source to attract clients in the coming season...” (GM Garment Division)*



## **Market Partnership**

AZ9 joined forces with Italian companies to enhance exports and marketing activities in across the borders.

*“...Italian collaboration shifts us into higher gear through gaining strategic advantage by acquiring laundries and technology transfer from Italy and hands in international marketing...” (Company Presentation).*

*“...the company shifts into higher gear through its collaborative international sales and marketing in 2003 with Legler SPA...” (Company Presentation)*

*“...in 2002, the company merged with its Italian collaboration partner (called Legler Nafees Denim Mills (LNDM). This collaboration provides strategic drive to the company to show its presence in the international market through establishing marketing and sales offices in New York, Florence, Stockholm and Istanbul...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

## **Mergers and Acquisition**

Agzard9 merged with its Italian partner to improve its operations in international markets.

The Merger fortify AZ9 ability to improve product quality, develop contacts and overall firm performance.

*“...the company passes through a mix of several developmental stages of acquiring, partnering and sourcing of latest technology, processes, techniques and machinery from various sources and different parts of the world to achieve world class excellence in denim....” (Marketing Manager-USA and Manager Sales and Marketing (Brands).*

*“... in 2002, we merged with our Italian partner Legler SPA which further enhanced our capability of production, marketing and sale of garments...” (GM Garment Division)*

*“...in 2002, the company merged with its Italian collaboration partner (called Legler Nafees Denim Mills (LNDM). This collaboration provides strategic drive to the company to show its presence in the international market through establishing marketing and sales offices in New York, Florence, Stockholm and Istanbul...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

Similarly, Agzard9 acquired Montebello an Italian company, this acquisition enables AZ9 to develop market and sales under own brand in international market.

*“... in 2007, we acquired a leading European company based in Italy and used it as a platform for international branding, marketing and buying house. Majority of the customers in European pan is dealing with Montebello...” (GM Garment Division)*

*“... we are selling our own brands in fabric through our own marketing strategy under the umbrella of our Italian acquired buying house....” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...2007-2008 we acquired a leading European company based in Italy and used it as a platform for international branding, marketing and buying house. Majority of the customers in European pan is dealing with it...” (GM Garment Division and GM Weaving/Fabrics)*

## **Product Partnership:**

AZ9 working philosophy is based on open and flexible routines, beside active involvement in R&D and Reverse engineering. AZ9 continuously engage with customers, suppliers and partners to get in time resources, information, and knowledge about market developments.

AZ9 uses such partnerships as valuable resources to know about and get help in execution of latest processing techniques and improve quality of its offering.

*“...denim is something really fashionable and different from non-denim this is the beauty in the denim. We are very strong in the production and finishing of denim through different processes and means, we are doing a lot of coating, dyeing, finishing and so many crazy stuffs with majority of major European chemical supplier’s i.e. Daystar, CHT, Rodolf, Portra, Clairiant, BSA etc....” (GM Weaving/Fabrics)*

*“...The Company adopted various steps and routes for its developments. We made various partnerships, collaborations, mergers, acquisitions of some of the best companies in different parts of the world. Similarly, we sourced and acquired latest equipment, machinery and personals to bridge the gap between East and West and move down in the value chain with quality offerings....” (GM Weaving)*

*“...We also get a lot form our Italian partners and our suppliers especially in dying, laundry, designs and finishing. An Italian partner’s Tonello SRL (i.e. special agreement with the industry standard in garment washing) team visited us here to train and advise our laundry and washing team about the latest techniques in garments washing to meet the demand for quality washings and products. ....” (Head of garment division)*

**Product partnerships enable AZ9 to improve its textile production and firm performance.**

*“...In 1996, the company made a specialized alliance in the yarn twisting technology with a Mexican giant Alpha group which gives hands on latest twisting techniques of yarn for our exports and further usage in our weaving production...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“.... we discuss this idea with our experts and chemical suppliers and we conclude that if we get some sort of risen, that should be durable to wash and can absorb the UV/ heat part of the light and become warm.... we are in the process of checking different alternatives and solution with the related people... We are working on this product and planning to launch the product into the next fall collection to develop contact...” (GM Weaving/Fabrics).” (GM Weaving)*

*“...The Company adopted various steps and routes for its developments. We made various partnerships, collaborations, mergers, acquisitions of some of the best companies in different parts of the world to enrich our production and processing capabilities in new directions for better performance...” (GM Weaving)*

## **Imitation and Emulation**

AZ9 copy and or alter other's successful products and practices according to his needs for quick replenishment and response to abrupt market demand. Additionally, AZ9 get market information to build upon new products, processes and services according to latest demand and enhance its ties in an agile manner.

AZ9 take this route to continuously update or innovate its existing products, processes and services to meet the demand.

*"... For a collection, we need inspiration....., it can be from anywhere, from nature, from our daily life, from our sourcing partners and customers, from brands, designers, competitors, foreign visits /conferences and expos. Sometimes we exactly copy the same thing with changes. For example, you are setting in front of me and I notice something interesting or unique in your dress or jeans, we pick the idea from there and give practical shape to it..." (GM Weaving)*

*"...we regularly visiting our customers, participating in expos and shows, disseminate competitor's brands and of course searching internet for external information and upcoming trends. We are very flexible and open for getting information from any source...." (GM Garments)*

*"...we always adopt the best practices from any source, sometimes we copy it, change it accordingly to our needs or invent totally new by our self and or through our partners to meet the demand..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*"...we used lots of different alternatives beside R&D and innovations for our collection round the year. The produced collection reflects that you present/ offer something unique to the customers in the market. If the customer gets something from your collection they show good response, this good response is a signal that that you will get the orders from various brands and customers for the next season..." (GM Weaving/ Fabrics)*

## **Training**

Training is vital in learning, development and execution of latest operations. AZ9 get need based training and guidance from customers, suppliers and consultants

*"... customers also conduct training sessions and seminars on various issues like waste controlling, quality management, water treatment, cutting, finishing, washing, CSR, order handling techniques and emerging process to maintain the required standards and quality..." (GM Garment Division)*

*"...we are also given training regarding the minimization of waste in cutting, and quality control from different customers who are the leaders in the markets..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*"... our all-time customers are visiting our production facilities to train and guide us with the latest techniques on the production floor; we learn and improve our manufacturing processes on ground. They also audit our*

*various production and delivery stages and advise us accordingly for better performance...” (GM Garment Division)*

Additionally, AZ9 induce different standards through training and certifications.

*“...We got these training and certifications from different consultants around the globe, in order to be trusted in what we are doing. ...” (GM Garment Division)*

*“...we learn and practice the latest environmental friendly processes through training and certification on continuous basis.... Such certifications and standards are proof of our ethical practices ...” (GM Weaving/Fabrics)*

*“...H&M specifically advised us to stop sand blasting on their jeans for finishing purposes because of the potential danger of cancer for workers. The practical involvement and executions of such detailed requirements, advises and training are rich source of learning and hand on experience for us...” (GM Weaving/Fabrics)*

## **Customer Specification**

Customer Specification(s) is vital for AZ9 involvement in multiple ways to improve its production base, develop contacts, meet latest demand for quality products in a legitimate way and show its presence in international markets.

The main reasons to match the customer specifications are to establish relations and get hand in latest production and processes according to worlds set standards.

*“...the customers and clients give complete direction and full list of things which we need to consider and take care whenever handling a unique product or a new brand is coming into the market. The customer send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carried out and they need. Our products should meet and comply with all the requirements of the customers from every aspect. Such detailed specifications and requirements are rich source of learning and gaining firsthand experience for us in our future doings...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...customers are also different in taking care of environment, society and ethical standards.... We are complying with international and customer’s specific regional standards from every aspect to meet the demand, such certifications and standards are proof of our ethical practices...” (GM Weaving/Fabrics)*

*“...Our product line is driven from the front end of the market by constant collaboration with our customers, and keeping a "finger on the pulse" of what is happening with the cutting edge in the marketplace in the countries renowned for developments with denim. Our multi-cultural commercial offices in Italy, USA, Sweden, and Turkey are able to provide services from trend analysis to sales support and product design and development...” (<http://www.Azgard9.com/textile.htm>; (Company Presentation)*

Addressing customer specification leads to market relation with important stakeholders in supply chain.

*“...elite brands give us full directions and specification about their orders ..... from where we will get the buttons, zips, stitching thread, embroidery etc. Similarly, the customers also nominated and mentioned that*

*where we send their order. Such issues give us overall scenario of the business and important key players, which are very helpful for future business contacts...” GM Garment Division)*

*“.... We are taking care our customer’s specific needs and demands from every aspect. We are fully complying with international, American and European standard regarding various environmental, labor and CSR issues. We also complying with any new or customer specific needs as they arise, as we are well aware that it would be the norm of the industry...” (GM Garment Division)*

Matching with diverse customer specifications is a constant source of improvement to bring innovative insights into exiting production and processes.

*“...we get ideas from such discussions and develop something different for our collection to present in the market, attract clients and meeting their demands for new products. We believe that this is our strongest part of this company.....” (GM Weaving/Fabrics)*

*“...some brands and customers also demand for technical textile and one or more special finishing, washing, processing and treatments like, antibacterial, antifungal, Nano-technological treated fiber.... such treatments are best to know, learn and apply new insights in our operations. ...” (GM Weaving/Fabrics)*

*“...unique and unusual orders are very important for learning and gaining experience in both cases whether we are able to fulfill or unable to fulfill the unique orders. Unique orders always serve as a carrier of information and knowhow from outside. We always get new insights and unique market trends that are vital for our future operations....” (Marketing Manager-USA)*

## **Certification**

AZ9 is a certified company, in order to comply with internationally recognized criterion.

Compliance with Clint’s specific, regional and international standards create acceptance and trust in AZ9 operations and project its good image.

*“...we are certified company from every aspect i.e. ISO-9001, ISO-14001, SA-8000, REACH, GOTS, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA) and others.*

*We got these training and certifications from different consultants around the globe, in order to be trusted in what we are doing...” (GM Garment Division)*

*“...we learn and practice the latest environmental friendly processes through training and certification on continuous basis.... Such certifications and standards are proof of our ethical practices ...” (GM Weaving/Fabrics)*

*“.... We are complying with international and customer’s specific regional standards from every aspect to meet the demand, such certifications and standards are proof of our ethical practices...” (GM Weaving/Fabrics)*

## **Implementation of New Machinery/System**

The acquisition and investment in latest machine, equipment and system is prerequisite to meet internationally demanded products and process.

The main motive for the application of state of the art hardware is to decrease the technology gap for producing high quality textiles and latest processing techniques. Similarly, implementation of latest machines enhances AZ9 technical competencies in its operations to retain existing clients by fulfilling their latest demand and signaling potential customer for new ties.

Continuous acquisition of modern machines and equipment is the main way to gain required technical base to meet latest demands.

*“...in 2006, we acquired latest FPR 15000 pieces per day garment manufacturing facility for latest production to increase capacity and meet demand ...” (GM Garment Division)*

*“...we acquired laundry and washing technology transfer from Italy in 1998 to shift our products into higher value....” (GM Garment Division)*

*“...in 2008, we sourced weaving plant to increase our denim fabric capacity to 2.4 million meters per month to meet the increasing foreign demand...” (GM Garment Division)*

*“... handling the latest /unique orders and moving with the pace of changes is a very painful and costly process. It need hard and soft resources i.e. investments, technology and knowledge. If you miss one then you are in big problem. Dealing with such orders we need the right technology and knowledge. ... we acquired sophisticated machinery and latest equipment...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

AZ9 execution of modern machines and equipment are necessary condition to involve in latest textile production and processes which consequently improve firm performance.

*“I will say that the entire DNA is originated from Italy, the machinery/plant, initial developments and tactics were from Italy. Most of the time we have development experts from Italy. Even now we got an office in Italy. “I will say that we are a good example of how a local firm learn and earn...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...in 2006, we acquired latest FPR 15000 pieces per day garment manufacturing facility for latest production to increase capacity and meet demand ...” (GM Garment Division)*

*“...The garments operation is the newest addition to complement the AZ9 portfolio and thus completes the fully vertical aspirations and visions of the group. It starts its production in 1996. The operation is manned by the best team of specialists and machinery bought in from Italy the garment "Mecca" of the world...” (GM Garment Division;)*

AZ9 acquired state of the art washing and laundry technology to involve in latest processing techniques and further improve product quality.

*“...we acquired laundry and washing technology transfer from Italy in 1998 to shift our products into higher value....” (GM Garment Division)*

*“...the company passes through a mix of several developmental stages of acquiring, partnering and sourcing of latest technology, processes, techniques and machinery from various sources and different parts of the world to*

*achieve world class excellence in denim....” (Marketing Manager-USA and Manager Sales and Marketing (Brands).*

*“...yes, we changed a lot by adopted several modes in comparison to our initial mode of operations in order to moving on as: we started latest washing techniques for the aesthetic and functionality of the garments...” (Marketing Manager-USA and Manager Sales and Marketing /Brands)*

## **Vertical Production Facility**

AZ9 is equipped with state of the art vertical production setup to have control of the vital production and value chain. The Vertical production arm AZ9 to provide full services from concept to execution, desire depth and varieties for demanded quality and better performance.

*“...the company move down stream in high value-added segment by started its garment manufacturing operations with collaboration of Legler SPA, Italy in 1996. The garments operation was the newest addition to complement the AZ9 portfolio and thus completes the fully vertical aspirations and visions of the group....” (GM Garment Division)*

*“...Vertical integration allows us to maintain full control over the production process from cotton fiber to retail-ready products; AZ9-9 has some of the shortest lead times in the industry in the delivery of its products to its customers... BOLT (Best Offered Lead Time) leads to 6 weeks’ lead time for jeans to market...” (Company Presentation)*

*“...our fully integrated vertical and well-equipped production facility with latest machines and testing tools allows speed; control and flexibility throughout supply chain to meet any order... offer a product line which has no match in Asia...” (GM Garment Division)*

## **R&D and Reverse Engineering**

R&D and Reverse engineering is a main approach for creation of new and or reformulation of existing knowledge, production process and practices. Engagement in R&D and Reverse engineering enabled AZ9 to showcase its innovative capability in meeting latest demand for high quality products which is prerequisite for developing business ties in international markets.

AZ9 uses R&D and Reverse engineering as an approach to produce entirely new or improve its existing products, processes and services to meet latest demand for ties.

*“...Sometimes we exactly copy the same thing with changes. For example, you are setting in front of me and I notice something really interesting or unique in your dress or jeans, we pick the idea from there and give practical shape to it. We developed the product from that idea, check it, evaluate and test it here from every aspect i.e. from PPC, quality, production, finishing, P&D, R&D and stitching etc. The ideas can be from the nature, from Internet, visit foreign markets, directly from brands, designers, copy exactly the same thing with little variation. For example, a customer demanding something from you in a discussion we mostly the business persons and marketing*

*guys are not so technical in fabric manufacturing. We get ideas from such discussions and develop something....” (GM Weaving/Fabrics)*

*“...We are not solely dependent on external sources of learning and knowledge. We have a well-established product development and research units namely: Blue Attitude Division (BAD), Robust Art Division (RAD) and our sister company that keep us developing new ideas, concept and execute them in products round the clock. ... such arrangement put us ahead of the game apart from cheap imitation and survival tool...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...I was attending a seminar in Germany and it was very cool over there...I was freezing, from there I got idea that why we do not make denim which keeps us warm. We discussed the idea with our R&D divisions (i.e. RAD and BAD), developers and chemical suppliers, we found that already such products were existed in the market and brand like UNIQLO is working with this...we searched deep and found that they are using some capsulation technology which was not acceptable for me and for our R&D team...the capsule has some specific life, and after that period the product become normal denim/ Jean. Then we discuss this idea with our experts and chemical suppliers and we come to the conclusion that if we get some sort of risen, that should be durable to wash and can absorb the UV/ heat part of the light and become warm.... we are in the process of checking different alternatives and solution with the related people...” (GM Weaving/Fabrics).*

*“...In denim, the designer and producers love to see something that change the aesthetic of the fabric (i.e. visually you can change something where one can see it and feel it) which improve quality. Our R&D is involved in latest designs and patterns round the clock to meet the arising demand for design and patterns development....” (GM Weaving)*

**Similarly, AZ9 approached R&D and Reverse engineering to improve its existing textile production, processing techniques and quality.**

*Our researchers and designers are working round the clock to feed customers with innovative/cutting edge developments in designs, use of new chemicals and washing techniques in our annual collections...” (GM Garment Division)*

*“... the produced collection reflects what you present/ offer new stuff to your customers. If the customer gets something from your collection they show good response, this good response is a signal that that you will get the orders from various brands and customers for the next season also. This is the most innovative part which a company really involves....” (GM Weaving/Fabrics)*

*“...In denim, the designer and producers love to see something that change the aesthetic of the fabric (i.e. visually you can change something where one can see it and feel it) which improve quality. Our R&D is involved in new designs and patterns round the clock to meet the arising demand for design and patterns development....” (GM Weaving)*

*“...We acquired laundry and washing technology transfer from Italy in 1998 to shift our products into higher value. Our researchers and designers are working round the clock to feed customers with innovative/cutting edge developments in designs, use of new chemicals and washing techniques in our annual collections.... We have well established R&D and product development units (i.e. RAD and BAD) with additional Italian and German developers and designers work round the clock on enhancing existing and developing new products, processes, designs and patterns according to customer specification and market trends....” (GM Garment Division)*

*“...I was attending a seminar in Germany and it was very cool over there...I was freezing, from there I got idea that why we do not make denim which keeps us warm. We discussed the idea with our R&D divisions (i.e. RAD and BAD), developers and chemical suppliers, we found that already such products were existed in the market*



*and brand like UNIQLO is working with this.... we searched deep and found that they are using some capsulation technology which was not acceptable for me and for our R&D team...the capsule has some specific life, and after that period the product become normal denim/ Jean. Then we discuss this idea with our experts and chemical suppliers and we conclude that if we get some sort of risen, that should be durable to wash and can absorb the UV/ heat part of the light and become warm....” (GM Weaving)*

## **Trade Fair and Commercial Office**

AZ9 project its offerings and sales through marketing and sales offices and participation in expos. In addition, these engagements are vital to get hands on latest developments and region trends.

AZ9 get to know about latest market trends and information through its sales offices and trade fairs.

*“...Our product line is driven from the front end of the market by constant collaboration with our customers, and keeping a "finger on the pulse" of what is happening with the cutting edge in the marketplace in the countries renowned for developments with denim. Our multi-cultural commercial offices in Italy, USA, Sweden, and Turkey are able to provide services from trend analysis to sales support and product design and development...” (http://www.Azgard9.com/textile.htm; (Company Presentation)*

*“...we continuously visit our international clients, participating in expos/ trade shows, buying rival brands from different places and keep searching internet for the information and learning to better cater the emerging trends and demands. We get idea and information from any source for our learning and execution...” (Marketing Manager-USA and Manager Sales and Marketing /Brands)*

*“...learning and getting ideas from any sources on continues basis due to the short seasonal life of our products and highs fashionable markets trend. For example, “I was attending a seminar in Germany.....got idea that why we do not make denim which keeps us warm...” (GM Weaving/Fabrics)*

*“...our international marketing and sales offices feed us with the latest market information and developments. Such arrangement put us ahead of the game....” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

Similarly, engaging through trade fairs and commercial offices enables AZ9 to develop contacts in international markets.

*“...our international commercial offices at various locations and sister Italian company enable us to increase our sale and export by 20% per annum with higher value addition and profit margins...” (GM Weaving/Fabrics)*

*“...our international sales and marketing offices located in various locations USA, Sweden, Italy and Turkey constantly searching, developing and establishing new customers.... back up from our international sales and marketing offices for market updates...” (GM Garment Division)*

*“...international commercial offices at various locations and acquisition of Italian company enable us to increase our sale and export by 20% per annum with higher value addition and profit margins through own brandings and marketing...” (Marketing Manager-USA and Manager Sales and Marketing (Brands)*

*“...additionally, our own sales offices at different parts of the world also provide rich information reading the ongoing and future markets trends. Such information is vital for the development of future products, processes, and ties....” (GM Weaving/ Fabrics)*

## **Learning by Doing**

Engagement with diverse clients and their orders on the production floor results in learning and gaining experience over time. AZ9 uses such experiential learning to improve its existing operations and develop ties with clients. Similarly, learning by doing enhances AZ9 ability to compliance with standards.

*“...Working with a diverse order from different corners of the world (i.e. new or repeated) we gain something new on perpetual basis. The execution of orders is the best way to friction with different aspects of the orders on the production floor. We always get insights and aspects; find new and alternative ways of doings to make the things easy over time. I will say we learn from our practice and experience...” (GM Garments)*

*“...the customer sends us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carry out and they need. Our products should meet and comply with all the requirements of the customers from every aspect. Such detailed specifications and requirements are rich source of learning and gaining firsthand experience for us in our future doings...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...there is something new in almost every order for us as an order is a combination of dozens of tasks (i.e. from yarn to final supply and after sale tasks) which are carrying out by different subunits of our company, those subunits learn and practiced new ways of executions. Diversified orders are the best way of learning by doing and hands in experience, which we extend for our future engagements...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...We always get new insights and unique market trends that are vital for our future operations. The personnel expose to new ideas, techniques and alternative ways of doing and feel necessities for new and upgrades machines installation, techniques and technology. We extend and keep developing on such unique orders as our R&D, P&D teams are continuously mixing and creating samples for future...” (Marketing Manager-USA)*

## **License**

License and sourcing of dyes and chemicals are main sources to include innovative finishes, latest processes and treatments in its operations.

AZ9 get license and patent as a way to include innovative treatments and latest processing techniques in its operations to involve in latest processing techniques enhance its ability to innovative washing and improve quality of its offerings.

*“...We induced innovative and latest finishes and treatments of world’s leading supplier like Investa, DuPont etc. in our processes and operations. We purchase their patents and license to develop and produce products to meet demand for innovative and high-performance products. These are costly and expansive processes, depends on the customer demands...” (Marketing Manager-USA and Manager Sales and Marketing).*

*“... We keep sharp eyes on every development in equipment and processes; we get them on priority basis. We are producing various products with latest and sophisticated attributes and variations depend on customer demands like water proof, fire proof, bullet proof, Nano-technological treated fiber and fabrics, anti-fungal, anti-bacterial special treatments and washings (i.e. ammonia washing), and others you name it. Such attributes are impossible without modern equipment and machinery for a single producer. We brought in innovative finishes and treatments invented by world’s leading supplier like Investa, DuPont etc. in our processes and operations. We pay for patents and license for using their innovations in our operations to meet the demand for innovative and high performance products...” (GM Weaving)*

*“... We are adopting the changes and take them inside in our activities as we feel the necessity for those. We are equipped with some of the latest applications and processes which enable us to certain extent to entertain any sort of demand. We are producing water repellent fabrics, Coolmax and Thermo fabric. Last year we made bullet proof fabrics for one of our customer. We pay to different suppliers (Investa, DuPont etc.) of chemicals, risen and other treatments for the use of their innovative processes in our production to meet the high end and technical textiles demands. We are working on the energy and water efficient washings and processings...” (Garment Division Head)*

*“... We are strong in the production and finishing of denim through different processes and means, we are doing a lot of coating, dyeing, finishing and many crazy stuffs with majority of major European chemical supplier’s i.e. Daystar, CHT-Benzema, Rodolf, Portra, Clairiant, BSA etc. Besides working with our chemical partners, we are using the innovative fibers, finishes, treatments and risen innovated by companies like Investa (LYCRA) and DuPont (Sorona, Coolmax etc.) in our production and processes to meet demand for innovative and quality products. We bought them, pay for patents and license to use at various stages of our vertical production line....” (GM Weaving)*

## **Technical Advices**

Azagrd9 provide technical recommendations and identifications of certain problematic issues in design, stitching and other aspects related to production on order basis. These are necessary to make the order in hand production friendly and create positive image of being technical competent supplier who can be trusted by customers.

*“...if customers demand something and we feel that it will be problematic in the market, we tell them in a very clear-cut way with best possible options and alternatives. This makes the production easy with least headaches. Most of the time AZ9 advises its clients on different options and alternatives for improvements, such arrangements create positive image for AZ9 of being ethically and technically sound supplier who can be trusted....” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“...If we feel something that will cause problem or ineffective we, definitely tell them in advance before going for full fledges production. We also advise them with the best possible alternatives and options for improvement in terms of quality and cost based on our two-decade experience. About 90% of the orders and products are always improved in some way. This also makes our life easy i.e. the production with least headaches. Mostly we advise our clients on different options and alternatives for improvements. These advises serve two purposes, i. create positive image for us of being technically sound supplier who are taking care of every aspect of orders and can be trusted, and ii. it makes production process smooth for us...” (Garment Division Head)*

*“...we have a standard and formal procedure to evaluate the orders from different aspects and angles with teams of experts from different departments. The execution starts form sample development (i.e. pre-sample and post sample) which consist of a series of tests and experimentation to best match with the specifications both aesthetic and technical aspect of a specific orders. We are very vigilant to any minor abnormal aspects or behaviors of the*

*under developed product sample, we note them evaluate them with our standards. If we feel that it will cause problem(s) in the production or after launching it in the market we, immediately inform our clients through proper channel. We provide them with different alternatives and solution for improvements in quality and costs. It is a common practice in apparel that every order or some aspects of the order change in one or another way, to make it production friendly for us and cost effective for respective client. Mostly we advise our clients on different options and alternatives for improvements. It creates a positive image for us in our customer minds of being technically sound supplier that can be trusted....” (GM Weaving)*

Similarly, technical advises form clients are important source to improve operational performance and good relationship with clients.

Additionally, counter technical responses from certain clients is way of getting alternative insights in execution of orders.

*“...H&M specifically advised us to stop sand blasting on their jeans for finishing purposes because of the potential danger of cancer for workers. The practical involvement and executions of such detailed requirements, advises and training are rich source of learning and hand on experience for us. We installed and using the alternative finishing processes....” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“... customers also conduct training sessions and seminars on various issues like waste controlling, quality management, water treatment, cutting, finishing, washing, HR and labor issues, CSR and environment, order handling techniques, new and emerging process to maintain the required standards and quality. Our all-time customers advise us on operational technicality, visiting our production facilities to train and guide us with the latest techniques on the production floor. They also audit our various production and delivery stages and advise us accordingly for better performance. ....” (GM Garment Division)*

## **Negotiation and Discount**

AZ9 practices different modes to resolve issues arising in its ties. These modes enable AZ9 to retain and nurture good working relations.

*“...We face challenges in our working routines. It pop-up from simple problem to complex issues in designing, production, quality, color matching or delays in delivery. We discuss it with our internal quality control and audit teams and with respective client(s) in a very open environment. Sometime the clients understand our situations they cooperate an accept variances in specification and delays in delivery, but other time they strictly follow the set criteria. It depends on customers, their product category, and their target market. In case of problem we are trying our level best to resolve such issues through sincere efforts and possible means to keep the things on track. We replaced the defective lots, share cost, offer special discount on agreed prices, ship the consignment through fast mode of transportation and other needed services. Such measures have pleasant effect on relations with our clients, business longevity and future developments....” (Marketing Manager-USA and Manager Sales and Marketing (Brands))*

*“... there are always up and downs in every relationship. Every customer is different from others in its preferences and demands. It is very hard to have 100% satisfaction. Garments production is tedious job and problems do come. We face challenges and surprise, it just pop-up from minor issues in the products, services and delivery schedule. We leave no stone unturned to control it. We are open in our discussions with the customers and our internal teams. We are always trying to resolve it in best manner through different means to accommodate any compliant. We facilitate them with extra services, pay for transportations, offer exclusive discounts to resolve and*

*avoid any misunderstanding. Such in time compensation create our good impression among clients for continuity of ties over time...” (GM Garment Division)*

*“...We have good relations with our main partners and customers. In denim fabric, some prestigious brands are our all-time customers over a decade, they repeat their orders with changes overtime. We also deal seasonal buyers who come and go on continuous basis based on our collections. We consider the customers as partners and value them with open and positive response in meeting their orders. In case of any problem in product’s specifications, quality, shipment, we always try to negotiate for possible outcomes to resolve it mutually. We use different options such as; replacing the defective lots, offer special discount on agreed prices, ship the consignment through air instead of sea, and needed services. We even pay penalties to compensate our clients for smooth working relations and close bonds. ...” (GM Weaving)*

## **Trade Secret Protection**

AZ9 has strict code of conduct in protecting client’s R&D and commercial information. AZ9’s code of conduct enhances trust in his dealing and operations.

*“...We are conducting our dealings in a responsible way, as we have strict code of conduct in keeping customer’s privacy, R&D, IPR and business information form the last 17 years. We do not disclose any of our customer databases and business secrets...” (GM Weaving)*

*“...We are the exclusive suppliers from Pakistan for some of the world’s leading brands. We conduct our business in a more responsible and professional way, we guarantee complete secrecy of our clients and partners business as we do not disclose any of our customer databases and business secrets to others...” (GM Garments Division)*

*“...Some prestigious brands are our all-time customers over a decade.... we have also seasonal and transactional buyers who come and go on continuous basis. We consider the customers as partners; the company values them with positive response.... We are conducting our operations in a responsible way to maintain supremacy of business and ethics. AZ9 does not divulge any of its customer databases and business secrets....” (Marketing Manager-USA and Manager Sales and Marketing).*

### **4.3.3 Derived Loop Model from Case Study**

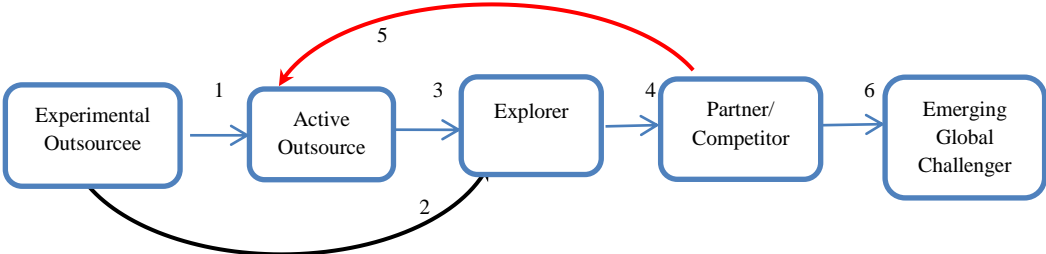
A tentative research model (Figure 3) was presented in chapter 3, linking the experiential learning processes in offshore outsourcees to stages of movement in the value chain and internationalization. In Figure 4.3, findings from the case study of the AZ9 are applied to the same basic model, linking the identified learning domains, ways, and reasons with respective developments. It is important to note that certain learning domains may causes multiple movements that further enhance a firm’s development. Similarly, the cross-case findings (chapter 5) portray varieties of progressions and stage sequences, based on different case histories in terms of learning domains, ways of learning, and reasons for learning. In relation to overall learning and development, the case displays

different ways and strategies to take on exploitation, exploration, or both (that is, ambidextrous) routes in its learning and development, as shown in Figure 4.3.

The mother company of AZ9 initially started operations as a yarn manufacturer in 1972 under NCM, which was basically engaged with spinning and yarn manufacturing for sale in local markets. NCM (now Azgard-9) became international by expanding its operations in-textile sector to Ireland. In 1978, the textile operations were extended to the United States by acquiring Burke Mills Inc. of North Carolina. By 1980, this presence was expanded with the addition of another company, Tennessee Textiles. These moves enabled NCM to focus on the textile sector. Despite the successive international engagements, NCM was involved in manufacturing and sales of yarn and fabrics in local and international markets, hence linked the company with the “Experimental Outsourcee” role.

Furthermore, in 1991, the company established a new specialized denim setup in collaboration with Legler SPA through investments in the latest denim production infrastructure. In 1995, the new company started its latest denim yarn and quality fabrics (denim and prepared for dying (PFD)) manufacturing to establish business in both local and international markets. In 1996, NCM excelled in yarn production through a joint venture with Alpha Group in yarn twisting. This joint venture expanded NCM’s operations across the borders and also enhanced its yarn manufacturing capabilities. NCM exported denim fabric and yarn to Bangladesh, Turkey, Europe, and to some North American clients. The new setup and production (that is, denim yarn and fabric capabilities) further strengthen the “experimental outsourcee” role.

Figure 4.3: The Loop Model



NCM moved downstream in the high-value-added segment through its garment manufacturing operations in collaborations with Legler SPA in 1996. The garments

operation was the newest addition to complement the NCM portfolio, thus completing the fully vertical aspirations and visions. A state-of-the-art garment production facility and equipment were acquired from Italy and installed to meet the demand for latest denim garments to increase its exports and sales based on high-value-added garments. The vertical production allowed NCM to maintain full control over the production processes from cotton fiber to retail ready-made products under one roof. The integrated production and simultaneous sales of yarn and denim fabrics, in both local and international markets, and garments in international markets, moved NCM from “experimental outsourcee” to “active outsourcee” status. However, NCM exported 99 percent of its garments due to very limited local demand at that time.

NCML maintain its momentum in terms of investing in the latest production, processes and operations. In 1998, NCML invested further in state-of-the-art laundry and washing technology to become involved in the latest washing and laundry techniques. This investment and engagement enabled NDML to shift its product into higher value and meet the increasing international demand for the latest function and aesthetics in denim fabrics and garments. In addition to integrated production and latest processing, NCML started marketing activities and compliance with international standards. It enabled NCML to explore and develop new clients and markets in a wide range of denim products (fabric and garments). These engagements caused the movement from “experimental outsourcee” to “explorer”.

In 2002, NCML merged with its Italian partner under a new entity called Legler Nafees Denim Mills Limited (LNMDL). This merger drove the newly established company in new directions as it further enhanced its garment production and sales and marketing capabilities. LNDML further enhanced its innovative capabilities in garments production and processing under a vertical setup. LNDML established sales and marketing offices in New York, Florence, Stockholm, and Istanbul to explore new markets and add international clients in both fabrics and garments. Similarly, LNDML went a step forward in its operation towards value addition through promotional management. LNDML started innovative promotional collections and concepts through active engagement with experts, R&D, and marketing activities. These capabilities enabled AZ9 to offer its seasonal promotional collections to showcase its innovative abilities through its international sale offices and expos for the development of business ties. These engagements further strengthened LNDML’s (now Azgard-9) movement from “active outsourcee” to “explorer”.

The merger ended in 2004 and a new company, AZ9, was established. After separation from Legler SPA, AZ9 continued investing and enhancing its operations to grow and meet the increasing demand for value-added garments.

Beside active investments in the latest vertical setup, AZ9 went deep into its value-added operations through garments promotional management. Azragrd-9 established R&D and design units (Blue Attitude Division (BAD) and Robust Art Division (RAD)) and foreign developers and designers to develop and offer future concepts, designs in garments and washing as promotional collections. These capabilities enabled AZ9 to offer its promotional collection regularly on a seasonal basis to showcase its innovative abilities through its sales offices and expos for the development of international business ties. Similarly, in 2006, AZ9 acquired a modern garment manufacturing facility from Italy. This investment was necessary to upgrade and increase the production capacity of garments (15,000 pieces per day). In 2008, the expansion and modernization of weaving units was carried out through the acquisition of modern machines and technology from Italy to increase the capacity to 2.4 million meters' fabrics per month. AZ9 made an agreement with Italian company Tonello SRL to enrich its garment washing expertise according to international standards. AZ9 provides design and pattern development services, beside OEM, ODM services and product concept to full execution at door-step delivery based on its expertise and capabilities in production and processing. Such engagements were a motivating force for AZ9's movement from "explorer" to "partner/competitor".

In 2007–2008, AZ9 acquired the denim division of an Italian company Montebello SRL (MSRL) from the Bonenzvi Group. Montebello has its own brands and work serves as a buying house for major European garment and apparel customers. It markets and sells under its own registered trademarks and brands. MSRL has a global distribution network through own sales force and brand exclusive agents. Approximately 85 percent of its sales are in the European market. Moreover, MSRL invested significantly in research and development and has registered international patents on a particular process for controlling the dyeing of denim products. AZ9 became the first Pakistani company to produce, market, and sell under its own brand in international market through the acquisition of MSRL. AZ9 was able to increase its annual exports by about 20 percent per annum with higher value addition and profit margins. This acquisition resulted in AZ9 moving from "partner/competitor" to "global challenger"



After the acquisition of MSRL, AZ9 became aggressively involved in value-added operations and services. AZ9 worked with Montebello to augment Italian taste and production expertise, while the production know-how of the Pakistan side enhanced Azgard-9’s R&D and innovation in denim fabrics, designs, designs, seasonal collections, and sales to bridge production and sales. Because of close working with MSRL, AZ9 launched two brands in fabrics: AZ9 and Montebello. AZ9 (fabric brand) is for both local and international while Montebello is exclusive for Montebello. The local brand AZ9 resulted in reverse movement, from “partner/competitor” to “active outsourcee”, because of the involvement of AZ9 in both local and international markets.

The loop model showed that Azgard-9’s movements mostly remained at the “explorer” and “partner” status due to aggressive involvement in innovative manufacturing and design services to world-leading brands as a hallmark of a developing economy firm. The company further linked its movement to “global challenger” through the acquisition of Montebello. Montebello has international registered trademarks, patents and brands in fabrics, garments and denim processes, which directly involved AZ9 in international marketing and sales under its own brand.

The summary of overall developments with respect to main identified learning domains across the case is shown in Table 4.3.6

Table 4.3.6: Developments with respect to main learning domains

No.	Development	Learning Domain
1	Experimental Outsourcee to Active Outsourcee	New Production & Manufacturing, Customer Relations, International & Regional Standards, Integrated Production
2	Experimental Outsourcee to Explorer	New Production, Processing, Customer Relations, International Standards, Design and Development, Integrated Production and Industry trend, Conflict Resolution
3	Active Outsourcee to Explorer	New Production & Manufacturing, Promotion Management, Washing and Laundry/Processing, Innovation, Design and Pattern Development, Integrated Production
4	Explorer to Partner	New Production & Manufacturing, Promotion Management, Washing and Laundry/Processing, Customer Relations, Innovation, Design & Pattern Development, Industry Trends
5	Partner to Active Outsourcee	Integrated Production, Innovation, Branding Management
6	Partner to Emerging Global Challenger	Integrated Production, Innovation, Branding Management

Overall, the above model exhibits Azgard-9’s developments in the value chain. AZ9 (the mother company) started as a cotton mill. It moved from “Traditional Actor” to “experimental outsourcee” to divert its focus to denim through investment in a denim

manufacturing facility. The AZ9 moved to “active outsourcee” by involving in denim garments productions and more focus on sales in international markets. The AZ9 continued its movement to “explorer” and “partner/competitor” through active involvement in manufacturing, washing and promotional collections. AZ9 developed to global challenger status through active involvement in R&D and the acquisition of the Italian-branded company. An interesting development was observed when AZ9 started selling denim fabrics under its own brand in local and international markets, as this led AZ9 to move back to “active outsourcee”.

**4.3.4 Evaluation Fit Between Suggested Loop Model and Case Realities**

In order to match the fit between conceptual and derived loop models from the case, the case realities are compared to the conceptual model to assess whether certain developments are predicted, not predicted, or emerged in the case. Each development seen in the case is further explained in Table 4.3.7.

Table 4.3.7: Evaluating fit between suggested model and case realities

Model	Case	Description
Traditional Actor to Experimental Outsourcee	Does not fit	There is no evidence of the TA in this case. Because the company involved in international operations after few years of its inception, therefore, the said movement from TA to EO mentioned in the original model does not fit the case.
Experimental Outsourcee to Active Outsourcee	Partially Fit	The company started new production and operations through joint venture and invested in new production facilities and machines to produce and excel the denim garments sales (only in international market), denim fabrics and yarns in both local and international markets. Further, the joint venture in yarn twisting and investment in composite production facility excel and enrich the production from cotton fiber to retail ready-made products. Therefore, the movement from EO to AO is partially fit with the case, because in garments, the company exported approximately all its production. This was due to the fact that there was no demand for denim and denim garments in the local market at that time, and the export was more attractive and profitable than local sale and market engagements. Therefore, the link to Active Outsourcee is missing when it comes to denim garments sales in local market.
Experimental Outsourcee to Explorer	Fit	The company keep continued its momentum of investing in the latest production, processes and operations. It invested further in state-of-the-art laundry and washing technology to involve in latest washing and laundry techniques. This investments and engagements enabled the company to involve in high value-added offerings and processes to meet the increasing international demand for latest functional and aesthetics in denim fabrics and garments. In addition to integrated production and latest processing, the involvement in marketing activities and compliances with international standards, which enabled the company to explore and developed new clients and markets in a wide range of denim products.

Active Outsourcee to Explorer	Fit	The movement from AO to EXP is evident. It is the result the case company merger with the its Italian partner. This enhanced the innovative capabilities in garments production and processing under vertical setup. The company get involved and started innovative promotional collections and concepts through active engagement with experts, R&D, product partnership and marketing activities. The merger enhanced the company to established new sales and marketing offices to explore new markets and add international clients.
Active Outsourcee to Partner	Does not Fit	There is no evidence of the movement from AO to PART in this case. This is because the case company did not acquire and get the competencies and excellence particularly in systems, R&D facilities and in marketing. Therefore, the movement AO to PART mentioned in initial model does not fit the case.
Active outsourcee to Emerging Global Challenger	Does not fit	There is no evidence of the said movement in this case. Because the movement from AO to EGC needs overall competencies and excellence in production, systems, innovation, marketing and brandings and international marketing infra structure. Building such overall advanced capabilities and downstream operations in the start were not predicted in the case, therefore, the said movement from AO to EGC mentioned in the original model does not fit the case.
Explorer to Partner	Fit	The company invested in latest production, experts, washing, R&D, systems and designing facilities to further modernized its garments production facilities and expand its capabilities and capacities to offer high quality products, processes and services. In addition, the case company strategic alliance in washing to enhances the innovative capabilities to offer high quality offerings and services (OEM, ODM, OBM) in different product ranges to meet international demand, develop contacts. In addition, the company also provides design and pattern development services, beside its product concept to full execution at door step delivery services to top international brands and clients.
Explorer to Emerging Global Challenger	Does not fit	There is no evidence of the said movement in this case. Because the case company did not get the necessary competences and marketing and branding infra structure to market and sales under its own brand in international market.
Partner to Emerging Global Challenger	Fit	The movement from EXP to EGC is evident. Because of the case company acquisition of Italian company and active involvement in R&D, experts, marketing and sale activities under own brand name in different product categories in international market.
	Explorer to Active Outsourcee Emerging pattern	Emerging pattern, where the case company went step back. The movement from EXP to AO is emerged as the result of the case company acquisition of Italian company and active involvement in R&D, experts, marketing and sale activities under own brand name in fabrics in local market.

Having compared the case realities and conceptual model, out of nine, four movements were not identified, four were identified, while one was partially identified as of the initial conceptual model. In addition, one movement was emerged from the case realities. The presence of movement from “Traditional Actor” to “Experimental Outsourcee” was not predicted as of the conceptual model; due to the involvement case firm in international operations and exports since its inception. Similarly, three developments (Active Outsourcee to Partner, Active outsourcee to Emerging Global Challenger, and Explorer to Emerging Global Challenger) did not identified as claimed in the initial conceptual model. Because the case company does not acquire the required

capabilities and competences (related to production, systems, R&D, international marketing and branding) that were necessary for the said developments.

Four developments (“Experimental Outsourcee to Explorer”, “Active Outsourcee to Explorer”, “Explorer to Partner” and “Partner to Emerging Global Challenger”) were matched and identified as claimed in the conceptual model. While the presence of “Experimental Outsourcee to Active Outsourcee” was partially predicted. It is due to integrated nature of case firm’s operations and production (yarn, fabrics and garments), where the company sold and marketed yarn and fabrics in local and international markets simultaneously identified the said development, while exported its total garments production due to limited local market demand and/or high market demand in international market for denim garments, hence not identified the said development.

Interestingly, the backward development from “Partner to Active Outsourcee” was emerged from the case. This is because the case company involvement in direct selling and marketing denim fabrics in the local market under its own brand through the acquisition of an Italian company.

#### **4.3.5 Conclusion/Answers to Research Questions**

In order to answer the two main research questions and obtain a detailed view of the learning impacts, each individual development is discussed with respect to the main learning domains, ways, and reasons for learning. It is hard to reach a complete understanding of the ways (the ‘how’) and the reasons (the ‘why’) without knowing and explaining the main learning domains (the ‘what’). In total six developments movements were identified in the case company, AZ9, as detailed below:

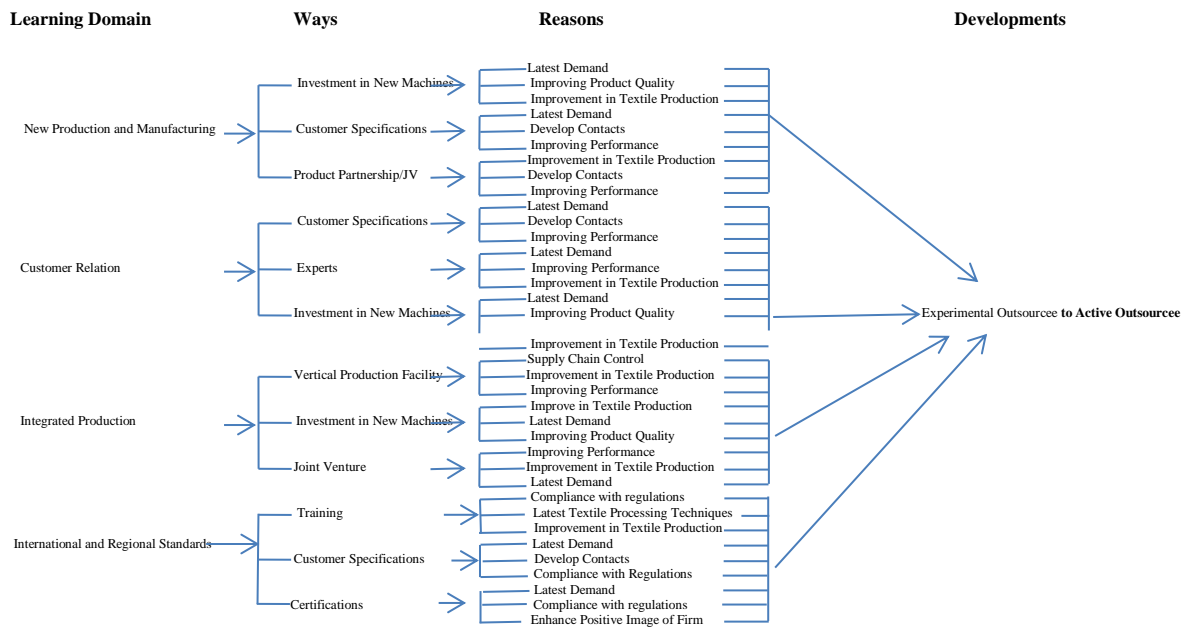
### 4.3.5.1 Experimental Outsourcee to Active Outsourcee (EO to AO)

Development from EO to AO was identified in the case company. This development is characterized by the main learning related to new production and manufacturing, integrated production, customer relation and international and regional standards through investments in new machines, vertical production facility, joint venture and customer specifications. The case company involved in mentioned learnings and ways to improve textile production, meet latest demand and develop contacts in international market.

However, certain reasons are associated with particular learning and characterized by specific learning ways, for instance, the supply chain control is associated with integrated production through vertical production facility and joint venture.

The summary of the development from AO to EXP with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.3.1. Experimental Outsourcee to Active Outsourcee (EO to AE)



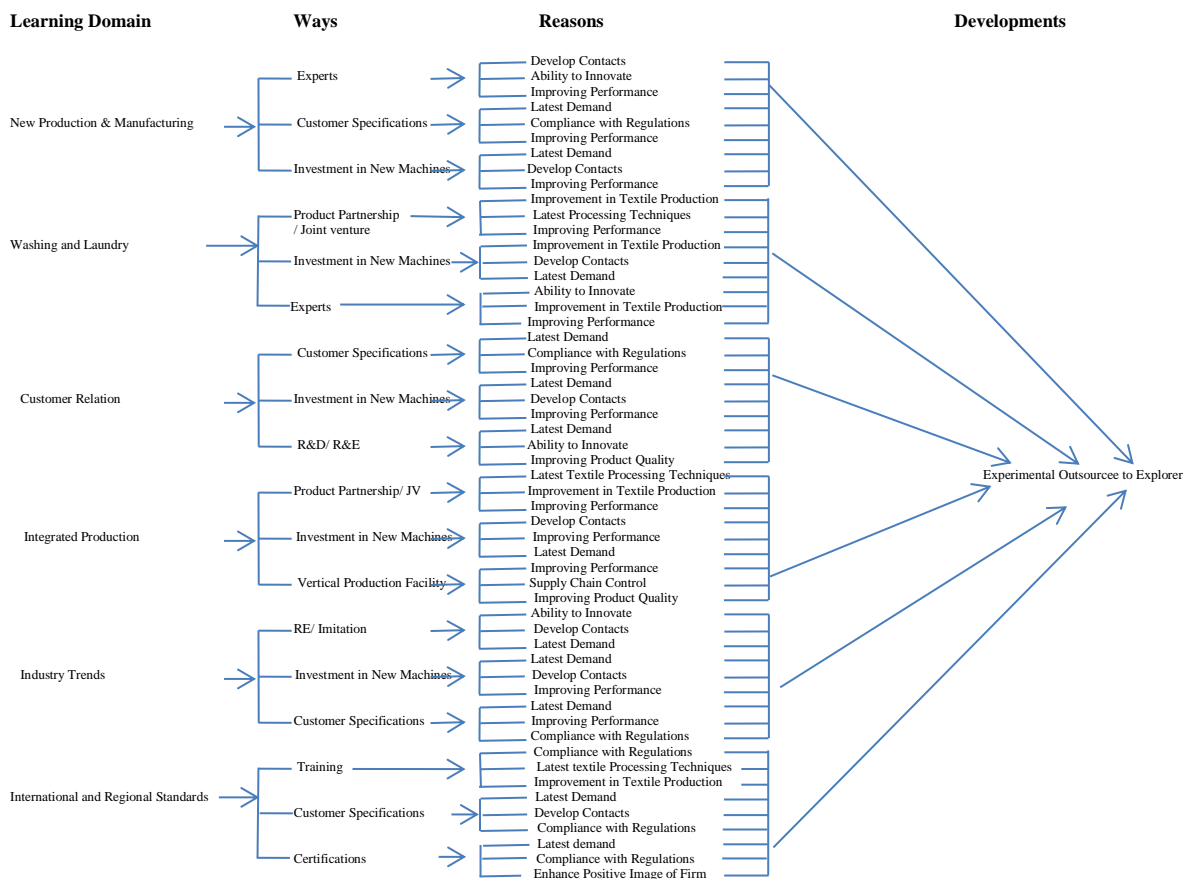
### 4.3.5.2 Experimental Outsourcee to Explorer (EO to EXP)

This development is characterized by the main learning related to new production, customer relations, integrated production, washing and laundry, international standards, and industry trends through investments in new machines, experts, R&D/customer specifications and product partnership/JV. The main reasons for becoming involved with the above-mentioned learning domains and ways were to improve textile production, ability to innovate, meet latest demand and develop contacts in international market.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, meet latest demand and ability to innovate are associated with industry trends through imitation. Similarly, meet latest demand, compliance with regulation and enhance positive image of the firms are associated with international and regional standards through certification.

The summary of the development from EO to EXP with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.3.2 Experimental Outsourcee to Explorer (EO to EXP)



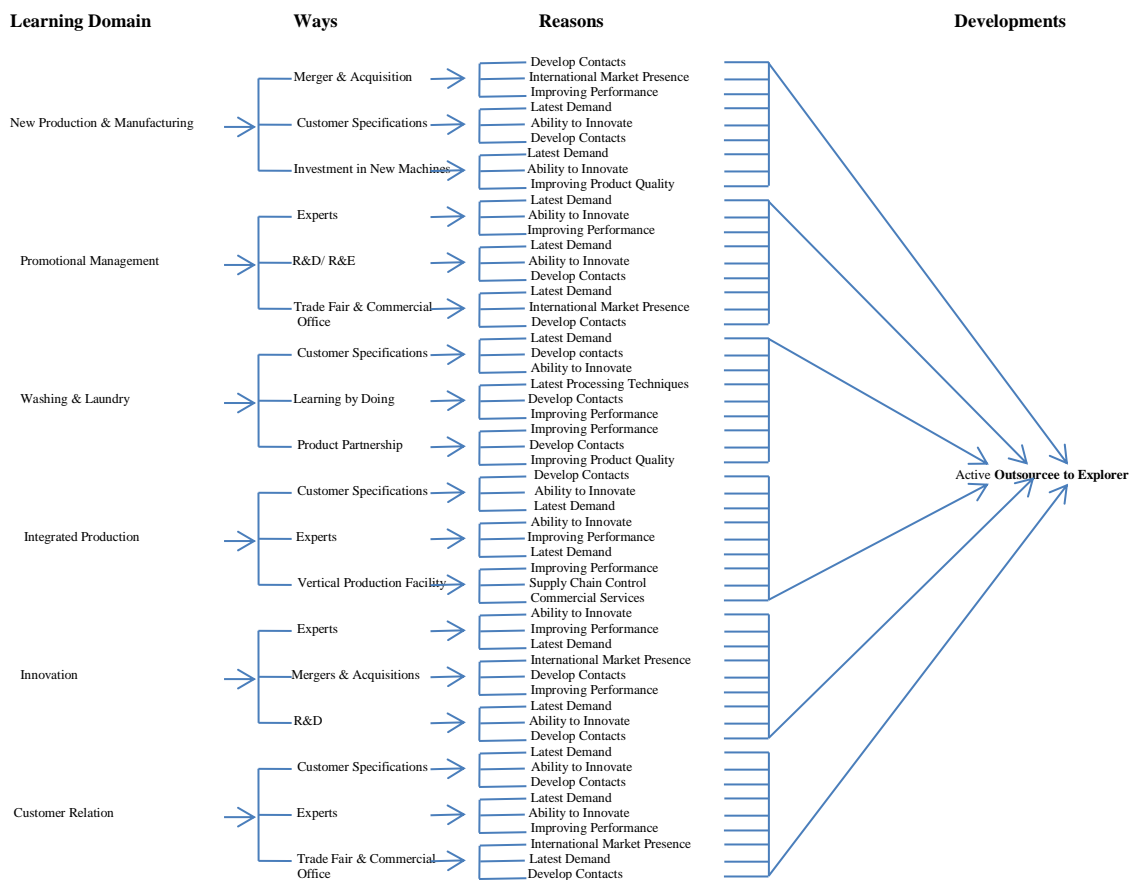
### 4.3.5.3 Active Outsourcee to Explorer (AO to EXP)

This development is characterized by the main learning related to new production and manufacturing, washing, innovative and promotional offerings and customer relation through investments in new machines, vertical production facility, experts, R&D and product partnership/ merger. The main reasons to becoming involved with mentioned learning domains and ways were to develop contact, meet latest demand, ability to innovate, international market presence and Improving Performance.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the supply chain control and commercial services are associated with integrated production facility through vertical production facility. Likewise, improving product quality is associated with washing and new production and manufacturing through product partnership and investment in new machines.

The summary of the development from AO to EXP with respect to main findings related to learning domains, ways and reasons is highlighted in graph

Figure 4.3.3 Active Outsourcee to Explorer (AO to EXP)



#### **4.3.5.4 Explorer to Partner (EXP to PART)**

This development is characterized by the main learning related to new production and manufacturing, washing, promotion management, customer relation, innovation and design & pattern development through joint venture, R&D and experts.

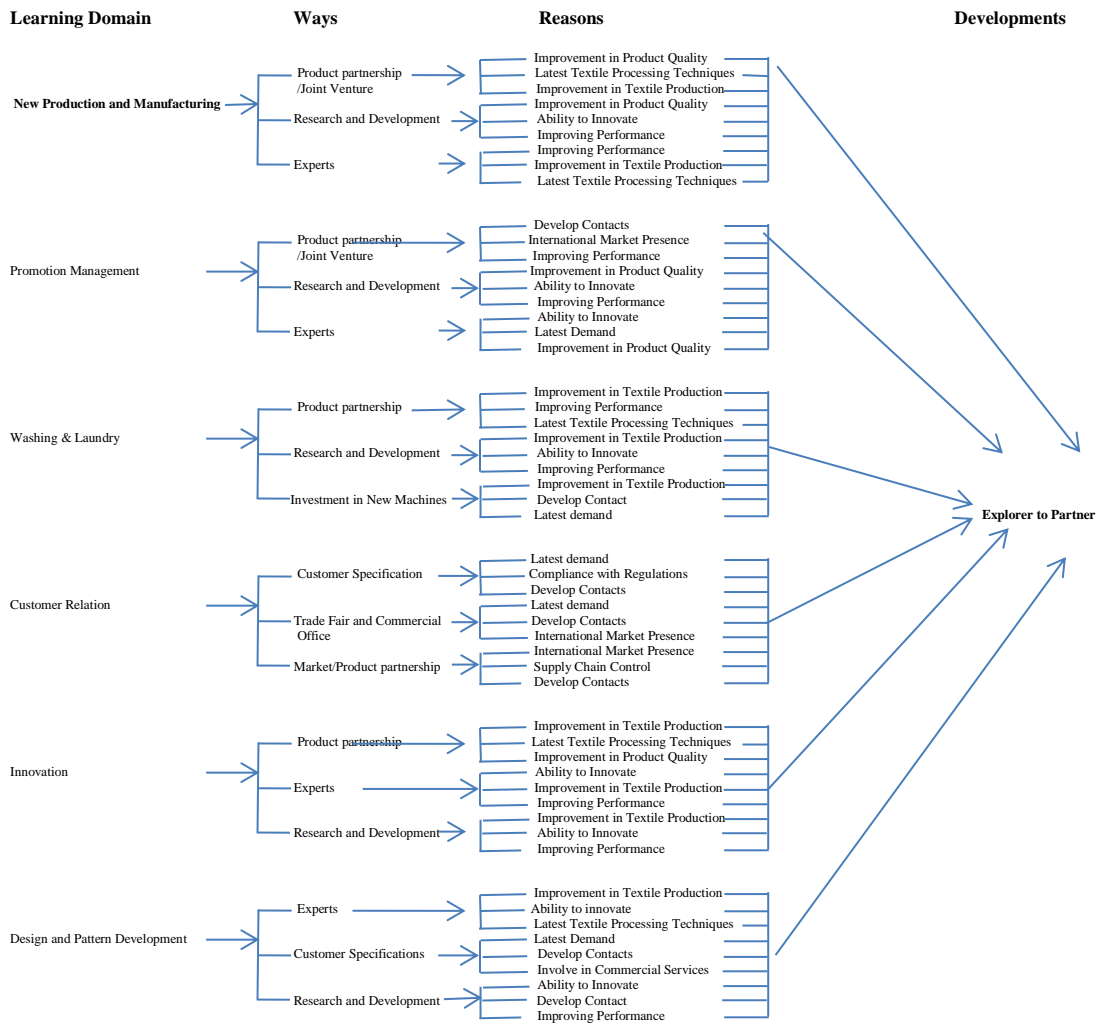
The main reasons to becoming involved with mentioned learning domains and ways were to improve textile production and processing, ability to innovate, meet latest demand, develop contacts and improve product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, ability to innovate, develop contacts and involvement in commercial services are associated with designing and pattern development through experts, customer specification, and R&D.

The summary of the development from EXP to PART with respect to main findings related to learning domains, ways and reasons is highlighted in graph.



Figure 4.3.4: Explorer to Partner (EXP to PART)



#### 4.3.5.5 Partner to Emerging Global Challenger (PART to EGC)

This development is characterized by the main learning related to innovation, branding management in international market through acquisition, products partnerships, experts, R&D, design studio and trade fair and commercial offices. The main reasons to becoming involved in mentioned learning domains and ways were to develop contacts, improving textile production, ability to innovate, international market presence, branding and marketing and improving product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, international branding and marketing and

international market presence are associated with branding management in through merger and acquisition and trade fair and commercial offices.

The summary of the development from PART to EGC with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.3.5 Partner to Emerging Global Challenger (PAR to EGC)



**4.3.5.6 Partner to Active Outsourcee (PART to AO)**

This is a backward development emerged from the case findings. It is characterized by the main learning related to in innovation and branding management in local market, acquisition, products partnerships, experts, R&D, design studio and trade fair and commercial offices. The main reasons to becoming involved in mentioned learning domains and ways were to develop contacts, improving textile production, ability to innovate, branding and marketing and improving product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, branding and marketing and develop contacts are associated with branding management in through merger and acquisition.

The summary of the development from PART to AO with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.3.6 Partner to Active Outsourcee (PAR to AO)



Overall the case firms reveal six development trajectories (Figure 4.3.1- 4.3.6). Each development characterized by learning processes covering concrete domains, which are learned for specific reasons in particular ways. It was observed that case firm predominantly concentrated on three stages namely “Active Outsourcee”, “Explorer”, and “Partner” due its quest for building capabilities in latest production, innovative processes and value-added services to move in value chain and/ or expands its operations in international market. In addition, the development to “Emerging Global Challenger” is evident through learning and building capabilities in new product design, product development, production, and marketing and sales under own brands.

It is important to note that the learning in the context of this study “learning in offshore outsourcing ties” is not only associated with learning from the outsourcer (i.e. taking over specific knowledge, capability, direct instructions and specifications), but the strategic orientation of the outsourcee (case firm) as well. Hence, the main experiential learning seems to be resulted from all kinds of interactions including outsourcers, other market actors and strategic steps taken by the case firm, so, the developments too.

#### 4.3.6 Case Database Sources

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and <http://www.azgard9.com/company.php> retrieved on May 12, 2015
2. HIS-<http://www.scribd.com/doc/19400146/5/History-of-Azgard9>
3. Interview with GM Garment Division
4. Interview with Marketing Manager -USA
5. Interview with General Manager (GM) Weaving/Fabrics
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22. <http://www.ptj.com.pk/Web-2009/04-09/April-PDF/General-Article-Art%20Abdul-Jabbar.pdf>
23. <http://www.dawn.com/news/353854>
24. <http://www.azgard9.com/media.html>
25. <http://www.azgard9.com/division.php>
26. Manager Sales and Marketing (Brands)

## Appendix-X AZ9 Interview Quotes with Respective Codes

Quotes for Transcription	learning	Ways	Reasons
1. "I will say that the entire DNA is originated from Italy, the machinery/plant, initial developments and tactics were from Italy. Most of the time we have development experts from Italy. Even now we got an office in Italy. "I will say that we are a good example of how a local firm learn and earn from working with foreigners..." (Marketing Manager-USA and Manager Sales and Marketing (Brands)	Setup and Start New Production and Manufacturing	Experts Implementation of New Machines/System	Improvement in Textile Production Develop Contacts
2. "AZ9's pride is its Italian DNA in research and development that keep us ahead of the industry" (company presentation)	Innovation	R&D and Re- engineering	Improving Performance Improving Product Quality
3. "... we have a common saying that "our entire DNA is originated from Italy" the men, machines initial developments and tactics all and all were from Italy. Most of the time we have development experts from Italy. We are good learner from outside sources. ..." (GM Weaving/ Fabrics)	Setup and start New Production and Manufacturing	Experts Product Partnerships Implementation of New Machines/System	Improving Performance Improvement in Textile Production
4. "...Azgard9 mother company started its operations back in 1971-1972 by establishing a cotton mill. The operation was limited to the specialized open end yarn. Nafees Cotton Mills started its Denim fabric and Garment production in early 1990s with a collaboration of Italian company Legler SPA. The company move down stream in high value-added segment by started its garment manufacturing operations with collaboration of Legler SPA, Italy in 1996. The garments operation was the newest addition to complement the AZ9 portfolio and thus completes the fully vertical aspirations and visions of the group..." (GM Garment Division)	Setup and Start New Production and Manufacturing Integrated Production	Product Partnerships  Vertical Production Facility	Supply Chain Control Latest Textile Processing Techniques Improvement in Textile Production Latest demand Develop Contacts
5. "...Italian technology partners – the industry leaders drive our technology and techniques whilst imparting the latest knowledge and know how to our manufacturing methodology". (Company Presentation)	New Production and Manufacturing Innovation	Product Partnership	Latest Textile Processing Techniques Improvement in Textile Production
6. "We set up AZ in 1994 as a fully integrated vertical denim unit for fabrics and garments in collaboration with Legler SPA, of Italy. ( <a href="https://www.facebook.com/Azgard9/info">https://www.facebook.com/Azgard9/info</a> )	Setup and start Integrated Production	Product partnership Vertical Production Facility Implementation of Machines	Improvement in Textile Production Supply Chain Control
7. "...the company passes through a mix of several developmental stages of acquiring, partnering and sourcing of latest technology, processes, techniques and machinery from various sources and different parts of the world to achieve world class excellence in denim..." (Marketing Manager-USA and Manager Sales and Marketing (Brands).	Setup and Start Innovation New Production and Manufacturing	M&A Market Partnership Product Partnership Implementation of New Machinery	Improving Performance Improving Product Quality Develop Contacts

8. "... An open yarn manufacturing was started in 1972 by setting a spinning unit under Nafees Cotton Mill, to start yarn and textile business. 1995 the company started its latest spinning production and exported to major American and European brands in 1996. In 1996, the company made a specialized joint venture in the yarn twisting technology with a Mexican giant Alpha group which gives hands on latest twisting techniques of yarn for our exports and further usage in our weaving production..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Setup and Start New Production and Manufacturing	Implementation of New Machines/System Product Partnerships/sourcing	Develop Contact Improvement in Textile Production International Market Presence Improving Performance
9. "...1995 we started our denim fabric production with the export to Bangladesh, Turkey, Europe and North America. The company move down stream and started its garment manufacturing operation with collaboration of Legler SPA Italy in 1996..." (Marketing Manager-USA and Manager Sales and Marketing (Brands)).	New Production and Manufacturing	Product Partnership/ sourcing Implementation of New Machines/System	International Market Presence Improvement Textile Production
10. "...the company passes through a chain of deliberate and emergent activities i.e. partnering, mergers, acquisitions and sourcing of modern technology and processes to become a fully vertical integrated unit.... (GM Garment Division)	Integrated Production	Product Partnership Market Partnership M&A Implementation of New Machinery Vertical production Facility	Supply chain control Improvement in Textile production Latest Textile Processing Techniques
11. "...the company adopted various steps and routes for its developments. We made various partnerships, collaborations, mergers, acquisitions of some of the best companies in different parts of the world. Similarly, we sourced and acquired the latest equipment, machinery and personnel to bridge the expertise gap between East and West..." (GM Weaving/Fabrics)	Innovation New Production and Manufacturing	Product partnership Market Partnership M&A Experts Implementation of New Machinery	Improving Performance International Market Presence Ability to Innovate
12. "...we acquired laundry and washing technology transfer from Italy in 1998 to shift our products into higher value..." (GM Garment Division)	Washing and Laundry	Product partnership/Sourcing	Improving Product Quality Latest Textile Processing Techniques
13. "... in 2002 we merged with our Italian partner Legler SPA which further enhanced our capability of production, marketing and sale of garments..." (GM Garment Division)	New Production and Manufacturing Setup and Start	M&A	Improving Performance Improvement Textile Production Latest Textile Processing Techniques Develop Contacts International Market Presence
14. "...in 2006 we acquired latest FPR 15000 pieces per day garment manufacturing facility for latest production to increase capacity and meet demand ..." (GM Garment Division)	New Production and Manufacturing	Implementation of machinery	Latest demand Improvement in Textile Production Improving Performance

15. "...in 2008 we sourced weaving plant to increase our denim fabric capacity to 2.4 million meter per month to meet the increasing foreign demand..." (GM Garment Division)	New Production and Manufacturing	Implementation of machinery	Latest demand Improving Performance
16. "... For a collection, we need inspiration...., it can be from anywhere, from nature, from our daily life, from our sourcing partners and customers, from brands, designers, competitors, foreign visits /conferences and expos. Sometimes we exactly copy the same thing with changes. For example, you are setting in front of me and I notice something interesting or unique in your dress or jeans, we pick the idea from there and give practical shape to it. We developed the product from that idea, check it, evaluate and test it here from every aspect i.e. from PPC, quality, production, finishing, P&D, R&D and stitching etc. The ideas can be from the nature, from Internet, visit foreign markets, directly from brands, designers, copy exactly the same thing with little variation. For example, a customer demanding something from you in a discussion we mostly the business persons and marketing guys are not so technical in fabric manufacturing. We get ideas from such discussions and develop something different for our collection. We present our collections in the market through our personal visits, marketing offices or participate in trade expos to attract clients..." (GM Weaving/Fabrics)	Promotional Management  Product innovation Industry Trends	Imitation and Emulation R&D Reverse engineering Trade Fairs and Commercial Office Experts	Ability to innovate Improvement in Production Process Latest Demand Develop Contacts
17. "...developing our internal knowledge is impossible without external touch (i.e. our international engagements with customers, partners and in various activities). We regularly visiting our customers, participating in expos and shows, disseminate competitor's brands and of course searching internet for external information and upcoming trends. We are very flexible and open for getting information from any source. Apart from sale and business developments, working with foreign clients enable us to get into other important aspects; for example, technological knowhow, processes and handling of other strategic perspectives. Such perspectives are our strength for future successes..." (GM Garment Division)	Industry Trend	Customer Specification Trade Fairs and Commercial Office Imitation and Emulation R&D and Reverse engineering	Develop new contacts Ability to Innovate Improving Performance Latest Demand
18. "...we are closely working with the Italian and German designers hired by our company, sometimes we ask them for a specific design and fit in the fabric so they design for us and we produce here, sometimes they themselves send us some specific designs which they developed we test, produce and include in our collection to attract customers. ..." (GM Weaving/Fabrics)	New Production and Manufacturing Product Innovation Promotional Management	Experts  R&D and Re-engineering	Develop new contacts  Ability to innovate
19. "...We are not solely dependent on external sources of learning and knowledge. We have a well-established product development and research units namely: Blue Attitude Division (BAD), Robust Art Division (RAD) and our sister company that keep us developing innovative ideas, concept and execute them in products round the clock. ... such arrangement put us ahead of the game apart from cheap imitation and survival tool..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Product innovation	R&D and Re-engineering	Ability to Innovate Develop Contacts
20. "...Our product line is driven from the front end of the market by constant collaboration with our customers, and keeping a "finger on the pulse" of what is happening with the cutting edge in the marketplace in the countries renowned for developments with denim. Our multi-cultural commercial offices in Italy, USA, Sweden, and Turkey are able to provide services from trend analysis to sales support and product design and development..." ( <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> ; (Company Presentation)	Design and Patterns Customer Relationship Industry Trend	Trade Fairs and Commercial Office Customer Specification	Latest demand Develop Contacts International Market Presence
21. "...We acquired laundry and washing technology transfer from Italy in 1998 to shift our products into higher value. Our researchers and designers are working round the clock to feed customers with innovative/cutting edge	Washing and Laundry	Experts R&D and Re-engineering	Improving Product Quality Latest Textile Processing Techniques

developments in designs, use of new chemicals and washing techniques in our annual collections...” (GM Garment Division)	Promotional Management Design and Patterns	Implementation of New Machinery	Ability to Innovate
22. “...We have gained our laundry technology and expertise from Italy the creative leaders in garment washing...” ( <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> )	Washing and Laundry	Product Partnership	Latest Textile Processing Techniques
23. “...Italian collaboration shifts us into higher gear through gaining strategic advantage by acquiring laundries and technology transfer from Italy and hands in international marketing...” (Company Presentation).	Washing and Laundry New Production and Manufacturing	M&A Market Partnership Product Partnership Implementation of New Machinery	International Branding & Marketing International Market Presence Improving Product Quality Latest Textile Processing Techniques Develop Contacts
24. “...yes we changed a lot by adopted several modes in comparison to our initial mode of operations in order to moving on as: we started latest washing techniques for the aesthetic and functionality of the garments...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Washing and Laundry New Production and Manufacturing Innovation	Implementation of New Machinery	Improving Product Quality Latest Textile Processing Techniques
25. “... A team from our Italian partner visited us to train our laundry and washing department about the latest techniques and washing of garments. Similarly, we send our laundry and washing personnel to our partner premises for training and learning in garments washings to induce latest washing and finishes in our products...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Washing and Laundry	Product Partnership Training	Latest Textile Processing Techniques
26. “...We also get a lot form our Italian partners and our suppliers especially in dyeing, laundry, designs and finishing. An Italian partner’s Tonello SRL (i.e. special agreement with the industry standard in garment washing) team visited us here to train and advise our laundry and washing team about the latest techniques in garments washing to meet the demand for quality washings and products. ....” (Head of garment division)	Washing and Laundry	Training Product Partnership	Latest demand Improving Product Quality
27. “...our acquired sister company in Italy, Italian and German based consultants and designers feed us with the latest market information and developments. Such arrangement put us ahead of the game apart from cheap imitation and survival tool ...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Industry Trends Innovation	Experts M&A	Ability to Innovate Improving Performance
28. “...mostly clients give us their own specifications and requirements in their orders according to their market, region and seasonal needs. The nature of orders is a mix of standardized, customized and unique. Each order is somehow different from others.... European and American have different tastes and needs. The aesthetics, physic i.e. body size and structures are also different” (Marketing Manager-USA and Manager Sales and Marketing/Brands)	Customer Relationship Industry Trends	Customer Specification	Latest Demand
29. “...some brands and customers also demand for technical textile and one or more special finishing, washing, processing and treatments like, antibacterial, antifungal, Nano-technological treated fiber.... such treatments are best to know, learn and apply new insights in our operations. ...” (GM Weaving/Fabrics)	Customer Relationship New Production and Manufacturing	Customer specification Learning by doing License	Improvement in Textile Production Latest Textile Processing Techniques



	Washing and Laundry		Ability to Innovate
30. "...our product line is driven from the front end of the market by constant collaboration with our customers, and keeping a "finger on the pulse" of what is happening with the cutting edge in the marketplace in the countries renowned for developments with denim..." ( <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> )	Customer Relationship Industry Trends	Customer specification	Latest demand
31. "...the customers and clients give complete direction and full list of things which we need to consider and take care whenever handling a unique product or a new brand is coming into the market. The customer send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carried out and they need. Our products should meet and comply with all the requirements of the customers from every aspect. Such detailed specifications and requirements are rich source of learning and gaining firsthand experience for us in our future doings..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	New Production and Manufacturing Customer Relationship Washing and Laundry	Customer specification Learning by Doing	Latest demand Compliance with Regulations Develop Contacts Improvement in Textile Production
32. "...Very recently we learned about better cotton initiatives (BCI) i.e. organic product's, previously we used the organic cotton but did not used the organic chemical, dyes and related processes environment friendly. We came to know that cotton has to be produce; process and treat in an organic way through our sourcing partner H&M. By such initiative and our clients and sourcing partners advises, we keep changing and stop other hazard and non-ethical processes..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	New Production and Manufacturing International and Regional Standards	Customer specification Certification	Compliance with Regulations Latest Textile Processing Techniques
33. "... customers also conduct training sessions and seminars on various issues like waste controlling, quality management, water treatment, cutting, finishing, washing, HR and labor issues, CSR and environment, order handling techniques, new and emerging process to maintain the required standards and quality. Our all-time customers advise us on operational technicality, visiting our production facilities to train and guide us with the latest techniques on the production floor. They also audit our various production and delivery stages and advise us accordingly for better performance. ...." (GM Garment Division)	New Production and Manufacturing Customer Relation	Training Technical Advices	Improvement in Textile Production Improving Product Quality Improving Performance
34. "... our all-time customers are visiting our production facilities to train and guide us with the latest techniques on the production floor; we learn and improve our manufacturing processes on ground lessons. They also audit our various production and delivery stages and advise us accordingly for better performance..." (GM Garment Division)	New Production and Manufacturing Customer Relation	Training Learning by Doing	Improving Performance
35. "...elite brands give us full directions and specification about their orders ..... from where we will get the buttons, zips, stitching thread, embroidery etc. Similarly, the customers also nominated and mentioned that where we send their order. Such issues give us overall scenario of the business and important key players, which are very helpful for future business contacts...Some of the world's leading brands rely on our denim fabrics. As they nominate us to their garments manufacturers and suppliers in Bangladesh, Sri Lanka etc. We are also the sole and exclusive suppliers from Pakistan for some of the leading brands from around the world..." (GM Garment Division)	Customer Relationship	Customer Specification	Develop Contacts
36. "... diversified orders connect us to the rich outlay of external knowledge and learning. There is something new in almost every order for us as an order is a combination of dozens of tasks (i.e. from yarn to final supply	New Production and Manufacturing	Customer specification	Improving Performance

and after sale tasks) which are carrying out by different subunits of our company, those subunits learn and practiced innovative ways of executions. Diversified orders are the best way of learning by doing and hands in experience, which we extend for our future engagements...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Customer Relationship	Learning by doing	Improvement in Textile Production Develop Contacts
37. “... we are certified company with these certifications as: ASA certified in cotton, ISO-9001, ISO-14001, SA-8000 REACH, Global Organization Textile Standards (GOTS), OEKOTEX-100, BSCI, OE Blended , Cotton USA Certified (ASA)...” (GM Weaving/Fabrics; Marketing Manager; GM Garment Division; company presentation) ( <a href="http://www.azgard9.com/html/Cooperative%20Info/News&amp;Media.htm">http://www.azgard9.com/html/Cooperative%20Info/News&amp;Media.htm</a> )	International and Regional standards	Certification	Compliance with Regulations
38. “.... We are taking care our customer’s specific needs and demands from every aspect. We are fully complying with international, American and European standard regarding various environmental, labor and CSR issues. We also complying with any new or customer specific needs as they arise, as we are well aware that it would be the norm of the industry. Our all-time customers (H&M etc.) started and implementing water and energy efficient processes and production in their products and demanded the same form its suppliers to reduce the environmental foot prints. To entertain such customers and stay in the market we implement some and are working for other. We are certified company from every aspect i.e. ISO-9001, ISO-14001, SA-8000, REACH, GOTS, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA) and others. We got these training and certifications from different consultants around the globe, in order to be trusted in what we are doing. ...” (GM Garment Division)	International and Regional standards Industry Trend	Training Certification Customer Specification	Enhance Positive Image of Firm Compliance with regulations
39. “...we learn and practice the latest environmental friendly processes through training and certification on continuous basis.... Such certifications and standards are proof of our ethical practices ...” (GM Weaving/Fabrics)	International and Regional standards	Training Certification	Compliance with Regulations Enhance Positive Image of Firm
40. “...company is fully complying with international and customer’s specific regional standards. We got certifications and training from various leading bodies and consultants form various parts of the world. This shows our commitments to various environmental and ethical standards...” (Marketing Manager-USA and Manager Sales and Marketing (Brands))	International and Regional standards	Training Certification	Compliance with regulations Enhance Positive Image of Firm
41. “...we produce two fabric collections annually, one is for spring-summer and one is for fall-winter on continues basis. And this is the part where our innovation starts, as Denim is quite different from other textile industry.... first you have to produce something from your own and then you have to market to different brands ...” (GM Weaving/Fabrics)	Promotional Management Product Innovation	R&D and Re-engineering Experts	Ability to innovate Develop Contact
42. “... the produced collection reflects what you present/ offer new stuff to your customers. If the customer gets something from your collection they show good response, this good response is a signal that that you will get the orders from various brands and customers for the next season also. This is the most innovative part which a company really involves....” (GM Weaving/Fabrics)	Promotional management Innovation	R&D and Re-engineering	Ability to innovate Develop New Contacts
43. “.... we are producing fabric for Montebello, which was previously produced by Montebello in Italy, but now we are doing it here...Montebello is a prime brand that is why we are more selective and innovative in that part, as we are targeting European market and major brands form that platform. We believe that it makes us different from all other denim producers in Pakistan....” (GM Weaving/Fabrics)	Product Innovation	R&D and Re-engineering	International Market Presence International Branding & Marketing Ability to Innovate

			Improving Product Quality
44. "...denim is something really fashionable and different from non-denim this is the beauty in the denim. We are very strong in the production and finishing of denim through different processes and means, we are doing a lot of coating, dyeing, finishing and so many crazy stuffs with majority of major European chemical supplier's i.e. Daystar, CHT, Rodolf, Portra, Clairiant, BSA etc...." (GM Weaving/Fabrics)	Product Innovation Washing and Laundry	Product partnership/sourcing	Latest Textile Processing Techniques Improvement in Textile Production
45. "...I was attending a seminar in Germany and it was very cool over there.....I was freezing, from there I got idea that why we do not make denim which keeps us warm. We discussed the idea with our R&D divisions (i.e. RAD and BAD), developers and chemical suppliers, we found that already such products were existed in the market and brand like UNIQLO is working with this.... we searched deep and found that they are using some capsulation technology which was not acceptable for me and for our R&D team...the capsule has some specific life, and after that period the product become normal denim/ Jean. Then we discuss this idea with our experts and chemical suppliers and we conclude that if we get some sort of risen, that should be durable to wash and can absorb the UV/ heat part of the light and become warm... we are in the process of checking different alternatives and solution with the related people. For fall- winter people normally used slightly thicker fabric that can help in keeping warm while for spring summer the customer prefer light fabrics. Our idea is that instead of using the ticker fabric we will use the thinner fabric which customers love to wear with respect to feeling comfort even in winter. So, we can use the same fabric in both seasons with extra risen in winter. We are working on this product and planning to launch the product into the next fall collection to develop contact..." (GM Weaving/Fabrics).	Product innovation  Promotion management	Product partnerships R&D and Re- engineering Experts	Ability to innovate Improving Performance Latest Textile Processing Techniques Improvement in Textile Production Develop Contacts
46. "... we are closely working with the Italian and German designers hired by our company, sometimes we ask them for a specific design and fit in the fabric so they design for us and we produce here...we do lot of R&D, P&D and new stuff for each collection according to market need and fashion trends..." (GM Weaving/Fabrics).	Promotional Management Industry Trend Design and Pattern Developments	Experts  R&D and Re- engineering	Latest demand Ability to Innovate
47. "...at the moment we are a running lab for two of the major European chemical manufacturers and our suppliers in testing their chemical here on our fabrics. We mutually develop some chemicals and dyes which are exclusively used by us. We are the way forward in putting our hands in various value-added product and services ..." (GM Weaving/Fabrics).	Product innovation	Production Partnership R&D and Re- engineering	Latest Textile Processing Techniques Develop Contacts Improving Product Quality Ability to Innovate
48. "... we employ only the best European and Japanese equipment to ensure that our customers' stringent quality standards are met with the quality those they would expect from any top end supplier from any country of the world..." ( <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> )	New Production and Manufacturing Customer Relations	Implementation of New Machinery	Improving Performance Improving Product Quality Latest Demand
49. "...the company shifts into higher gear through its collaborative international sales and marketing in 2003 with Legler SPA..." (Company Presentation)	Customer Relations	Market Partnership	International Market Presence Latest Processes Develop Contacts

50. "... in 2007, we acquired a leading European company based in Italy and used it as a platform for international branding, marketing and buying house. Majority of the customers in European pan is dealing with Montebello..." (GM Garment Division)	Branding Management	M&A	Develop Contacts International Banding and marketing
51. "... we are selling our own brands in fabric through our own marketing strategy under the umbrella of our Italian acquired buying house..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Branding Management	M&A	Develop Contacts International Banding and Marketing
52. "... international commercial offices at various locations and acquisition of Italian company enable us to increase our sale and export by 20% per annum with higher value addition and profit margins through own brandings and marketing..." (Marketing Manager-USA/ GM weaving)	Branding Management Customer Relation	Trade Fairs & Commercial office M&A	International Branding & Marketing Develop Contacts
53. "... State Bank of Pakistan has permitted Azgard-9 Ltd to remit Euro 23.758 million for acquisition of foreign company which has ownership of registered brands. The acquisition will be completed through acquisition of 100 per cent stake of FARITAL AB... as a result of acquisition of target Company, Azgard Nine will be able to increase its annual export by 20 per cent per annum each year with higher value addition and profit margins, statement said..." (The Daily Nations, May 15, 2008) ( <a href="http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/business/16-May-2008/SBP-allows-Azgard9-to-remit-Euros">http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/business/16-May-2008/SBP-allows-Azgard9-to-remit-Euros</a> )	Branding Management	M&A	Improving Performance International Branding & Marketing Develop Contacts
54. "...as per ANL, the target company is a specialist in diverse types of denim supply i.e., Dobby Denim, Over Dyed Denim, Blumako, and Stretch Denim. The target company has a global distribution network with 85 percent of the sales in the Pan-European market..." ( <a href="http://news.tootoo.com/Textile/Textile_Packing_Printing/20080627/123849.html">http://news.tootoo.com/Textile/Textile_Packing_Printing/20080627/123849.html</a> )	Branding Management	M&A	International Market Presence International Branding and Marketing
55. "... unusual or unique things pop up or the company gets totally new aspects in their customer orders which need prior approval form P&D and R&D. We love and keep trying new and unusual things. We evaluate the order specifications with a team comprising personnel from product planning and control (PPC), design, P&D, R&D, production and procurement etc. In case of further help on the technicalities we also contact and consult our internal design teams based in Pakistan, Florence Italy and Germany. In case of possibility the company first develops the sample or prototype and sends it to the concerned clients for further process i.e. comments, acceptance, edition or rejections..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Customer Relationship  Product Innovation	Experts  Learning by doing R&D and Reverse engineering	Ability to innovate Develop Contacts
56. "...we welcome varieties and uniqueness in order as we always doing new and different things. We address and evaluate such order in a very detailed and structured way. Our evaluation team checks the possibilities of every single detail with our advanced research cell for fashion and functional fabrics (Blue Attitude Division-BAD) and Robust Art Division (RAD)...we also consult our Italian designers and German consultants.... generally, develop prototype and send it to concern customer for review..." (GM Garment Division).	Product Innovation Customer Relationship	R&D and Re- engineering Experts Customer Specification	Ability to innovate Develop Contacts???
57. "... handling the latest /unique orders and moving with the pace of changes is a very painful and costly process. It need hard and soft resources i.e. investments, technology and knowledge. If you miss one then you are in big problem. Dealing with such orders we need the right technology and knowledge. ... we acquired sophisticated machinery and latest equipment which suck us financially.... the installation and erection of these machines and equipment carried out by the engineers and architects commissioned form Italy and UK for the best performance and perfections..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	New Production and Manufacturing  Innovation	Implementation of machinery Experts Customer Specification	Improving Performance Develop Contacts Latest Demand

58. "...In addition to engage with developers, designers, our fully integrated vertical and well-equipped production facility with latest machines and testing tools allows speed, control and flexibility throughout supply chain to meet any order. We acquired our machinery, tools and latest equipment from Switzerland, Italy, Japan, UK and the USA in order to fill the gap of East and West in research and innovation..." (GM Garment Division)	Full integrated production  Innovation	Implementation of New Machinery Vertical Production Facility Customer specifications Experts	Supply chain control Improving Performance
59. "...unique and unusual orders are very important for learning and gaining experience in both cases whether we are able to fulfill or unable to fulfill the unique orders. Unique orders always serve as a carrier of information and knowhow from outside. We always get new insights and unique market trends that are vital for our future operations. The personnel expose to innovative ideas, techniques and alternative ways of doing and feel necessities for new and upgrades machines installation, techniques and technology. We extend and keep developing on such unique orders as our R&D, P&D teams are continuously mixing and creating samples for future..." (Marketing Manager-USA)	Customer Relationship New Production and Manufacturing Product innovation Industry Trend	Customer specification Implementation of new machinery R&D and Re-engineering Learning by doing	Ability to innovate Improving Product Quality Develop Contacts Improving Performance
60. "Our fully integrated vertical production allows, speed, control, and flexibility throughout YOUR supply chain" ( <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> )	Integrated Production	Vertical Production Facility	Supply Chain Control
61. "...provide full range services of product design (garments and fabrics) according to the concept in our customer's mind through our integrated infrastructure ..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Design and Patterns Integrated Production	Customer specification	Commercial Services Latest Demand
62. "...provide a range of services from product design to finish products according to customer concept within 4-6 weeks through our R&D units, external designers and our vertical production plan. Moreover, very recently we are providing testing services for chemical testing to leading European chemical suppliers on our garments here at our location..." (GM Garment Division)	Design and Patterns	R&D and Re-engineering Experts Vertical Production Facility Customer Specification	Supply Chain Control Commercial Services
63. "...Concept to Execution partnership, vertical production from cotton to retail ready goods. Doorstep delivery capability..." (Company Presentation)	Integrated production	Vertical Production Facility	Supply Chain Control
64. "...product offering absolutely unique in its niche in the global arena. This uniqueness is felt through its translation into our full-service concept that customers feel when working with an Azgard-9 division. The concept is a brand in itself that nurtures a positive response to our product offering and our way of serving you - the customer..." ( <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> )	Integrated Production	Vertical Production Facility Customer Specifications	Improvement in Production Process Improving Performance Commercial Services
65 "...detailed specifications and requirements are rich source of learning and gaining firsthand experience...our sourcing partners, clients, international consultants, designers, suppliers and acquired company personnel continuously visiting us to train and guide the employee on the production floor about the latest techniques. We always adopt the best practices from any source, sometimes we copy it, change it accordingly to our needs or invent totally new by our self and or through our partners to meet the demand..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Customer Relationship Product Innovation	Customer specification Experts Training Imitation and Emulation R&D and Re-engineering	Latest demand Latest Process Ability to Innovate Improvement in Textile Production Latest Textile Processing Techniques

66. "...our international marketing and sales offices feed us with the latest market information and developments. Such arrangement put us ahead of the game...." (Marketing Manager-USA and Manager Sales and Marketing /Brands))	Industry Trend	Trade Fairs and Commercial offices	Ability to Innovate
67. "... in house design team based in Florence, Italy, which handles product development.... offering a full design service to suit any customer needs .... Proposes promotional collections at regular intervals.... team also travels to the fashion capitals of the worlds to keep watch of the global pulse and direction of the hottest trends and technical developments...." (Company Presentation; <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> )	New Production and Manufacturing Design and Patterns Promotional Management Industry Trend	Experts R&D and Reverse engineering	Latest Demand Improvement in Production Process Commercial Services Ability to Innovate
68. "...human capital was drawn from the "best of breed" talent pools across the globe in order to bridge the gap between the third and the first world nations..." (CP <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> )	Innovation	Experts	Improving Performance
69. "...designers are working round the clock to feed customers with innovative and cutting-edge developments in designs, new chemicals and washing techniques for our 4 annual collections. Such offerings are main source to attract clients in the coming season..." (GM Garment Division)	Product Innovation Promotional Management	Experts	Latest Textile Processing Techniques Ability to Innovate Develop Contact
70. "...from our inception, we are export oriented and the main reason of course is to increase our export base... Our focus is also on learning, gaining and acquiring know how and equipment form anywhere. We are doing need base investment in latest technology and capabilities to meets the demand. It is impossible to get it alone; we need different sources and engagements with international customers and suppliers to better serve our purpose..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	New Production and Manufacturing Customer Relations Innovation	Product partnerships Implementation of New machines/System	International Market Presence Latest demand. Develop Contact Improving Performance
71. "...The Company adopted various steps and routes for its developments. We made various partnerships, collaborations, mergers, acquisitions of some of the best companies and equipment from different parts of the world to enrich our production capabilities in new directions for better performance. Similarly, we sourced and acquired latest equipment, machinery and personals to bridge the gap between East and West and move down in the value chain with quality offerings... Since 2004 we are working as a separate and independent company i.e. Azgard 9 limited with three integrated divisions namely Spinning, Weaving and Garments" (GM Weaving/Fabrics)	New Production and Manufacturing Integrated Production	Experts Implementation of new machinery M&A Market Partnerships Product Partnerships Vertical Production Facility	Improving Performance Improving Product Quality Improvement in Textile Production International Market Presence
72. "...in 2006, we acquired latest FPR 15000 pieces per day garment manufacturing facility for latest production to increase capacity and meet demand..." (GM Garment Division)	New Production and Manufacturing	Implementation of new machinery	Latest demand Improvement in Textile Production
73. "... in 2007-2008 we acquired the denim division of an Italian company Montebello. Montebello has his own brands and work as a buying house for major European garments and appeal customers..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Branding Management Customer Relations	M&A	International Market Presence International Branding & Marketing Develop Contact

74. "...we acquired laundry and washing technology transfer from Italy in 1998 to shift our products into higher value...." (GM Garment Division)	Washing and Laundry	Implementation of New machines/System	Latest Processing Techniques Improving Product Quality
75. "... In 1995, the company started its latest spinning and denim fabric production in collaboration of Italian partners Legler S.P.A and exported ..." (GM Garment Division)	New Production and Manufacturing Setup & Start	Product Partnership Implementation of New Machinery	International Market Presence Develop Contact Latest Demand
76. "...The garments operation is the newest addition to complement the Azgard portfolio and thus completes the fully vertical aspirations and visions of the group. It starts its production in 1996. The operation is manned by the best team of specialists and machinery bought in from Italy the garment "Mecca" of the world. The human capital that created this operation was drawn from the "best of breed" talent pools across the globe in order to bridge the gap between the third and the first world nations. (GM Garment Division)	Integrated production New Production and Manufacturing	Experts Implementation of new machinery Vertical Production Facility	Improving Performance Improvement in Textile Production Improving Product Quality
77. "...disseminate other brands... for external information... technological knowhow, processes and handling of other strategic perspectives..." (GM Garment Division)	Industry Trends	Imitation and Emulation R&D and Reverse engineering	Improving Performance Improvement in Textile Production
78. "...beside profit and business opportunities our focus is also on the learning, acquiring knowledge from any source to be the excellent textile solution provider in Asia to meet high end demand. You know that we are vertically integrated facility and continuously improving through our own and or others best practices through external ties. ..." (GM Garment Division)	Industry Trends	Imitation and Emulation R&D and Re-engineering	Improving Product Quality Improving Performance Develop Contacts Latest Demand Improvement in Textile Production
79. "...we get ideas from such discussions and develop something different for our collection to present in the market, attract clients and meeting their demands for new products. We believe that this is our strongest part of this company....." (GM Weaving/Fabrics)	Promotional Management Innovation	Customer Specification Imitation and Emulation Trade Fairs & Commercial Offices	Improvement in Textile Production Ability to innovate Develop Contacts Latest Demands
80. "...we continuously visit our international clients, participating in expos/ trade shows, buying rival brands from different places and keep searching internet for the information and learning to better cater the emerging trends and demands. We get idea and information from any source for our learning and execution...." (Marketing Manager-USA and Manager Sales and Marketing/Brands)	Industry Trends Customer Relationship	Trade Fairs and Commercial Office Imitation and Emulation	Improvement in Textile Production Latest Demand
81. "...learning and getting ideas from any sources on continues basis due to the short seasonal life of our products and highs fashionable markets trend. For example, "I was attending a seminar in Germany.....got idea that why we do not make denim which keeps us warm..." (GM Weaving/Fabrics)	Product Innovation	Trade Fairs and Commercial Office Experts	Ability to Innovate Latest Demand
82. "...established sales and marketing office in USA, Sweden, Italy and Turkey enable us to provide services from trend analysis to sales support, product design and development..." (Company Presentation).	Design and Pattern Industry Trend	Trade Fairs and Commercial Office	Improvement in Textile Production Develop Contacts Commercial Services

83. "...our international sales and marketing offices located in various locations USA, Sweden, Italy and Turkey constantly searching, developing and establishing new customers.... back up from our international sales and marketing offices for market updates..." (GM Garment Division)	Industry Trends	Trade Fairs and Commercial Office	Develop new contacts Latest Processes Latest demand International Market Presence
84. "...our international commercial offices at various locations and acquisition of Italian company enable us to increase our sale and export by 20% per annum with higher value addition and profit margins..." (GM Weaving/Fabrics)	Customer Relation	Trade Fairs and Commercial Office M&A	Improving Product Quality Develop Contact Improving Performance
85. "...sales force equipped with mobile technology to quickly design and simulate fabrics and then make the yarns to completely satisfy our customers' needs..." ( <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a> )	Design and Patterns Customer Relation	Trade Fairs and Commercial Office Implementation of New Machinery Customer Specifications	Latest demand
86. "...H&M specifically advised us to stop sand blasting on their jeans for finishing purposes because of the potential danger of cancer for workers. The practical involvement and executions of such detailed requirements, advises and training are rich source of learning and hand on experience for us. We installed and using the alternative finishing equipment and processes for H&M. We are ready to address such initiative and developments in the near future...." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	International and Regional standards  New Production and Manufacturing Customer Relation	Technical Advices Implementation of new machinery Learning by doing Customer Specifications	Improving Performance Compliance with Regulations Latest Demand
87. "...we know it very well that such initiative will be the rule of the future game and sustainability. We are also given training regarding the minimization of waste in cutting, and quality control from different customers who are the leaders in the markets..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	New Production and Manufacturing	Training	Improving Performance Improvement in textile Production Improving Product Quality
88. "...we got the latest washing and laundry training from Italy for finishing and washings to meet the demand for quality products..." (GM Garment Division)	Washing and Laundry	Training	Latest demand Improving Product Quality
89. "...elite brands give us full directions and specification about their orders and specifications..... from where we will get the packing, buttons, zips, stitching thread, embroidery etc..... the customers also nominated and mentioned that where we send their orders..... give us overall scenario of the business and important key players, which are very helpful for our future business contacts..." (GM Garment Division)	Customer Relationship	Customers Specification	Develop new contacts Latest Demand
90. "... customers send us what type of testing they need, type of aesthetics, finishing, fabric type, counts, washing and dozens of actives which we are supposed to carried out and they need. Our products should meet and comply with all the requirements of the customers from every aspect in completing their orders. The practical involvement and executions of such detailed specifications and requirements are rich source of learning and gaining firsthand experience for us in our future doings. ...." (Marketing Manager-USA and Manager Sales and Marketing /Brands))	Customer Relationship Washing and Laundry	Learning by doing  Customer Specifications	Compliance with Regulations Latest demand Develop Contacts



91. "...We are working on the energy and water efficient washings with our main sourcing partners and suppliers. We are in the processes of inventing customized chemicals for our processes and products with our chemicals suppliers which will take us to the new avenues. ..." (Marketing Manager-USA and Manager Sales and Marketing/Brands))	Washing and laundry Product innovation	Product Partnership	Ability to innovate Latest Processing Techniques
92. "... we are also moving along with the pace of these changes by adopting and acquiring latest techniques, equipment and machines as we feel necessity. We are equipped with some of the latest washing applications and finishing processes which enable us to certain extent to meet any demand. These are costly and expansive processes. It depends on the customer demands...." (Marketing Manager-USA and Manager Sales and Marketing /Brands))	Product innovation Washing and Laundry techniques	Customer Specification Implementation of New Machinery License	Latest demand Latest Processing Techniques
93. "...Working with any order i.e. new or repeated we gain something new. We always find new and alternative ways of our doings to make things easy. I will say we learn from practice. ..." (GM Garment Division)	Customer Relationship	Learning by doing Customer specification	Improvement in Production Process Improving Performance
94. "...we get very detailed and elaborated specifications from customers..... they guide and inform us regarding their orders. The customers also conduct training sessions and seminars on various issues.... to maintain the required standards..." (GM Garment Division)	Customer Relationship	Training Customer specification	Improving Product Quality Improving Performance
95. "...customers required very unique, unusual and extra treatment in their orders which are very change from previous years...we are adopting the changes and take them inside in our activities as we feel the necessity..." (GM Weaving/Fabrics)	Industry Trends New Production and Manufacturing	Customer specification	Latest demand
96. "...we acquired the denim division of an Italian company Montebello. Montebello has his own brands and work as a buying house for major European garments and apparel customers..." (Marketing Manager-USA and Manager Sales and Marketing/Brands))	Branding Management	M&A	International Branding & Marketing International Market Presence
97. "...international commercial offices at various locations and acquisition of Italian company enable us to increase our sale and export by 20% per annum with higher value addition and profit margins through own brandings and marketing..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Branding Management	Commercial office M&A	International Market Presence Improving Performance International Branding & Marketing Develop Contacts
98. "...the company is one of its kinds in Pakistan that market and sale under its own brand name in international market..." (Marketing Manager-USA and Manager Sales and Marketing/Brands))	Branding Management	M&A	International Branding & Marketing
99. "...company is one of its kinds in Pakistan to market and sale under its own brand name in international market (i.e. Montebello an innovative brand designed and produced in Pakistan) through Montebello SRL..." (GM Garment Division)	Brand Management	M&A	International Branding & Marketing
100. "...2007-2008 we acquired a leading European company based in Italy and used it as a platform for international branding, marketing and buying house. Majority of the customers in European pan is dealing with Montebello..." (GM Garment Division)	Branding Management	M&A	International Branding & Marketing

101. "...got certifications and training from leading bodies and consultants form various parts of the world. This shows our commitments to various environmental and ethical standards..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	International and Regional standards	Training Certification	Compliance with standards
102. "... fully complying with international, American and European standard regarding various environmental, labor and CSR issues. got these training and certifications from different consultants around the globe, in order to be trusted in our doing ..." (GM Garment Division)	International and Regional standards	Training Certification	Compliance with standards Enhance Positive Image of Firm
103. "...customers are also different in taking care of environment, society and ethical standards.... We are complying with international and customer's specific regional standards from every aspect to meet the demand, such certifications and standards are proof of our ethical practices..." (GM Weaving/Fabrics)	International and Regional standards	Customer Specification Certification	Latest demand Compliance with regulations Enhance Positive Image of Firm
104. "...changes second to second with respect to demand, processes, applications, new and alternate sources of raw materials, (i.e. technical textile) innovations in equipment and machinery..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Product innovation Industry Trends	Implementation of new machinery R&D and Re-engineering	Latest demand
105. "...sourcing and installing latest machinery form leading manufacturing groups for quality and latest production..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	New Production and Manufacturing	Implementation of New Machines/Systems	Improving Product Quality Improvement in Textile Production
106. "... We are renowned for our denim development capabilities and can therefore offer a product line up that is not available anywhere in Asia. We produce our main collections annually to always showcase our latest developments but new products are added intermittently as soon as their demand becomes relevant in the market. ..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Promotional Management Innovation	R&D and Re-engineering	Ability to innovate Latest demand
107. "... completing the recent orders are more irritating and challenge than in the past". We need to be updated form every aspect i.e. form technological and knowledge aspects... we are producing various products with latest and sophisticated attributes and variation depends on customer demands..... are impossible without modern and latest machinery" (GM Garment Division)	New Production and Manufacturing Industry Trends	Implementation of new machinery Customer specification	Latest demand
108. "... We acquired machinery, tools and latest equipment from Switzerland, Italy, Japan, UK and the USA for latest production in order to fill the performance gap between us and West ..." (GM Garment Division)	New Production and Manufacturing	Implementation of new machinery Capability	Improving Performance
109. "...our fully integrated vertical and well-equipped production facility with latest machines and testing tools allows speed; control and flexibility throughout supply chain to meet any order... offer a product line which has no match in Asia..." (GM Garment Division)	Integrated Production	Implementation of new machinery Vertical Production Facility	Supply chain control Improving Product Quality
110. "... provide full range services of product design (garments and fabrics) according to the concept in our customer's mind to finish products within 4-6 weeks..." (GM Garment Division)	Integrated Production	Customer Specification	Improving Performance Commercial Services

	Full services Design and Pattern Development	R&D and Reverse engineering Vertical Production Facility Experts	
111. "...fully integrated vertical production allows, speed, control, and flexibility throughout our supply chain shortest lead time to supply for any denim product manufactured in Asia..." <a href="http://www.azgard9.com/textile.htm">http://www.azgard9.com/textile.htm</a>	Integrated Production Full services	Vertical Production Facility	Supply chain control
112. "... More than 90% of our business comprises exports and provide complete services for private labeling and brand manufacturing for world leading brands. Our annual growth rate is 18% - 20% in its exports. The company moves both upstream and downstream very fast in the value chain activities through investing in latest equipment and machines in a vertical integrated facility...." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Customer Relationship Full integrated production	Vertical Production Facility Implementation of New Machinery	International Market Presence Improving Performance Commercial Services
113. "...concept to execution partnership, vertical production from cotton to retail ready goods. Doorstep delivery capability..." (Company Presentation)	Integrated production	Vertical Production Facility	Supply chain control
114. "...we do a lot of R&D, P&D... and new stuff for each collection and small innovations round the year according to the market need, which create positive image for us as a technically sound producer and supplier..." (GM Weaving/Fabrics).	Promotional management Product innovation	R&D and Re- engineering	Positive Image Latest demand
115. "...additionally, our own sales offices at different parts of the world also provide rich information reading the ongoing and future markets trends. Such information is vital for the development of future products, processes, and ties. ...." (GM Weaving/ Fabrics)	New Production and Manufacturing Industry Trend Innovation	R&D and Re- engineering Trade Fairs and Commercial Office	Latest demand Ability to Innovate Develop Contacts
116. "...We have well established R&D and product development units (i.e. RAD and BAD) with additional Italian and German developers and designers work round the clock on enhancing existing and developing new products, processes, design and pattern developments as per customer specification and market trends ..." (Garment Division Head)	New Production and Manufacturing Industry Trend Innovation	R&D and Re- engineering Experts	Latest Processing Techniques Latest demand Improvement in Textile Production Ability to Innovate Latest Demand
117. "...we used lots of different alternatives beside R&D and innovations for our collection round the year. The produced collection reflects that you present/ offer something unique to the customers in the market. If the customer gets something from your collection they show good response, this good response is a signal that that you will get the orders from various brands and customers for the next season..." (GM Weaving/ Fabrics)	Promotional Management	Imitation and Emulation R&D and Re- engineering	Ability to innovate Develop New Contacts

118. "...in 2002, the company merged with its Italian collaboration partner (called Legler Nafees Denim Mills (LNDM). This collaboration provides strategic drive to the company to show its presence in the international market through establishing marketing and sales offices in New York, Florence, Stockholm and Istanbul..." (Marketing Manager-USA and Manager Sales and Marketing (Brands))	Innovation	M&A Market partnerships	International Market Presence
119. "...if customers demand something and we feel that it will be problematic in the market, we tell them in a very clear cut way with best possible options and alternatives. This makes the production easy with least headaches. Most of the time AZ advises its clients on different options and alternatives for improvements, such arrangements create positive image for AZ of being ethically and technically sound supplier who can be trusted...." (Marketing Manager-USA and Manager Sales and Marketing/Brands)	Customer Relationship	Customer Specification Technical Advices	Enhance Positive Image of Firm Improving Performance Develop Contact
120. "...If we feel something that will cause problem or ineffective we, definitely tell them in advance before going for full fledges production. We also advise them with the best possible alternatives and options for improvement in terms of quality and cost based on our two-decade experience. About 90% of the orders and products are always improved in some way. This also makes our life easy i.e. the production with least headaches. Mostly we advise our clients on different options and alternatives for improvements. These advises serve two purpose, i. create positive image for us of being technically sound supplier who are taking care of every aspect of orders and can be trusted, and ii. it makes production process smooth for us..." (Garment Division Head)	Customer Relationship	Customer Specification Technical Advices	Enhance Positive Image of Firm Improving Performance Develop Contact
121. "...we have a standard and formal procedure to evaluate the orders from different aspects and angles with teams of experts from different departments. The execution starts form sample development (i.e. pre-sample and post sample) which consist of a series of tests and experimentation to best match with the specifications both aesthetic and technical aspect of a specific orders. We are very vigilant to any minor abnormal aspects or behaviors of the under developed product sample, we note them evaluate them with our standards. If we feel that it will cause problem(s) in the production or after launching it in the market we, immediately inform our clients through proper channel. We provide them with different alternatives and solution for improvements in quality and costs. It is a common practice in apparel that every order or some aspects of the order change in one or another way, to make it production friendly for us and cost effective for respective client. Mostly we advise our clients on different options and alternatives for improvements. It creates a positive image for us in our customer minds of being technically sound supplier that can be trusted...." (GM Weaving)	Customer Relationship	Experts Technical Advices	Enhance Positive Image of Firm Improving Performance Develop Contact
122. "...We face challenges in our working routines. It pop-up from simple problem to complex issues in designing, production, quality, color matching or delays in delivery. We discuss it with our internal quality control and audit teams and with respective client(s) in a very open environment. Sometime the clients understand our situations they cooperate an accept variances in specification and delays in delivery, but other time they strictly follow the set criteria. It depends on customers, their product category, and their target market. In case of problem we are trying our level best to resolve such issues through sincere efforts and possible means to keep the things on track. We replaced the defective lots, share cost, offer special discount on agreed prices, ship the consignment through fast mode of transportation and other needed services. Such measures have pleasant effect on relations with our clients, business longevity and future developments...." (Marketing Manager-USA and Manager Sales and Marketing/Brands)	Customer Relationship Conflict Resolution	Experts Discount and Negotiation	Develop Contacts Enhance Positive Image

<p>123. "... there are always up and downs in every relationship. Every customer is different from others in its preferences and demands. It is very hard to have 100% satisfaction. <b>Garment is tedious job and problems do come.</b> We face challenges and surprise, it just pop-up from minor issues in the products, services and delivery schedule. We leave no stone unturned to control it. We are open in our discussions with the customers and our internal teams. We are always trying to resolve it in best manner through different means to accommodate any compliant. We facilitate them with extra services, pay for transportations, offer special discounts to resolve and avoid any misunderstanding. Such in time compensation create our good impression among clients for continuity of ties over time..." (GM Garment Division)</p>	<p>Customer Relationship Conflict Resolution</p>	<p>Discount and Negotiation</p>	<p>Develop Contacts Enhance Positive Image</p>
<p>124. "...We have good relations with our main partners and customers. In denim fabric, some prestigious brands are our all-time customers over a decade, they repeat their orders with changes overtime. We also deal seasonal buyers who come and go on continuous basis based on our collections. We consider the customers as partners and value them with open and positive response in meeting their orders. In case of any problem in product's specifications, quality, shipment, we always try to negotiate for possible outcomes to resolve it mutually. We use different options such as; replacing the defective lots, offer special discount on agreed prices, ship the consignment through air instead of sea, and needed services. We even pay penalties to compensate our clients for smooth working relations and close bonds. The clients' values such treatments and compel them to have one stop shop..." (GM Weaving)</p>	<p>Customer Relationship Conflict Resolution</p>	<p>Discount and Negotiation</p>	<p>Develop Contacts Enhance Positive Image</p>
<p>125. "...We are conducting our dealings in a responsible way, as we have strict code of conduct in keeping customer's privacy, R&amp;D, IPR and business information form the last 17 years. We do not disclose any of our customer databases and business secrets..." (GM Weaving)</p>	<p>Customer Relationship</p>	<p>Trade Secrets</p>	<p>Develop Contacts Comply with Regulations</p>
<p>126. "...We are the exclusive suppliers from Pakistan for some of the world's leading brands. We conduct our business in a more responsible and professional way, we guarantee complete secrecy of our clients and partners business as we do not disclose any of our customer databases and business secrets to others..." (GM Garments Division)</p>	<p>Customer Relationship</p>	<p>Trade Secrets</p>	<p>Develop Contacts Comply with Regulations</p>
<p>127. "...Some prestigious brands are our all-time customers over a decade, who repeats their orders with minor changes over time. We have also seasonal and transactional buyers who come and go on continuous basis. We consider the customers as partners; the company values them with positive response.... We are conducting our operations in a responsible way to maintain supremacy of business and ethics. Azgard 9 does not divulge any of its customer databases and business secrets...." (Marketing Manager-USA and Manager Sales and Marketing).</p>	<p>Customer Relationship</p>	<p>Trade Secrets</p>	<p>Develop Contacts Comply with Regulations</p>
<p>128. "...We are also moving along with the pace of these changes by adopting and acquiring latest techniques, equipment and machines as we feel necessity. We are equipped with some of the latest applications and processes which enable us to certain extent to meet any demand. We induced innovative and latest finishes and treatments of world's leading supplier like Investa, DuPont etc. in our processes and operations. We purchase their patents and license to develop and produce products to meet demand for innovative and high performance products. These are costly and expansive processes, depends on the customer demands..." (Marketing Manager-USA and Manager Sales and Marketing).</p>	<p>Innovation Industry Trends</p>	<p>Implementation of New Machines/System License</p>	<p>Latest Demand Ability to Innovate Improving Product Quality</p>
<p>129. "...We keep sharp eyes on every development in equipment and processes; we get them on priority basis. We are producing various products with latest and sophisticated attributes and variations depend on customer</p>	<p>Innovation Industry Trends</p>	<p>Implementation of New Machines/System</p>	<p>Latest Demand Ability to Innovate</p>

demands like water proof, fire proof, bullet proof, Nano-technological treated fiber and fabrics, anti-fungal, anti-bacterial special treatments and washings (i.e. ammonia washing), and others you name it. Such attributes are impossible without modern equipment and machinery for a single producer. We brought in innovative finishes and treatments invented by world's leading supplier like Investa, DuPont etc. in our processes and operations. We pay for patents and license for using their innovations in our operations to meet the demand for innovative and high-performance products..." (GM Weaving)		License	Improving Product Quality
130. "... We are adopting the changes and take them inside in our activities as we feel the necessity for those. We are equipped with some of the latest applications and processes which enable us to certain extent to entertain any sort of demand. We are producing water repellent fabrics, Coolmax and Thermo fabric. Last year we made bullet proof fabrics for one of our customer. We pay to different suppliers (Investa, DuPont etc.) of chemicals, risen and other treatments for the use of their innovative processes in our production to meet the high end and technical textiles demands. We are working on the energy and water efficient washings and processings..." (Garment Division Head)	Innovation Industry Trends	Implementation of New Machines/System License	Latest Demand Ability to Innovate Improving Product Quality
131. "... Vertical integration allows us to maintain full control over the production process from cotton fiber to retail-ready products; Azgard-9 has some of the shortest lead times in the industry in the delivery of its products to its customers... BOLT (Best Offered Lead Time) leads to 6 weeks' lead time for jeans to market..." (Company Presentation)	Integrated Production	Vertical production Facility	Supply Chain Control Improving Performance
132. "... apart from our customized and private label production for some of the world leading brands we also keep on developing our products collection biannually, i.e. one collection for summer and one for fall respectively on continuous basis in fabric. After every collection, AZ9 promotes and market it through own commercial offices or the customers come and select from our collections which best suits them in quality, specifications, price and other aspects..." (Marketing Manager-USA and Manager Sales and Marketing).	Promotional Management	R&D and Reverse engineering TRDAE FAIR & Commercial Office	Develop Contacts
133. "... Annual fabric collection (SS & FW) based on cutting edge research, innovation and market trends. 4 annual garment collections (2 main and 2 flash), to capture the global trends in design and washing..." (Company Presentation)	Promotional Management	Experts R&D and Reverse engineering	Ability to Innovate
134. "... BAD (Blue Attitude Division)-advance research cell for fashion and functional fabrics. Feeds customers with cutting edge developments focused on new chemicals and techniques from fabrics to washes... RAD (Robust Art Division)-research for vintage Denim heritage, with a primary goal to innovative and cutting-edge designs and washes..." (Company Presentation)	Innovation Industry Trends Design and Pattern Developments	R&D and Reverse engineering	Ability to Innovate
135. "... We are strong in the production and finishing of denim through different processes and means, we are doing a lot of coating, dyeing, finishing and many crazy stuff with majority of major European chemical supplier's i.e. Daystar, CHT-Benzema, Rodolf, Portra, Clairiant, BSA etc. Besides working with our chemical partners, we are using the innovative fibers, finishes, treatments and risen innovated by companies like Investa (LYCRA) and DuPont (Sorona, Coolmax etc.) in our production and processes to meet demand for innovative and quality products. We bought them, pay for patents and license to use at various stages of our vertical production line..." (GM Weaving)	Innovation Washing and Laundry	Product partnership R&D and Reverse engineering License	Ability to Innovate Improving Product Quality Latest Demand

136. "... We consider their customers as partners; the company values them with positive response. In case of any discrepancies in products, quality, shipment etc. we always try to sort out every possible way to resolve it mutually with open mind and heart for better future ties..." (Marketing Manager-USA and Manager Sales and Marketing).	Customer Relation Conflict Resolution	Discount and Negotiation	Develop Contacts
137. "...In denim, the designer and producers love to see something that change the aesthetic of the fabric (i.e. visually you can change something where one can see it and feel it) which improve quality. Our R&D is involved in new designs and patterns round the clock to meet the arising demand for design and patterns development..." (GM Weaving)	Design and Pattern Development	R&D and Reverse engineering	Latest Demand Improving Product Quality
138. "... Working with a diverse order from different corners of the world (i.e. new or repeated) we gain something new on perpetual basis. The execution of orders is the best way to friction with different aspects of the orders on the production floor. We always get insights and aspects; find new and alternative ways of doings to make the things easy over time. I will say we learn from our practice and experience..." (GM Garments)	New Production and Manufacturing Customer Relationship	Customer specification  Learning by doing	Improving Performance Improvement in Textile Production Develop Contacts

## Appendix-XI MTM Full Case Presentation

### 4.4 Masood Textile Mills Limited.



Indicators	Case Information	Sources
Industry	Textiles and Apparel	
Area of Specialization	Specialized Yarn, Open End Yarn, Knitted Fabrics and Garments	[1,2,3,6,7,8,11,15]
Company ownership classification	Private Limited Company listed in Islamabad, Lahore and Karachi Stock Exchanges Pakistan.	[4]
Country of Origin	Pakistan	
Year of Establishment	1973Masood Group founded Masood Textile Mill in corporate on October 3,1984 as spinning unit and 1995 started latest production.	[1,2,3,4,5,6]
Number of employees	22,000 in two shifts.	[4]
International Presence	Marketing and Sales offices in USA (i.e. New York, Los Angeles, Dallas, Texas, Wisconsin, Ohio, and Milwaukee), UAE, Jordan, Bangladesh and Hong Kong and exports to USA, Europe, Japan and UAE. Design Studios in New York and Los Angeles Offshore Stitching and Garment Production facilities in Jordan and Bangladesh.	[1,2,3,6,20,21]
Expected Foreign sale/ export as 2014	300 Million USD	[4,6,9,12]
<b>Product Type</b> Technical Yarn, Knitted Fabrics, Knitted apparel	<b>Major International Clients</b> Abercrombie & Fitch, Polo Ralph Lauren, Calvin Klein, Nautica, Tommy Hilfiger, Next, Macy's, Khol's, Sear's, Levi's, Chaps Ralph Lauren, Russell, JC-Penney, Wal-Mart, Polo Jeans, VF, Champion, Hanes, American Eagle, New Yorkers, Under Armour, Reebok	[1,2,3,6,10]
<b>Production &amp; Processes</b> Yarn Knitted Fabric (Jersey, Pique, Fleece, Interlock and Rib) Stitching /Garment (Knitted) Dyeing Printing and Embroidery Cutting Grading and Packing	<b>Production Capacity</b> 35,000 lbs. of Combed (25,000 lbs.) & Carded ring spun(10,000lbs) yarn/ day 60,000 Kg/day (with special Lycra attachments) Capable of producing about 5 million pieces/ month with over 6185 stitching machines 1,16,295 Kg/day 60 tons per day of cotton and poly cotton blends of fabric with reverse osmosis plant for high quality of dyeing. Latest Tajima embroidery machines, fully automated, 6 color 20 heads each provide Masood the flexibility and capability to cater to the customer's requirements 7 cutting units working under the supervision of skilled unit managers, these cutting units are well equipped with latest machinery including Gerber Plotter, Auto Spreader, Auto cutter, Band Knife, Spreader, Bierrebi etc. with vacuum tables for precise cuttings 4 points American system for fabric grading with 7 inspection line by auto splicing and sealing	[1,2,3,6,14,17]
Major activities	Vertically Integrated production facility from cotton fiber to retail-ready garments and knitted fabrics (i.e. ginning, knitting, processing of yarn, dyeing, cutting, stitching, printing, finishing, laundry and apparel manufacturing)	[1,2,3,6,15]



Milestones 1984 1993  1995  1995 1996  1997  1998-1999 2000 2001  2001-2002  2002  2006 2009  2010 2011  2010-2011 2011-2012 2011-2012  2012	Starting of Masood Textile Mills (Spinning unit) Movement towards change by adding latest processes and production Started its latest production (Yarn, Kitted Fabric and Garments) on small scale First ever export (i.e. to UK) Strategic move for own yarn production for producing value-added products. Heavy investment in modernization and expansion of production facilities Launched local brand “Land Mark” PFD. Rolled backed Land Mark. Addition of vast range of high fashion and value-added products and bigger customers. Specialized sowing facility is installed for modern garments (sports, sleep wear, lounge and active wear) manufacturing. Started two inspirational collections per annum (i.e. 20 product concepts each half) Establishment of Sales and marketing Offices in USA R&D and Industrial Engineering Department / special Garment R&D Back Track System Installed state of the art automated garment transportation station ETON to improve quality and efficiency DTS service provider to other textile companies in South Asia Offshore stitching facility (rent a company in Jordan) Offshore production facilities (Sister company in Bangladesh, Baleno Readymade Garments Pvt. Ltd.) Installed state of the art water effluent plant and Power generation plant	[1,2,3,4,5,6,10,15,17,18,21]
Machinery	State of the art machines, equipment, labs and testing tools sourced from Japan, England and Switzerland, Germany and UK	[1,2,3,4,5,6]
International Standards & Certification	ISO-9002, WRAP (Worldwide Responsible Apparel Production) ISO-14001, SA-8000, REACH, GOTS, Organic Cotton Certified, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA)	[1,2,3,4,5,6]
Awards	JC Penney- Outstanding partnership (2001-2002), best supplier of the region (2001-2002,2005,2008), operational excellence (2002 and 2004), best quality (2002,2005 and 2009), Purchasing Partnership (2007) Fruit of the Loom- Best startup supplier (2005), Accuracy in communication and Execution (2006, 2008-2009), best compliance (2006, 2008- 2009), Best quality (2008-2009), supplier of the year (2008-2009, 2013), Quality control (2005) Russell Corporation- Quality recognition (2001) President of Pakistan- Best hosiery exporter (2010-2011)	[6,19]

#### 4.4.1 Case Overview

Masood Textile Mills Limited (MTM) started as a family business in 1973. Since then, the group has achieved growth and reputation in Pakistan's business community. The group is relatively young, having experience in diversified businesses such as transportation, textiles, banking, health, hoteling, entertainment, food, and aviation business. Falling under the wing of the Masood Group, MTM started operations as spinning mills through investment in four spinning facilities in 1984. MTM produced yarn and conventional fiber for the sale in local markets.

In 1993, MTM changed its strategy and expanded into value-added operations by restructuring its entire setup due to high demand for knitted garments in the international market. Subsequently, three spinning units were disposed of and a new garments unit was established in 1995. The garment production and sewing focused mostly on cut, make, and trim (CMT) for small local orders. In 1995, MTM successfully completed and exported a small order to a UK-based company, Jockey, for basic underwear and brief. The export to the UK stimulated MTM to look for more international ties. In 1997, MTM managed to formally start exporting to the USA; this was the motivating step to proceed further in value-added operations and production. In 1997, MTM invested in a state-of-the-art yarn production facility for use in downstream operations. In 1998, MTM jumped into value-added operations when it launched and started selling polo shirts under its own brand, "Land Mark". Land Mark did stay in the market for long and MTM eventually rolled back the project in 2000 due to a lack of expertise and proper marketing channels.

After the failure of Land Mark, MTM focused solidly on its core business of manufacturing private brands/labels for other companies and exporting. In 2002, MTM further invested in state-of-the-art specialized knitting and sewing facilities for the production of garments in different segments (sports, sleep wear, lounge, and active wear). These investments helped MTM add a vast range of high fashion and value-added products to target leading international clients.

In 2005–2006, MTM established marketing and sales offices in Dallas, Los Angeles, and Milwaukee in order to have direct contact with the clients and discover regional market trends in its operations and offerings. In 2008–2009, MTM established modern product development (PD) and R&D centers for the latest developments in designs, products, and conversion of innovative ideas into physical products. Additionally, MTM acquired the services of foreign developers to develop future products and services. The involvement in R&D and PD were driving forces for MTM in developing and presenting its own designs and product concepts every season (spring–summer and autumn–winter) according to recent market trends as a promotional tool.

MTM progressively engaged in innovative operations through investment in R&D and industrial engineering units. Industrial engineering enhances efficiencies and cost mitigation through use of the latest tools and techniques to reduce production time and alternative ways of doing things on the production floor. Similarly, MTM established design studios at Los Angeles and New York, apart from the active local design centers, for the creation of inspirational design innovations in fabrics, washing, and latest finishes according to international demand.

In addition, MTM invested in IT systems and e-commerce to improve overall performance while remaining involved in the latest practices. Similarly, MTM installed a 100 percent online fabric inspection system to meet the international quality parameters that most customers required. MTM further improved the quality control by introducing the “four-point quality system” that J.C. Penney (USA) had introduced in its knitting facility to control for internationally recognized quality.

In 2010, MTM invested in a state-of-the-art back-tracking system and became the only textile mill in Pakistan with the latest computerized barcode system that ensures quality in every operation of production from spinning to shipment. The products at different production stages of each department carry bar-coded stickers that bear all the details and history of the operations of that product. Hence if any problem is reported, it is possible to trace the root of the problem and avoid such occurrences in the future.

Similarly, MTM installed 2000 fully automated Eton Stations which have a hanger system and regular sewing line. This system picks the garments, hangs them and delivers them to the respective operator to save production time and cost.

In 2011, MTM invested and established a unique shipment system (Lean Planning) instead of the 20–30-days model, and a direct-to-store model (Direct Store Service, or DSS) to entertain and retain North American clients that were considered impossible to operate from this region. Under this innovative supply model, MTM delivered consignments across the USA within 12 days of EDI PO generation. MTM has the flexibility of doing direct DSS from its two warehouses on the East and West Coasts of the United States for continuous supply. MTM keeps an inventory of stock in US warehouse. Whenever there is a shortage of any size, style, or color in a customer's store, MTM fills the order from those warehouses within two or three days. MTM analyzes and forecasts its sales for different items, sizes, colors and varieties on a weekly basis in order to fill the required quantity. MTM keeps the required quantity in its US warehouses; there are a few containers in transit and some quantity is in production as well. It is a cycle of refilling the orders on a continuous basis; the customers take the consignment from the US warehouse, which MTM fills on a continuous basis. MTM introduced this supply chain model to J.C. Penney, Wal-Mart, Sears and Kohl's, which work with MTM on the direct-to-store (DTS) model. MTM retained and expanded its customer base, both in terms of client numbers and getting more complex and iconic product from world-leading brands.

MTM is one of the few fully vertically integrated textile production facilities in Pakistan, having ginning, spinning, knitting, fabric dyeing, processing, laundry, and apparel manufacturing facilities under one roof. The vertical integrated production helps MTM to have shorter lead time and greater flexibility in meeting both simple and complex orders with full confidence. MTM is a pioneer in terms of working on multiple business models. Besides its vertical production setup, MTM diversified its production capabilities by utilizing offshore stitching facilities in Jordan and Bangladesh in 2011 and 2012, respectively. These offshore production facilities facilitate MTM's contingent

approach to meet uncertainty in production, Improving Performance through the control of supplies, avail duty-free advantages to access US markets, and cope with price competition.

MTM has expertise in the provision of services from product concept to design, development, and door-step delivery to any part of the world through its integrated infrastructure. Apart from manufacturing services, MTM has developed the niche of DTS service business model to the next level and has become the DTS service provider to other textile companies in South Asia [3,6]. Since 2012, MTM has provided DTS services to sock and dress shirt suppliers with speed, flexibility, and technology. Similarly, MTM has autonomous and self-approved quality control and audit teams, which audit on behalf of certain clients such as J.C. Penney and Wal-Mart at MTM and other suppliers' locations in Pakistan.

Masood Textile Mills is a public limited company that was incorporated under the Companies Act of 1913 (now Companies Ordinance 1984) and listed on all stock exchanges in Pakistan (ISE, LSE, KSE). [4] The company has its headquarters and production facilities in Faisalabad, Pakistan.

MTM has a vertical integrated production setup, backed by a power generation and water effluent plant. The composite production facility is equipped with the latest technology, equipment, tools, and systems, ranging from spinning through to finished garment delivery, with a production capacity of 35,000 lbs. of yarn per day, 60,000 kg of knitted fabric/day, six tons of fabric dyeing/day, and stitching of five million garments per month.

MTM supplies a vast variety of innovative and high-quality knitted fabrics and garments (sportswear, underwear, sleep wear, and loungewear), mostly to leading brands and customers in the US (about 80–85 percent of its business) and Europe (about 13–15 percent), and a small portion to the UAE, Hong Kong and Japan.

The company is able to provide a full range of services, from design to door-step delivery of readymade knitted garments. MTM does not sell under its own brand name

(except for yarn), and instead designs, develops, and produces private brand labels and patterns for world-leading brands.

The company has an established sales and marketing network in the USA (in New York, Los Angeles, Dallas, Ohio, and Milwaukee), the UAE, Jordan, Bangladesh, and Hong Kong to have direct contact with its clients and the latest happenings around the globe. Masood is ranked as the number-one textile and apparel manufacturing company in Pakistan, with an annual growth rate of 20–25 percent in terms of annual turnover and brand profile, having achieved an annual turnover of over US\$300 million in 2015. The company's vision is to be "A leading producer of textile products by providing the highest quality of products and services to its customers."

MTM is among the leading apparel companies in Pakistan that are actively involved in establishing and maintaining CSR systems to ensure compliance with regional and international standards. The awards and certifications owned by MTM are recognition of its compliance.

In January 2014, a Chinese industrial giant called the Shandong Ruyi Science and Technology Group showed interest in acquiring 52 percent of MTM shares. However, in October 2014 the group withdrew this offer.

Today, MTM is facing a variety of internal and external challenges, including tough competition from local and regional producers from Bangladesh, India, China, Sri Lanka, the African Union, and Turkey, due to duty-free access to European and American markets. The European Union had granted the Generalized Scheme of Preferences (GSP) Plus status to Pakistan in December 2013. The GSP Plus status will allow almost 20 percent of Pakistani exports to enter the EU market at zero tariff and 70 percent at preferential rates. The GSP status would enable CBL to increase exports and compete in international markets effectively.

Moreover, abrupt changes in demand and technology, hikes in input, transportation and energy prices have increased the pressure the company is facing. Similarly, Pakistan's current poor governance, political, economic, and security conditions have made the situation worse.

#### 4.4.2 Findings

After a careful analysis of the interview transcripts and codes, different dimensions were identified under three main themes: Learning Domain, Learning Ways and Reasons for Learning. Each identified dimension under a specific theme was defined to have a clear view and meaning. Further, each dimension under a specific theme was corroborated with relevant and illustrative quotes (see Appendix VIII, X, XII and XIII) from the interview transcripts as references, so as to provide an authentic proof of the occurrence of mentioned dimensions, as shown in Tables 4.4.1, 4.4.2 and 4.4.4 respectively.

#### How was Learning Manifested in the Case Under Investigation?

In order to obtain a detailed and complete scenario of how learning has occurred in MTM, it is necessary to first look for what actually was learned. After the identification of learning domains ('what'), it is easy to understand the different modes ('how') MTM adopted for learning.

#### Identified Learning Domains

The learning domains identifies what the case company has learnt, or in what area of business the company has learnt from the offshore outsourcee experience. In terms of learning domains ('what'), 13 dimensions were identified, defined and mentioned, with respective illustrative quotes listed in Table 4.4.1

Table 4.4.1: Identified "Learning Domain"

Label	Definition	Quote Number
Setup and Start	Refers to operational and production capabilities, infrastructure, testing techniques and knowhow in a proper way.	1,2,3,4,5,6,8,9,22,57,97,98,103
New Production & Manufacturing	Refers to the manufacturing, production and development of latest products, processes and services	4,5,6,7,8,9,10,11,12,19,26,40,41,43,44,45,54,55,56,57,58,59,61,65,67,74,76,77,85,92,95,96,97,99,101,102,107,110,111

Promotional Management	Refers to the developments in transferring commercial information and sample(s) to customers.	16,18,46,49,58,59,63,64,79,85,88,91
Washing and Laundry	It relates to the modern laundry developments and washing processes, latest techniques and procedures	62,65,67,83,110
Customer Relationship	Refers to interactions with existing or new customers and their orders that are totally new to the firm existing operations and or to market.	4,5,6,7,8,9,12,16,17,18,19,20,21,22,23,25,26,27,28,29,30,31,32,33,34,35,36,38,39,40,41,42,43,44,46,47,48,49,50,51,52,53,54,56,60,61,62,65,66,67,69,70,71,72,73,74,75,76,77,78,79,82,83,84,85,86,88,91,92,93,95,96,100,101,102,103,104,106,110,112,113,116,117,119,123
International and Regional standards	It refers to the firm's ability to adopt and work under recognized criteria and standards	19,20,30,31,32,34,35,36,37,38,39,40,95,96,107,109,114,122
Innovation	Refers to the creation of totally new and/ or improvement to the existing products, processes, techniques, systems, services and overall organization culture.	13,14,15,21,40,41,42,43,45,49,50,59,60,61,62,63,64,65,68,70,73,76,79,80,81,83,87,88,89,90,93,94,108,112,113,116,121,123
Branding Management	It is the ability of the firm to design, develop, manufacture, market and sells under its own name and logo in local and or international markets.	15,24,58,59,85
Design and Patterns Developments	It refers to latest digital fashion and sewing designs from which garments are traced onto fabrics before cutting.	13,14,46,50,58,69,71,75,77,79,94
Integrated Production	It refers to the vertically in-house processes and production capabilities.	10,11,12,14,20,25,26,57,58,59,70,75,76,78,79,91,97,98,101,102,103,105,110,115,118
Industry Trend	It refers to changes that occur in market demand over time.	13,14,15,16,17,18,39,40,41,42,43,44,45,49,50,56,64,65,67,69,74,76,77,86,93,93,95,123
Contingent Production	It defined as "an ability of firm to produce in uncertain circumstances"	17,21,23,57,58,59,74,76,78,85,120
Conflict Resolution	It defined as "elimination of differences between supplier and client on product specifications, processes, prices, and delivery".	46,47,48,51,82,84

The identified learning domains related to acquisition and enhancement of capabilities associated with production, designing, new product development, enhancing customer relations, meeting and overall market dealings.

### Identified Learning Ways

The learning ways relate to CBL's different modes of learning; that is, how does CBL approach different modes of learning through their work with sourcing partners in offshore outsourcing ties? In terms of learning ways ('how'), 19 dimensions were identified, defined and mentioned, with illustrative quotes as listed in Table 4.4.2:



Table 4.4.2: Identified “Learning Ways”

Label	Definition	Quote Number
Experts	Refers to specialists who have extensive knowledge and experience in specific textile area (i.e. design, process, production, shipment).	13,14,15,19,24,41,49,50,58,59,60,61,62,63,67,69,70,75,76,77,79,85,88,89,94,104,107,112,121,123
External Ties/ Product Partnership	A relationship or an agreement in which two or more parties agrees to contribute assets, machinery technology and services for production, manufacturing and services (design etc.)	43,54,55,56,62,65,67,70,83,93,95,101,116
Imitation and Emulation	Refers to ability of firm to copy and or alter others best and successful products and practices according to its need.	1,2,3,46,47,48,54,55,56,61,62,63,64,65,66,67,70,86,116
Training	It is the learning and acquisition of knowledge, skills and techniques regarding specific issue from others (i.e. clients, partners, national & international bodies).	37,43,38,62,65,67,107
Customer Specification	It refers to customer description and details of specific needs which they require in handling their order.	4,5,6,7,8,19,20,22,25,26,27,28,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,4,48,50,51,52,53,54,56,59,60,61,62,63,65,66,67,69,70,71,72,73,74,95,96,100,101,102,103,104,106,110,123,
Certification	It refers to the confirmation of certain characteristics of an entity or organizations in accordance with a set of standards granting them formal recognitions as meeting standards from recognized external institutions and bodies.	30,31,32,35,36,37,38,95,96,107,109,119,123
Implementation of New Machinery	Refers to acquisition, sourcing and applications of state of the art equipment, systems and processes in production.	4,5,6,7,8,9,10,11,12,14,15,19,24,25,26,30,31,32,39,40,41,42,43,44,45,54,55,56,57,58,59,61,62,64,65,67,68,69,75,76,77,78,79,83,85,88,89,91,92,94,95,99,100,102,104,110,111,113,114,115,117,122,123
Vertical Production Facility	Refers to the production and related processes in a composite manner under one roof.	10,11,12,14,20,25,26,57,58,59,69,75,76,77,78,79,91,97,98,101,102,103,104,105,110,115,118
R&D and Re-engineering	Refers to creation of new and or reformulation of existing knowledge, production processes and practices.	13,14,15,24,44,46,49,50,56,57,58,59,60,61,62,63,64,65,66,67,68,69,70,71,72,74,75,76,77,79,83,86,88,89,101,108,110,116,121,123
Trade Fairs and Commercial Office	Refer to ability of firm to involve and get in touch with external markets through active participation in related events and networks.	16,17,18,27,28,29,49,69,70,74,75,76,79,82,85,91,92
Learning by doing	Refer to learning from experience/ trial and error over time.	54,55,56,61,63,64,65,67,69,73,74,76,83,86,95,106,116
Direct to store model	Refers to an arrangement of continuous supply of goods and services to far flung customers within 2-3 days	21,75,76,78,79,82,85,93,95,112,124, <b>113,114,116,119</b>
Design Studio	It refers to firm’s competencies in creative concepts, novel design and processes.	13,14,15,58,59,69,74,76,79,85,94
License	It refers to firm arrangement to get authorizations for the use of others innovative practices, processes and products.	1,4,42,43,45,62,79,83
Technical Advising	It refers to firm’s provision of technical recommendations and problem identifications in client designs, products and processes	39,40,41,46,71,72,73
CEO/Owner interest	It refers to top management/ owner special involvement in innovative processes and organizational change.	79,80,81,87,88,89,90,94
Negotiations and discount	A mutual arrangement between supplier and clients	20,46,47,48,51,82,84
Trade secrets protection	It defined as “firm’s code of conduct in protecting client’s R&D and commercial information”	19,20,46,47,48

Offshore Manufacturing Facility	It refers to firm's production and assembly abilities across borders	17,21,23,57,58,59,74,76,78,79,82,95,
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In order to obtain a coherent and logical understanding of the “how” element of learning, each identified learning domain (mentioned in Table 4.4.1) is combined with identified ways (mentioned in Table 4.4.2) in Table 4.4.3 to reflect how different learning domains were actually learned.

Table 4.4.3: Learning domains by ways they were learned

Learning Domain \ Learning Ways	Experts	Direct to Store Model	External Ties	Imitation & Emulation	Training	Customer Specification	Certification	Implementation of New Machinery	Vertical Production Facility	R&D & Re-engineering	Trade Fairs & Commercial Office	Learning by doing	Design Studio	Offshore Manufacturing Facility	License	Technical Advises	CEO/ Owner interest	Negotiations and discount	Trade secrets protection	
Setup and Start				1,2,3				4,5,6,8,9,57												
New Production and Manufacturing	19,41,58,59,76,77,85,107		43,54,55,56,65,95	55,67	107,43	4,5,6,7,8,19,26,40,41,43,44,45,61,65,67,74,92,95,96,110		4,5,6,7,8,9,10,11,12,19,26,40,41,43,44,45,55,56,58,59,61,76,77,85,92,95,99,102,111	26,97,102,110	58,59,74,76,110	85	54,55			43					
Promotional Management	49,58,59,63,85,88	85		63,64		46,63,64			58	58,59,63,64,88	16,18,49,79,91	63,64	49,58,59							
Washing and Laundry	62		62,65,67,83		62,67	62,65,67,83,110		62,65,67,83,110	110	83,110		67,83			83					
Customer Relationship	67,75,104,112	21,75,76,78,79,82,95,112,124	43,54,65,67,70,93,95,101,116	46,47,48,54,56,61,66,67,86		4,5,6,7,8,12,19,20,22,25,26,27,28,29,30,31,32,33,34,35,36,38,39,40,41,42,43,44,46,47,48,50,51,52,53,54,56,60,61,62,66,67,69,70,72,73,74,77,95,96,100,101,102,103,104,106,110,113,116,119,123	30,35,36,38,96,123	4,5,6,7,8,9,12,19,26,30,31,32,39,40,41,42,43,44,54,61,62,68,69,75,77,78,79,85,88,91,92,94,95,100,102,104,110,113,117	20,25,26,101,102,103,104,110	49,56,60,61,62,65,66,67,68,70,72,74,83,86,88,110,116	16,17,18,27,28,29,49,50,69,70,74,75,79,82,85,91,92	106,116	85,94	17,21,23,57,58,59,74,76,78,79,82,95		39,40,41,46,71,72,73		46,47,48,51,52,84	19,20,46,47,48	
International & Regional standards					37,38,107	19,20,30,31,32,34,35,36,37,38,39,40,95,96,114	30,31,32,35,36,37,38,95,96,107,109	114				95								19,20

Innovation	13,14,15 .41,49,5 0,60,61, 62,63,70 .79,88,8 9,94,112 ,121,123	21,76,79 ,112	43,62,65,6 7,70,83,93, 116	61,62,63,6 4,65,70	65	40,41,42,4 3,50,60,61, 62,63,65,7 0,73,113,1 16,123		40,41,42,43,6 1,62,64,68,79 ,88,89,94,113 ,122,123,	79	13,14,15,49,5 0,60,61,62,63 ,64,65,68,70, 79,83,88,89,1 08,116,121,1 23	49,70,79	61,63,64 ,65,73,8 3,116	13,14, 15,49, 59,79, 94	79,21	41,42,43 ,62,79,8 3		79,80,81 ,87,88,8 9,90,94		
Branding Management	15,24,58 ,59,85	85						15,24,58,59,8 5	58,59	15,24,58,59,	85		15,58, 59,85						
Design and Patterns	13,14,50 ,58,69,7 1,75,77, 79,94			46		46,50,69,7 7		58,5,7,94	77,58,69,7 5,79	13,14,46,50,5 8,69,71,77,79	69		13,14 69,79, 94	58			94		
Integrated Production						70,78,79,1 01,102,103 ,110		10,11,12,26,5 7,58,59,75,76 ,78,79,91,110 ,115	10,11,12,2 0,25,26,57, 58,59,69,7 5,76,78,79, 91,97,98,1 01,102,103 ,105,110,1 15,118										
Industry Trend	13,14,15 .41,49,5 0,69,76, 77,123	93	43,56,65,6 7,93,95	56,64,65	65,67,43	39,41,42,4 3,44,50,56, 65,67,69,7 4,77,123		39,40,41,43,4 4,45,64,76,77 ,123		13,14,15,41,4 2,43,44,49,50 ,56,64,65,67, 69,74,123	16,17,18,4 9,69	56,64,65 ,67,69,7 4,76	13,14, 15,49, 69,74, 76		41,42,43 ,45				
Contingent production														17,21,23 ,57,58,5 9,74,76, 78,85,95 ,120					
Conflict Resolution																		46,47,48 ,51,82,8 4	
# of Citations	<b>62</b>	<b>16</b>	<b>33</b>	<b>27</b>	<b>11</b>	<b>143</b>	<b>17</b>	<b>128</b>	<b>46</b>	<b>79</b>	<b>31</b>	<b>23</b>	28	27	12	7	9	12	7

Interesting and logical insights can be obtained from Table 4.4.3 through the combined explanations of learning domains and learning ways. In the following, we shall identify ways of learning, going domain-by-domain, presenting the three main quotations behind each identification.

### **Setup and starts**

MTM started its new textile operations and start-up through investment and implementation of latest machinery and production facility.

*“...Masood Textile Mills was incorporated in 1984 as a public limited company. We started with 4 spinning mills and yarn manufacturing. We produce yarn and conventional fiber to meet local market demand. We were doing what mostly others were doing in this region over years...” (Senior Manager Marketing and Merchandizing-USA)*

*“...Masood Textile Mills started its operation in 1984 initially with 4 spinning mills as a Public limited company. In the start, the company was engaged in traditional production of yarn and fiber for the local market demand...” (Director Marketing and Sr. Manager Merchandizing)*

*“...Masood Textile Mills was incorporated as public limited company in 1984 under the company ordinance. Initially MTM was running 4 spinning mills producing conventional yarn and fiber for the sale in local market...” (Technical Manager R&D and P&D)*

### **New Production and Manufacturing**

MTM shifted its focus and resources towards value-added operations and offerings.

MTM restructure its production from spinning towards garments and sewing through a small investment in garments and stitching machines.

*“...a strategic shift came in 1993-94 when the company shift its focus towards value-added operations and offerings. In 1995, we shut down three of our spinning units and started the sewing and garment manufacturing operations through installation of new machines and equipment. We started with 40-50 stitching machines with a daily capacity of 4 tons for dyeing and knitting. ...” (Senior Manager Marketing and Merchandizing-USA)*

*“...in 1993-94 the company changed its strategy as we shifted our focus and resources towards change (i.e. we moved towards value addition). We disposed off three spinning units and replaced it with latest machines and equipment as in 1995 we started the garment and sewing operations on a small scale. I and my team at that time fully convinced the management to go into the value addition; as a result, we started the sewing operations. ...” (Director Marketing and Senior Manager Merchandizing)*

*“...the continuous acquisition and investments in machines and systems attract new customers and working with world’s best brands as a manufacturer of their private brands and labels from the last two decades. It enables us involve in latest production processes and techniques....” (Technical Manager R&D and P&D)*

## MTM engaged in new production and manufacturing through matching with customer specifications

*“...in 1995 MtM started the production of knitted garments on small scale for the sale in local market. In the same year MtM exported underwear to a British brand. We keep the exporting trends as we managed and formally started garments export to USA in 1997. That was a point of realization of value addition for MtM, as we installed latest machines to improve our capability of latest production and processes according to the specifications of newly established clients....” (Technical Manager R&D and P&D)*

*“...we started and grow with our sourcing partners who are leaders in international and regional markets. We gained experience and learned a lot while working with them. Apart from production and technological advances in their demands, their other requirements also enable us to focus on other issues....” (Director Marketing)*

*“...we started with 40-50 machines with a daily capacity of 4 tons for dyeing and knitting. In 1997, we formally started garment export to USA. This was an inspiration for us to move on and focus more on US market. In order to cater the needs of the new established US clients and enhance our production capacity and capabilities for higher value addition we keep sourcing and acquiring modern machines, equipment and testing tools from Japan, UK, Germany and Switzerland...” (Director Marketing and Sr. Manager Merchandizing)*

## MTM engaged in value-added operations and offerings through experts, R&D and design studios.

*“...the first mode of supply to foreign markets was an export of underwear briefs to Jockey UK in 1995, followed by formal garments export to USA in 1997. Since 1997 we changed a lot with respect to infrastructure, technological base and production capability and capacity. We hired textile designers, established our industrial engineering department, R&D and designs studio in Pakistan and in the USA.....” (Senior Manager Marketing & Merchandizing)*

*“...in 1995, we started the latest and fashion-oriented knitted garment development on small scale for local market sales. In the same year, we made our first export to UK based brand Jockey, we supplied underwear briefs. We kept moving on as we started formal garments export to USA in 1997. That was a point of departure towards value addition. We installed latest machines improved our infrastructure and production capabilities. We developed our R&D and industrial engineering departments. Similarly, we established a local design studio followed by two design studios in USA, hired foreign designers and developers for the development of latest garments and design according to international demand...” (Director Marketing and Senior Manager Merchandizing)*

*“...apart from investments in hardware we established an Industrial Engineering and R&D units, hired foreign experts, establishment of local design studio, designers and developers with experience of North American garments market. This enables us to involve aggressively in exploring innovative ideas, designs for developing products...” (Technical Manager R&D and P&D)*

*“...the MTM Team comprises a balanced blend of experienced professionals including over 200 MBAs, Textile Engineers and Industrial Engineers. Continuous training and development keeps them abreast with modern technical and management tools...” (Company Presentation)*

## External ties with suppliers, sourcing partners and related stakeholders are best source to hand in latest processes and productions.

*“...I mentioned that our core business line is export and the main reason for engaging with international clients and markets is obviously to increase export and growth. To increase export base and best serve our clients/*

*sourcing partners, we focus on learning, knowhow, state of the art equipment, processes and machinery from anywhere...” (Senior Manager Marketing and Merchandizing-USA)*

*“...we need latest technology and capabilities to meet the demand and increase our export base with latest processes and offering. It is impossible to get it alone; we need different sources and an engagement with our sourcing partners, customers and suppliers to better serves our needs and purpose...” (Director Marketing)*

*“...moreover, we get supplies (i.e. Chemicals, dyes, resin and finishes etc.) from different companies around the globe, we learn various aspects of technical, economic and ecological parameters in our production. Every single part and unit of organization leaned in the same way for example the stitching, weaving, spinning, weaving, dying learn from orders and customer. There are learning and experiencing new things for everyone (i.e. worker, middle and upper level management) ....” (Technical Manager R&D and P&D)*

## **Promotional Management**

MTM offers a wide range and combinations of innovative fabric, design, colors and apparel on seasonal basis as promotional tool to showcase its innovative expertise and market trends in its offering.

MTM mainly used R&D and reverse engineering, design studio and experts for idea generation and development of promotional samples.

*“...we developed our own designs according to the recent market trends as a promotional tool to present our innovative concept. It is just an idea(s) we provide about 20 ideas every season (i.e. Spring-Summer and Autumn-Winter) on continuous basis. The customers choose to form them and amend according to their needs. We present our seasonal ideas with different combination of fabric, design, colors to different customers through our international marketing and sale office located at various locations. From the last couple of years, we regularly participate in various international conferences and expos such as ITMA, Shanghai Tex, TDAP, International Textile Machinery Exhibition etc. ....” (Senior Manager Merchandizing)*

*“...similarly, we established a local design studio followed by two design studios in USA, hired foreign designers and developers for the development of latest garments and design according to international demand. We launched our brand “Land Mark” but we rolled back in 2000. Now we are presenting our product concept on seasonal basis every year, we present 20 concepts each season to show our R&D, developments and expertise in knitted apparel....” (Director Marketing)*

*“...we established a local design studio followed by two design studios in USA and hired foreign designers and developers for the development of latest demanded garments and designs. MtM launched its brand “Land Mark” in 1998 but it was stopped due to lack of proper experience and sale/marketing infrastructure. We regularly present product concepts on seasonal basis every year (i.e. 20 concepts each season) to show our innovative developments....” (Technical Manager R&D and P&D)*

Working with world leading clients help MTM to hands in latest information and ideas from their specifications to include in its seasonal collection.

*“...additionally, we also get ideas for our seasonal collections and alternative ways of doing things in our overall production processes i.e. to reduce the production and processing timings for better performance. We have specialized teams that entertain and handles such orders. (Senior Manager Marketing and Merchandizing USA)*

*“...we always get something new in practice from such orders on production floor. The personnel expose to new ideas, alternate ways of doings and feel necessities for new and upgraded machines, techniques and technology. We extend and keep developing our product concepts which we present on seasonal basis...” (Director Marketing)*

*“...similarly, we continuously visit our international clients, participating in expos/ trade shows, buying rival brands from different places and keep searching internet for information and learning. We get ideas and information from any source for our learning and execution. We have a well-established R&D and industrial engineering department backed by a team of local and American designers. These departments keep developing new ideas and concepts to execute them in products round the clock....” (Director Marketing)*

## **Washing and Processing**

Washing and processing is the integral part in knitted apparel for value creation (i.e. improve the functionality, aesthetic and other aspects). MTM approaches to state of the art laundry and processing facilities through investment in latest laundry, Customer Specifications and partnership with leading chemical suppliers.

*“...when talking about the expertise related to textile wet processing, we have largest and sophisticated dyeing and washing facilities of Asia here at Masood. We have expertise in handling garments dyeing, spray, washes, special effects and other treatments. Similarly, the chemical companies over here have got expertise in that; they train their people in foreign countries. They learned from there and come here for the marketing of their products they provide free expertise in that area. Whenever we get the problem in this area (wet processing) the first action is to call the chemicals companies for specific remedies and expertise. We have in house latest washing and laundry facilities with reverse osmosis plant for quality garment dyeing, spray, washes, special effects and treatments. ....” (Technical Manager R&D and P&D)*

*“...we learned a lot from them as they guide us something new about latest processes and techniques especially in washing and laundry due to highly demanded special effects, treatments and washes. They have well established and top class R&D and product development, we directly learn from their practices by implementing them practically in our production. Most of our long-term sourcing partners keeps coming and visiting us, similarly we visit them from time to time. Mostly we get training and a lot more form our USA based sourcing partners. Those training are extremely helpful in keep hands on effective techniques and latest processes in our integrated operations...” (Director Marketing)*

*“...in dyeing and washing laundry we heavily invested in latest machines, equipment and labs to accommodate diverse customer demand for special treatments and effects through soda wash, enzyme wash and stone wash etc. in garments....” (Technical Manager R&D and P&D)*

## **Customer Relationship**

Maintaining good business ties with customers is vital for manufacturing service provider. MTM trying at his best to retain and nourish international business ties at every cost.

MTM keep relations with clients through deeply understand and match with their diverse requirements



*“...there are four basic things which about every customer looking for as 1. most important is the price, 2. Quality of product 3. Time span (i.e. the lead time). 4. Compliance with the international and regional ethical and social standards etc. Customers check these 4 factors first. Then it comes to minor details that are related to our operational region and locations, if it suites to their region of business or operations as well they go further. There are lots of transit cost involve, from here to US, we see either country of origin i.e. Jordan will be suitable for them, Pakistan or Bangladesh will be suitable for them. So, which countries of origin are suitable for them. So, these components are the most important which attract customers, to serve them according to their needs ....” (Senior Manager Marketing and Merchandizer)*

*“... we get complete direction and full list of things from our sourcing partners and retailers which we need to take care of in handling their orders. The customers specify us about their requirements such as the type of testing, aesthetics, finishing, fabric nature, washing and dozens of actives which we are required to meet. Our products should comply with all the requirements of the customers from every aspect. ....” (Director Marketing)*

*“...we received the instructions and updates from our customers on regular basis when they are launching new product, changing the existing products and specifications etc. For example, customers asked for to approve every fabric lot form them. They demand that we should not have start sewing of the cut parts until our inspectors does not come and inspect it. You cannot bring those cut parts out of printing area until quality and audit teams do not inspect it randomly. After 5% sewing is completed there is inline sewing inspection so they do inspection of those unique orders. Some customers asked us to conduct our internal audits and inspections. Our QC teams check and inspect each and every garment of that order before the external quality checks and audit. Some customer invites us to attend workshops, seminar for quality control and waste management. Similarly, they train us on certain aspect of product inspections, checks, audits and planning. This way we received the instructions from the customers to use the imported inputs and packing material instead of local materials. They nominate suppliers and sources from where we get inputs and chemicals, which is a source of establishing new relation and alternative supplier. They ask us to put the products in to shipper trays instead of putting into shipping boxes. We made the shipper trays and then we pack it into the boxes. There are some unique boxes for that normally we have 3 or 4 plays packing but they ask us to put into 7 play boxes/ carton to avoid damages and safety of products... (Senior Manager Marketing and Merchandizing)*

**MTM keep relations with clients through expansion and investment in latest machines, equipment and processes to better serve their needs.**

*“...in 1997, we formally started garment export to USA. This was a motivating step and encouragement for us to proceed further. We keep adding the latest machines and equipment form Japan, UK, Germany and Switzerland in order to enhance our production capacities and capabilities in meeting international demand of high value-added products....” (Sr. Manager Marketing & Merchandizing)*

*“...we are equipped with latest available machines, equipment and testing tools to maintain high quality standards set by international brands and clients. Our production process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof...” (Technical Manager R&D and P&D)*

*“...the continuous acquisition and investments in machines and systems attract new customers and working with world’s best brands as a manufacturer of their private brands and labels from the last two decades. It enables us involve in latest production processes and techniques...” (Technical Manager R&D and P&D)*

**MTM has some unique systems and doings that help to retain and develop clients constantly across borders.**

*“...MtM is the initiator of establishing a unique shipment system (i.e. Lean Planning instead of 20-30 days’ model) and “direct to store model” in this region.... We have offshore manufacturing facilities in Jordan and Bangladesh as a contingent approach to meet uncertainty...” (Technical Manager R&D and P&D)*

*“...we are running offshore manufacturing production facilities in Jordan and Bangladesh as a source of contingency planning ..... In Bangladesh, we have a sister company, while in Jordan we rent a production facility....” (Sr. Manager Marketing & Merchandizing)*

*“...we establish a unique model i.e. “direct to store model” to engage North American clients with non-stop supply .... We analyze the sale of each client and forecast on weekly basis. Our model is an efficient tool to work with American customers on lean supply planning. We have two ware houses in the East Coast and West Coast of America ..... Additionally, we have offshore manufacturing facilities in Jordan and Bangladesh. ....” (Technical Manager R&D and P&D)*

*“...we developed back track system for visibility, direct to store model .... We have overseas production facilities as a contingency approach to meet supply uncertainties .... We came to know about the best and alternative solutions, suppliers and competitors....” (Director Marketing)*

**MTM uses international marketing offices and expos as way to establish relation in the market.**

*“...we have sales and marketing offices in USA (i.e. New York, Los Angeles, Dallas, Texas, Wisconsin, Ohio, and Milwaukee), UAE, Jordan, Bangladesh and Hong Kong that keep us in direct contact with clients, present our seasonal product concepts, designs and samples to target clients and markets. Our marketing offices are very active in keeping sharp eyes on the latest happening around the globe. Similarly, we are regularly participating in international conferences and expos to bring new concepts and products to international market...” (Director Marketing and Senior Manager Merchandizing)*

*“...We established sales and marketing offices in USA (i.e. New York, Los Angeles, Dallas, Texas, Wisconsin, Ohio, and Milwaukee), UAE, Jordan, Bangladesh and Hong Kong to keep in touch with our sourcing partners, clients, suppliers and respective market trends of those markets. Similarly, MTM sending its technical and marketing delegates to various international industrial fairs and exhibitions to learn about latest technology, processes and happenings and promotes MTM in proper way ...” (Technical Manager R&D and P&D)*

*“...we established our international sales and marketing offices in order to have a close and direct contact with our clients to get latest fashion trends from the region they are working...” (Senior Manager Marketing and Merchandizing USA)*

**MTM keep relations with clients through R&D to deeply understand and match their needs for innovative products.**

*“...until and unless you do not keep on R&D based on different markets you do not bring innovation into products and you cannot gain the orders. Because innovation in the product, in the systems is very important to cater the need of the customers. Customers are bringing innovation into their products from season to season and if we do not align our self-according to their needs probably we will not survive. We have aggressive R&D and industrial engineering department to meet challenges and **introducing and presenting** genuine ideas....” (Senior Manager Merchandizing)*

*“...our core business is export as we are exporting 100% of our capacity to US, European, Asia and Oceania. In order to grow in our core business and respond to the changing demand in time we started our R&D, Industrial Engineering department and established design studios in New York, Los Angeles and Pakistan. We are running offshore production facilities in Jordan and Bangladesh to serve our clients in cost efficient and agile way. Similarly, we established our international sales and marketing offices in order to have a close and direct contact with our clients to get latest fashion trends from the region they are working. ....” (Senior Manager Marketing and Merchandizing USA)*

*“...similarly, our company proactive approach towards change through continuous acquisition of experts and investments in latest equipment, machines, innovative processes and R&D enables us to move on different directions with innovative ideas and products...” (Director Marketing)*

## **International and Regional Standards**

MTM is among the leading apparel producer in the region in fulfilling its responsibility towards the environment and its surrounding society.

MTM mainly know and execute the international, regional and customer’s specific needs/standards through customer requirements.

*“...customers who are going to establishing business ties for the first time are almost the same in their requirements. They visit our plant check the infrastructure, systems, capabilities and capacities form every aspect. They are extremely concern about our compliance with international and regional standards in our operations. Once they satisfied form there, they come on business dealings...” (Director Marketing)*

*“...customer visit our plant to check the infrastructure, production facilities and capacities, R&D, systems, compliance with ethical and environmental standards i.e. everyone has special concern for water treatment plant, chemical treatment and labor dealings. Even some clients also check our list of clients and sourcing partners. Every customer is extremely concern about compliance with international and regional standards. Once they satisfied they proceed further and come on business table ....” (Technical Manager R&D and P&D)*

*“...every international brand is taking care and respect issues related to ethics and environment at every cost. Our clients are internationally renowned brands and leading players in the market, they are taking care of each and every aspect to comply with their regional and international standards. Additionally, every customer has its own requirements and demands in reducing the environmental impact of their processes i.e. water and energy efficient specific washing and finishing, use of chemicals, waste disposals, water treatment, emission of CO<sub>2</sub>, nominated suppliers, nature of cotton and processes according to WRAP, Organic Cotton, European and American standards...” (Director Marketing)*

MTM compliance with required standards in its operations to the varying needs of international and regional markets. Mostly, MTM learn and execute international standards through training and certifications from world’s leading consultants and accreditation agencies.

*“...every international brand is taking care and respect issues related to ethics and environment at every cost. Our clients are internationally renowned brands and leading players in the market, they are taking care of every aspect to comply with their regional and international standards. Additionally, every customer has its own requirements and demands in reducing the environmental impact of their processes i.e. water and energy efficient washing, use of chemicals, treatment of waste and water, emission of CO<sub>2</sub>, nature of cotton and processes as per WRAP, Organic Cotton, European and American standards...” (Director Marketing)*

*“...we are fully complying with all international and customer’s specific regional standards. We got certifications and training from various leading accreditation bodies and consultants like NSI, RAB (USA Based), UKAS (UK Based), DAR/TAG (Germany Based), Control Union Certification (Netherlands) etc. This shows our direct and indirect commitments to various environmental and ethical regional and international standards. It creates a positive image for our doings in responsible and accountable way and serves as signaling for our future business developments. The company is certified from various aspects having various certifications i.e. ISO-9002, WRAP*

*(Worldwide Responsible Apparel Production) ISO-14001, SA-8000, REACH, GOTS (Global Organic Textile Standards), Organic Cotton Certified, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA). ...” (Director Marketing)*

*“...we are doing our business in a responsible way and complying with international and customer’s specific regional standards. We are certified company from different aspects having certifications as per of our client’s requirements i.e. ISO-9002, WRAP (Worldwide Responsible Apparel Production) ISO-14001, SA-8000, REACH, GOTS, Organic Cotton Certified, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA). We got certifications and training from various leading accreditation bodies and consultants form various parts of the world such as NSI RAB (USA Based), U.KAS (UK Based) and DAR/TAG (Germany Based), Control Union Certification (Netherlands) etc. This shows our commitments to environmental and ethical standards and makes us more visible in this region ....” (Technical Manager R&D and P&D)*

## **Innovation**

MTM established a culture of continuously searching new ways and or improve the existing one for the creation of new/improve products, processes, techniques, system and services.

MTM both develop new and reengineered its own or market’s successful products and processes through active engagement with local and foreign designers, developers and professionals.

*“...beside active investments in machines and equipment we established industrial engineering and R&D units, hiring experts, designers and developers. This allows us to aggressively involve in product development and exploring innovative ideas to address forthcoming changes in more professional way. We have design studios in New York and Los Angles that keep us with the latest trends in fad and fashion of US market in designs and patterns. These arrangements enable us to know about market changes in proactive manner ...” (Sr. Manager Marketing & Merchandizing)*

*“...in addition to investments in machines and equipment we hired foreign designers and developers, established industrial engineering and R&D units. These help us to explore innovative processes and product development. We have design studio in New York and Los Angles that keep us with the latest trends in fad and fashion of customers in US region. Such arrangements enabling MTM to be ahead of many in the field ...” (Director Marketing and Sr. Manager Merchandizing)*

*“...our local and American R&D and Design teams have expertise in designing and pattern developments, as they keep us developing customer centric ideas, innovative concepts in our products and processes around the clock. Beside active R&D our industrial engineering department made innovations in processes and system for better performance. Additionally, our international sales and marketing offices in, USA, UAE, Hong Kong, Bangladesh and Jordan feed us with the latest market developments....” (Director Marketing)*

Fulfilling unique orders and matching with exclusive customer’s specifications further add to Azgard9 innovative abilities.

*“...Sometimes we get orders which are not exactly for us i.e. it is totally different form the running orders or market trends. We are eager to work and execute such order to hand in something new or abnormal. Whenever we received such orders we evaluate it from various angles and aspects through a team of experts consisting R&D, Industrial engineering, Production, product planning and control, supply chain and quality to check whether we are capable to do it with available machines and expertise or we need something extra. In order to avoid investments in machine and experts we always request for change in certain aspect of such order to make it*

*production friendly, if the customer does not agree on that, we go for investment but it depend on customers and future stream of business. .... Sometimes we have to do it if there is demand for such article, it is challenging in the start but with the passage we get confidence to do it. First, we do lots of homework on that specific order from design, testing and production through different departments. We have very well established R&D team and strong industrial engineering department, they engineer the garment. Similarly, we have engineering and designers here in PAK and USA who set together and design the garment according to the required specifications. That becomes very easy for us which bring the garment into the production floor. ....” (Director Marketing)*

*“... Unique and unusual orders are very important from the learning and gaining experience in both cases whether we are able to fulfill or unable to fulfill the unique orders. Unique orders give new insights and recent market trends that are vital for our future operations. We always get something new in practice from such orders on production floor. The personnel expose to innovative ideas, alternate ways of doings and feel necessities for new and upgraded machines, techniques and technology...” (Director Marketing)*

*“...such orders are vital for our learning and get hands in latest trends, market information and production techniques. Working with international brands and unique orders connect us to multiple exposures i.e. being a vertical integrated facility every unit is learning and getting new things. For example; A marketing team learn to work with foreign partners they learn the area of the specialty of that specific partner. If they are working with American clients they will get to know about the liking and disliking of that customer and its markets, what are the acceptability, and how we can win more orders specifically from them and in general form other players in that market. Similarly, the production and processing teams are much concerned with the extent of acceptability of their customers, some customer accept somehow low quality while others are very strict even if they are low quality customers. Moreover, a manufacturing team if they get an order for new products such as finishing with fabric softener, water repellent or wind breaker, they learn how to develop and produce them over time. For washing and laundry units they learned about various garments dying, sprays, washes, special effects and other treatments from customer demands by using state of the art laundry machines. For R&D and Industrial Engineering units when we keep developing their products and processes, we get hands in new ideas, product concept and alternative ways for execution on the production floor. ....” (Technical Manager R&D and P&D)*

Investments in state of the art machines, equipment, testing tools and licensing are instrumental for innovative offering and operational change.

*“...we are very vigilant with respect to these changes. We are moving with the pace of these changes by acquiring and upgrading our systems, men, machinery, tools and processes on preferential basis. We are equipped with latest applications, testing & lab tools and processes which enable us to meet any demand. We purchase license and pay for patent to producers such as Investa and DuPont etc., to use their innovative process in our manufacturing. ...” (Director Marketing)*

*“...we invested in I.T, latest packages and Back Track System, which help us to mark each garment produced at MtM with a unique ID or number. This helps us to back tracks from cotton to shipment and create visibility in our operations for efficiency and quality. Similarly, we work on the SAP and minute’s calculation in order to improve our productivity and efficiency. We establish a unique model i.e. “direct to store model” to engage North American clients with non-stop supply of products for the full control of supply chain. We analyze the sale of each client and forecast on weekly basis. Our model is an efficient tool to work with American customers on lean supply planning. We have two ware houses in the East Coast and West Coast of America for uninterrupted supplies. Additionally, we have offshore manufacturing facilities in Jordan and Bangladesh as a contingency production planning to meet demand in agile and cost effective manner ....” (Technical Manager R&D and P&D)*

*“...to address the change element, we are updating our systems, infrastructure and R&D with latest techniques and processes. We pay for license and patents to the innovators (i.e. Investa and Duo punt etc.) for the use of their innovative processes and techniques in our operations to handle a rising innovative demand in better manner...” (Senior Manager Marketing and Merchandizing-USA)*

Owner/CEO personal interest in corporate affairs and modernization of MTM is a driving force for organizational change.

*Our inspiration is our vision of improvement and sustained growth. The dedicated leadership with craze of change and improvement is a driving force behind our innovative practices and growth....” (Director Marketing)*

*“...it is all because of the company’s growth strategy, market demands and special personal involvement of CEO in business operations. The visionary leadership, full support of CEO and freedom of taking risks are driving force behind our change. ....” (Director Marketing)*

*“...the organizational environment of MtM foster change as to grow and excel. The company strategy, market demand and personal involvement of CEO in business operations are the vital forces for such implementation. The visionary leadership, full support of CEO and freedom of taking risks are driving force behind our change and growth. ....” (Technical Manager R&D and P&D)*

*“...it is a result of continuous ownership motivation and painful struggle of dozens of activities and happenings over a span of two decades. It is an effect of cause and effect relationship of internal and external factors such as market derive management vision and organizational culture. It leads to creativity and the freedom to take risks in new directions lead to steady stream of innovative processes and products ....” (Technical Manager R&D and P&D)*

## **Branding Management**

MTM started to market and sale under its own brand name in international market through active involvement in experts, R&D and new equipment. But the brand does not stay longer due to lack of expertise and sale infrastructure across borders.

*“...apart from investments in hardware we established an Industrial Engineering and R&D units, hired foreign experts, establishment of local design studio, designers and developers with experience of North American garments market. This enables us to involve aggressively exploring innovative ideas, designs for developing products. In 1998, the company started its own brand “Land Mark” in Polo shirt, but due to lack of expertise and proper marketing channel the project was not successful and pulled back. ...” (Technical Manager R&D and P&D)*

*“...after the installations of latest machines, establishing of local design studios, R&D and hired designers and developers we went for our own brands for more value addition. We had done an experiment in 1998-99, as we launched a brand Land Mark PFD. We produced POLO Shirt under the label of LAND MARK PFD, but unfortunately at that time we did not have enough experience and suitable channel to do it properly, therefore we rollback our Land Mark project ...” (Director Marketing)*

## **Design and Pattern Development**

MTM also provides design development services to world leading brands besides manufacturing of private label and brand.

Azgard9 involved in design and pattern development through developers, designers and R&D.

*“...beside active investments in machines and equipment we established industrial engineering and R&D units, hiring experts, designers and developers. This allows us to aggressively involve in product development and exploring innovative ideas to address forthcoming changes in more professional way. We have design studios in New York and Los Angeles that keep us with the latest trends in fad and fashion of US market in designs and patterns....” (Senior Manager Marketing & Merchandizing)*

*“...we are leaders in designing, developing and manufacturing of knitted apparel products right from basic to highly fashioned items and garments in this region thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional acumen. ...” (<http://www.masoodtextile.com/index.php>)*

*“...we also provide a range of services from product design (i.e. from yarn to garments) to door step delivery according to customer concept and needs. Similarly, we are self-approved quality auditor, we are providing auditing services to world’s leading brands such as JC Penny and others to ship goods to retail stores across the globe on their behalf. ....” (Director Marketing)*

Based on working with a diverse group of customers from different parts of the world MTM develop and execute customer’s product concept into door step delivery of physical products.

*“...our local and American R&D and Design teams have expertise in designing and pattern developments, as they keep us developing customer centric ideas, innovative concepts in our products and processes around the clock....” (Director Marketing)*

*“...we translate conceptual ideas of our customers into reality and shape them through our technical bent and professional acumen. The team here strongly believes that Customer satisfaction is the essence of business today...” (<http://www.masoodtextile.com/index.php>)*

*“...additionally, Technological readiness, continuous acquisition of latest machine and equipment, investments in men, machines and processes enables us to move in an era of innovative supplies and services. ....” (Technical Manager R&D and P&D)*

## **Integrated Production**

From the start CBL endeavored to have vertically in-house production capabilities to control over the supply chain and maintain the desired quality and depth at different production stages. Composite production facility is vital for provision of full service (i.e. from concept to finish product) besides manufacturing.

MTM invested in latest machines and equipment in an integrated manner is the drive to involve in an integrated production.

*“...we enhanced our systems, operations and keep adding state of the art equipment and machinery. Now we are vertical integrated facility (i.e. spinning, knitting, processing, stitching and shipping units) to have full control of quality at every production stage. We have 30,500 spindles producing both carded and combed ring spun per day, 510 knitting machines with a capacity of 120,000 tons of fabric per day, state of the art dyeing and finishing machines producing 120 tons per day. In garment area, we have 6000 sewing machines with a total capacity of 450,000 pieces per day ...” (Senior Manager Marketing & Merchandizing-USA)*

*“...we keep acquiring state of the art available hardware to involve in latest production and processes for higher value addition. We are vertical integrated manufacturing facility having in-house Yarn production, Knitting, Fabric dyeing, Processing, Laundry and Apparel manufacturing facilities for full control of supply chain and demanded quality at every step of production. Our manufacturing infrastructure consists of 30,500 spindles producing both carded and combed ring spun per day, 510 knitting machines with a capacity of 120,000 tons of fabric per day, state of the art dyeing and finishing machines producing 120 tons per day, 6000 sewing machines with a total capacity of 450,000 pieces per day...” (Director Marketing and Sr. Manager Merchandizing)*

*“...we are equipped with latest available machines, equipment and testing tools to maintain high quality standards set by international brands and clients. Our production process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof...” (Technical Manager R&D and P&D)*

Most customers prefer one stop shop to reduce the headaches in delivery and matching specifications in their orders. In addition, MTM provides concept to execution services to certain clients which is out of question without implementation integrated production facilities.

*“...We have expertise in provision of services from product concept to design, development and door step delivery to any part of the world through our integrated infrastructure...” (Senior Manager Marketing & Merchandizing-USA)*

*“...we are serving world tops brands and keeps adding new on continuous basis from the last two decades. Additionally, the vertical integrated setups help us in provision of better services, control of quality and lead time as per customer needs...” (Director Marketing and Senior Manager Merchandizing)*

*“...The continuous acquisition and investments in machines and systems attract new customers and working with world’s best brands as a manufacturer of their private brands and labels from the last two decades. It enables us to involve in latest production processes and techniques. Additionally, the vertical integrated setup enables us to provide full service according to customer needs, control of quality and lead time in our supply chain...” (Technical Manager R&D and P&D)*

## **Industry Trend**

MTM open to developments and latest happenings in the market to stay abreast in its operations and offerings. MTM uses internal and external sources to get in touch with emerging market trends.

MTM involvement in R&D, design, reverse engineering and experts are vital for the adaptation and execution of latest market trends in its operations and offering.

*“...Beside active investments in machines and equipment we established industrial engineering and R&D units, hiring experts, designers and developers. This allows us to aggressively involve in product development and exploring innovative ideas to address forthcoming changes in more professional way. We have design studios in New York and Los Angeles that keep us with the latest trends in fad and fashion of US market in designs and patterns. These arrangements enable us to know about market changes in proactive manner. ...” (Sr. Manager Marketing & Merchandizing)*

*“...apart from investments in hardware we established an Industrial Engineering and R&D units, hired foreign experts, establishment of local design studio, designers and developers with experience of North American garments market. This enables us to involve aggressively in exploring innovative ideas, designs for developing*



*products. .... MtM established design studios in New York and Los Angeles beside our active local studios to fully focus on the latest trends of US market. Such arrangements enabling MTM to be ahead of many in the field and a driving force behind our phenomenal growth i.e. 20-25% per annum ...” (Technical Manager R&D and P&D)*

*“...In addition to investments in machines and equipment we hired foreign designers and developers, established industrial engineering and R&D units. These help us to explore innovative processes and product development. We have design studio in New York and Los Angeles that keep us with the latest trends in fashion and fashion of customers in US region. Such arrangements enabling MTM to be ahead of many in the ...” (Director Marketing and Sr. Manager Merchandizing)*

**MTM get in contact with latest happenings in world market through its marketing offices located in Asia, Europe and USA.**

*“...we continued our journey and focus more extensively on international markets and clients, as we established sales and marketing offices in USA (i.e. New York, Los Angeles, Dallas, Texas, Wisconsin, Ohio, and Milwaukee), UAE, Jordan, Bangladesh and Hong Kong that keep us in direct contact with clients and latest happening in these regions. ...” (Director Marketing and Sr. Manager Merchandizing)*

*“...We have sales and marketing offices in USA, UAE, Jordan, Bangladesh and Hong Kong that keep us in direct contact with clients, market our seasonal collections and samples to targeted clients and markets. Our marketing offices are vigilant in keeping sharp eyes on the latest trends from around the globe ...” (Senior Manager Marketing and Merchandizing-USA)*

*“...our established sales and marketing offices in USA, UAE, Jordan, Bangladesh and Hong Kong help us to keep in touch with sourcing partners, clients, suppliers and respective market trends of those markets. Similarly, MTM sending its technical and marketing delegates to various international industrial fairs and exhibitions to learn about latest technology, processes and happenings ...” (Technical Manager R&D and P&D)*

**Engagement with diverse customer and continuous moderation help MTM to learn and execute latest advances in market**

*“...From couple of years the ordering procedure is totally changed. The orders are more system oriented means that customers are using and adopting advance I.T system, packages and software for efficiency and clarity in communication. Mostly the customer issues order on their system instead of sending us PO like in the past, they give access to specific area where they issue PO on our name. We pulled and filled their orders in the system; we put the delivery schedule and update order status on daily basis..... Similarly, different clients have different demand as per their market preferences and demand (i.e. price, quality and quantity). There is also change in the application of garments as the customer present and market the garments in such a way that it is not just a garment but a complete system of comfort and relief according to the user needs and preferences (i.e. \*technical textiles, active wear, sportswear etc.) ..... Because of these changes the specifications, construction and appearance of the garment changed a lot. Overall the customers required latest and unique treatment in their orders. We are alert and keep ourselves aware of such changes by acquiring and upgrading our systems, men, machinery, tools and processes on preferential basis. We are armed with modern applications, testing tools and processes which enable us to execute order in best possible way. ....” (Technical Manager R&D and P&D)*

*“... the industry is changing overnight with respect to innovations in machines, processes, products, applications and customer’s needs. Every season there are ongoing changes and improvements in designs, color, styles and construction of garments. Similarly, there are changes in the standards and regulations regarding compliance, quotas, duties, freights and taxes. The industry is very dynamic from every aspect i.e. from cotton field to door step delivery of finish products. In order to address the change element, we are updating our systems, infrastructure and R&D with latest techniques and processes. We pay for license and patents to the innovators (i.e. Investa and Duo punt etc.) for the use of their innovative processes and techniques in our operations ...” (Senior Manager Marketing and Merchandizing-USA)*

*“...Because of such changes the specifications, construction and appearance of the garment changed a lot. Overall the customers required unique, unusual and extra treatment in their orders that are mostly changed from previous years. For example, some customers demand for the latest changes in the products and processes, as they are switching from conventional garments to more \*technical garments. We are very vigilant to these changes. We are moving along with these changes through upgrading our systems, men, machinery, tools and processes on preferential basis. We are equipped with latest applications, testing & lab tools and processes which enable us to meet different demand. We purchase license and pay for patent to producers such as Investa and Duo punt etc., to use their innovative process in our manufacturing. These are costly and expansive process, but you have to go with your customers demand and market trend. ...” (Director Marketing)*

**MTM get latest trends through involve in execution of orders.**

*“...the main reason of our engagement is absolutely to increase our business, which we are doing successfully over a decade. Form R&D perspective I will say that the reason of our engagement is two folds as; increase export through introducing latest products and techniques (i.e. earn) and to learn about and from best practices in the industry. Working with diverse customers over time expose us to multiple things; we are continuously learning, gaining experience of latest techniques, know-how and market trends on the production floor for every involved unit. Which is impossible to get it alone ...” (Technical Manager R&D and P&D)*

*“...unique orders give new insights and recent market trends that are vital for our future operations. We always get something new in practice from such orders on production floor. The personnel expose to innovative ideas, alternate ways of doings and feel necessities for new and upgraded machines, techniques and technology. We extend and keep developing our product concepts. ....” (Director Marketing)*

*“...such orders are vital for our learning and get hands in latest trends, market information and production techniques. Working with international brands and unique orders connect us to multiple exposures i.e. being a vertical integrated facility every unit is learning and getting new things. For example; A marketing team learn to work with foreign partners they learn the area of the specialty of that specific partner. If they are working with American clients they will get to know about the liking and disliking of that customer and its markets, what are the acceptability, and how we can win more orders specifically from them and in general form other players in that market. Similarly, the production and processing teams are much concerned with the extent of acceptability of their customers, some customer accept somehow low quality while others are very strict even if they are low quality customers. Moreover, a manufacturing team if they get an order for new products such as finishing with fabric softener, water repellent or wind breaker, they learn how to develop and produce them over time. For washing and laundry units they learned about various garments dying, sprays, washes, special effects and other treatments from customer demands by using state of the art laundry machines. For R&D and Industrial Engineering units when we keep developing their products and processes, we get hands in innovative ideas, product concept and alternative ways for execution on the production floor...” (Technical Manager R&D and P&D)*

## **Contingent Production**

**MTM established offshore stitching and garments production facilities as tactic to meet uncertainties.**

*“...MtM is among the pioneer in apparel who works on multiple business models, as we have offshore production facilities in Jordan and Bangladesh as a contingency approach to be agile and avoid headaches in production and supply chain due to law and order, duties and other effecting factors...” (Director Marketing and Sr. Manager Merchandizing)*

*“...In order to keep the pace of changes and encounter geopolitical/economic situation we have multiple business models. We are running offshore manufacturing production facilities in Jordan and Bangladesh as a source of contingency planning...” (Senior Manager Marketing & Merchandizing-USA)*

*“...We have offshore manufacturing facilities in Jordan and Bangladesh as a contingent approach to meet any uncertainty, improve our performance...” (Technical Manager R&D and P&D)*

## **Conflict Resolution**

A long-term relation is imperative for exporting firms. MTM always try to resolve problems with clients through various arrangements for smooth ties.

*“...In case of any problem we openly hear them and discuss issues to have clarity in communication for better solutions. In case of issues in quality and matching product specifications due to design and execution we accommodate our clients at our level best through different arrangement like give them discounts, ship the consignment through fast transportation and replaced the defective items. ....” (Technical Manager R&D and P&D)*

*“...In case of problem in matching specifications, quality, shades and delivery schedules etc. we always try to sort out every possible way to resolve it mutually. We discuss the matter with open heart; we lesson our clients, understand their problems and take every possible action to solve the problem in a mutually acceptable manner. Similarly, clients also understand our problems, they accommodate us while sometimes they go for the opposite. In such situation, we provide them special reduction on prices, alternative mode of transportations, and replacements etc. ....” (Director Marketing)*

*“...In case of deviations from certain aspects of the order or scheduled supply etc. we try to find alternative ways to resolve in best possible manner. We discuss such issues to understand it for possible settlement as we have also faces issues on production floor. Some clients understand our constraints they accommodate us while other don't. In that case, we give them special price cut on decided prices, ship their consignment through alternative mode of transportation, replaced defective consignment etc. ....” (Senior Manager Marketing and Merchandizing).*

## Why is The Firm Learning the Way It Does?

In order to get a detail and complete scenario of why MTM learn the predicted learning as occurred in MTM. It is necessary to describe each learning reason with respect to learning ways to have a clear understanding of the reasons (i.e. Why). In terms of reasons for learning, thirteen reasons have been identified and listed as:

### Identified Learning Reasons

It relates to the specific reasons that why MTM intent to learning specific aspect through specific way through their work with sourcing partners in offshore outsourcing as:

Table 4.4.4: Identified “Reasons for Learning”

Label	Definition	Quote Number
Improvement in Textile Production	It refers to the firm’s needs to bring up new ideas, skills, tools, machines and techniques into the existing production and products.	6,7,8,9,10,11,12,13,14,20,26,28,40,41,42,45,47,48,54,55,56,59,62,63,64,65,67,70,75,76,79,83,102,110,116
Improving Performance	It is defined as a “firm’s desire to enhance overall firm operations through involvement in latest production and processing”.	8,9,10,17,19,21,23,27,28,39,40,41,46,54,56,57,58,59,61,63,64,65,66,67,69,70,71,72,74,76,79,80,82,86,87,88,89,90,92,93,95,96,97,98,99,100,101,102,103,104,106,107,110,111,112,113,115,117,120,124
Latest Textile Processing Techniques	It refers to the “firm’s need to adopt latest practices, procedures and methods in washing, finishing and shipment”.	7,8,10,11,12,40,41,42,43,45,47,54,55,56,58,59,62,63,64,65,67,75,76,79,83,102,106,110
Supply chain control	It refers to the desire of the firm to have control over the upstream value chain	10,11,12,17,21,23,25,26,28,57,58,59,74,75,76,78,82,95,101,102,103,104,105,112,115,118
Latest Demand	It is defined as the “firm’s ability to meet customer needs, and market requirements and trends”	1,2,3,4,5,6,7,8,9,13,16,17,18,25,26,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,45,46,47,48,49,50,54,55,58,61,62,63,65,67,68,70,74,76,78,79,83,88,89,90,95,100,113,115,118,119,121,123
Ability to innovate	It is defined as the “firm’s need to produce new or update its existing products, processes, services and operations”.	13,14,15,21,27,41,42,43,44,45,47,48,49,50,59,60,61,62,64,65,68,69,70,79,83,88,89,94,108,116,121,123
International Market Presence	It refers to the firm’s desire and ability to establish connections and make its presence in foreign markets.	4,5,6,7,8,16,17,19,18,20,22,25,26,27,28,29,46,50,54,55,56,57,58,59,74,76,79,85,91,92,111
Develop Contacts	It is defined as the “firm’s desire to establishing new business relations with potential customers and or strengthening the existing one”.	8,9,13,14,15,16,17,18,19,20,21,23,27,28,29,44,46,47,48,49,50,51,52,53,54,55,56,58,59,60,61,62,64,65,66,69,70,71,74,75,76,77,78,79,82,83,84,85,92,93,94,95,100,101,102,105,106,107,108,112,113,116,117,120,121,123,124

Branding & Marketing	It is defined as the “firm’s need to develop, present, promote and establish its offerings under specific logo, name or trade mark in market”.	15,24,58,59,85,91
Compliance with Regulations	Refers to the firm’s need to comply with demanded international and regional standards.	19,20,30,31,32,35,36,37,38,43,45,46,47,48,54,60,66,67,95,96,103,104,107,109,114,122
Improving Product Quality	It is defined as the “firm’s need to constantly enhance its offerings and presenting high value and superior products and services”	7,8,9,10,11,12,26,28,29,42,43,44,50,56,58,59,60,63,65,66,67,71,72,73,75,76,77,78,79,83,86,95,103,104,110,113
Enhance Positive Image of Firm	It refers to the firm’s desire for creation of competence and goodwill in the market.	36,37,38,45,46,47,48,71,72,73,82,100,119
Commercial Service	It is defined as the “firm’s need to provide services such as design, product and pattern development, business model, quality audits and supply solutions in exchange for payment”	75,76,78,79,112

In order to get a meaningful explanation each identified learning way is describe with identified learning reasons, through why it is learnt with respective quote numbers as shown in Table 4.4.5 to get a coherent understanding of the why as:

Table 4.4.5: Learning ways by reasons for learning

Reasons Learning Ways	Improvement in Textile Production	Improving Performance	Latest Textile Processing Techniques	Supply chain control	Latest Demand	Ability to innovate	International Market Presence	Develop contacts	International Branding & Marketing	Compliance with regulations	Improving Product Quality	Enhance Positive Image of Firm	Commercial Services	Main Ways
Experts (Insider/Outsider)	13,14,41,62,70,75,79	41,58,61,63,71,75,76,79,82,88,89,100,104,107,112	41,62,79		123	13,14,15,49,50,61,62,70,79,88,89,94,123,	50,59	,13,14,15,49,50,59,60,61,62,107,112,121,123	15,24,58,59,85		50,58,59,60,63,71,75,76,104,	100,	75,76,79	
External Ties/ Partnership	55, 56,62,70	54,56,93	55,56,62,65,83		43,55,62,67	43,62,65,70,83,116		54,55,56,62,93,101			43,56,65,67,95			
Imitation and Emulation	54,55,56,62,65,67,70,116	54,56,61,63,64,65,66	54,55,56,62,67		1,2,3,47,48,54,55,61,62,63,65,67	47,48,61,65,70	54,55,	47,48,54,55,56,61,62,64,65,66,70,116		47,48,67,	63,65,66,67			
Training	62,65,67	62,66,107	62,65,67		37,38,62,67	62,65		62,66		37,38,43,67,107	43,65,66,67			
Customer Specification	28,40,41,47,62,65,67,70,102,	27,28,40,41,71,95,100,101,102	28,40,41,47,62,65,67,102		4,5,6,7,8,2,5,26,27,29,30,31,32,33,34,35,36,37,38,39,40,41,42,43,44,46,47,50,54,61,62,63,67,70,74,95,110,113,119,123	42,3,44,50,60,61,68,70,116,123	4,5,6,7,8,19,20,22,25,26,27	8,19,20,28,29,44,46,50,51,52,53,54,56,60,61,62,65,66,69,70,71,77,100,101,102,105,113,116,123		19,20,30,31,32,35,36,37,38,47,48,60,66,67,95,104,114	28,43,72,73,103,113		75,79,78,79	
Certification		96,107			30,31,32,35,36,37,38,45,95					30,31,32,35,36,37,38,45,95,96,107,109	95	36,37,38,45,119		
Implementation of New Machinery	7,8,9,10,11,12,26,40,41,42,54,55,59,62,64,75,76,79,102,110	8,9,10,19,40,41,58,64,76,79,92,95,100,104,110,111,113,115,117	7,8,10,41,42,54,55,58,62,64,75,76,79,102,110	115	4,5,6,7,8,9,26,30,31,32,40,41,42,43,44,45,54,55,58,61,62,68,76,77,79,88,89,	15,61,68,79,88,89,94,123	7,26,54,55,57,85,111,	9,19,44,54,55,57,58,61,78,79,85,92,94,100,102,11	15,24,58,59,85	30,31,32,45,114,122	7,8,9,10,11,12,26,42,43,44,58,76,78,104,110,113		75,76,78,79	

					95,110,113,115,123			3,117,123						
Vertical Production Facility	65	59,65,69,97,98,103,104,10,115	65	10,11,12,25,26,57,58,59,76,78,101,102,103,104,105,115,118	26,58,65,69,77,78,79,101,105,115,118	79	20,58	20,58,59,65,76,77,79,92,92,105			10,11,12,26,59,65,77,103		75,76,78,79	
R&D and Re-engineering	13,14,41,42,43,56,59,62,64,65,70,76,79,83,110,116	41,56,57,58,61,63,64,69,72,76,79,88,89,110	41,42,43,56,59,62,64,65,76,79,110		13,41,43,44,46,49,50,58,68,74,76,83,121,123	13,14,15,42,43,44,49,50,59,60,61,62,65,69,70,79,83,88,89,108,116,121,123		46,49,50,56,57,58,59,60,64,74,76,83,108,116,121,123	15,24,58,59,85		42,43,58,59,63,65,72,110		76,79	
Trade Fairs and Commercial Office		70,92			16,17,18,74	49,69,70	16,17,18,27,28,29,74,76,79,85,91,92	16,17,18,27,28,29,49,69,74,76,79	85,91					
Learning by doing	54,55,56,63,64,65,67,70,83	54,61,63,64,65,66,67,69,95,101,106	54,55,56,63,64,65,67			61,64,65,69,70,83		65,66,69,70,83,101		54,67,95	56,63,65,67,73,83,95			
License	41,42,45,62,83	41	41,42,45,62		42,43,45,62,83	41,42,43,45,62,83		62			42,43,83			
Design Studio		57,58,59			13,58,74,76	13,14,15,49,59,69,79,94	59,85	13,14,15,49,59,69,74,76,79,85,94	15,58,59,85					
Technical Advises	40,41	39,40,41,46,71,72						46,71			71,72,73	46,71,72,73		
CEO/Owner Interest		79,80,81,87,88,89,90			88,89,90	79,80,88,89,94								
Negotiations and discount								46,47,48,51,82,84				46,47,48,82		
Trade secrets protection										19,20,46,47,48		47		
Offshore Manufacturing Facility		17,21,23,57,58,74,76,79,82,120		17,21,23,57,74,78,82,95		21		21,23,57,58,59,74,76,78,79,82,85,120						

Direct to Store		79,82,112,12 4		79,82,95,112		21		21,76,78 ,79,82,9 5,112,12 4					112	
<b># of Citations</b>	84	122	62	30	138	90	36	150	21	51	74	15	18	



Interesting insights are evident from Table 4.4.5, describing the identified learning reasons through specified ways:

## **Experts**

MTM from the start acquired the services of experts and textile specialists to induce latest expertise and competencies directly in its operations. Such involvement is necessary to fill the knowledge and competencies gap in its operations for high end market products and service.

The company acquired the expertise of specialist in various operational areas to learn about and overcome its knowledge constraints related to latest textiles production and innovative operations on continuous basis.

*“...we get orders which are somehow different from the rest, we prefer to execute it. When we received such order, we discuss it, evaluate it and decide it with a team of experts from different units whether we are capable to do it in available resources and expertise or we need something extra. If we feel problems (expertise or infrastructure) or in some aspects of the order, we ask for specific changes to make it production friendly and avoid investments. If the customer doesn't agree with our request then we transfer it to other manufacturers who are specialized in that certain aspect or problem which we are facing. When we get unique order, we have to compete with our competitors for that we must have to learn, may hire foreign experts, call foreign experts (developers, designers) to help us or train our people here or must train our people in foreign locations for such orders. ....” (Technical Manager R&D and P&D)*

*“...apart from investments in hardware we established an Industrial Engineering and R&D units, hired foreign experts, establishment of local design studio, designers and developers with experience of North American garments market. This enables us to involve aggressively in exploring innovative ideas and designs for developing products. ...” (Technical Manager R&D and P&D)*

*“...in 1995 MtM started the production of knitted garments on small scale for the sale in local market. In the same year MtM exported underwear to British brand. We keep the exporting trends as we started formal garments export to USA in 1997. That was a point of realization of value addition for MtM, as we installed latest machines to improve our capability of latest production and processes according to the specifications of newly established clients. R&D and industrial engineering departments were established. Similarly, we established a local design studio followed by two design studios in USA and hired foreign designers and developers for the development of latest demanded garments and designs...” (Technical Manager R&D and P&D)*

*“...similarly, we continuously visit our international clients, participating in expos/ trade shows, buying rival brands from different places and keep searching internet for information and learning. We get ideas and information from any source for our learning and execution. We have a well-established R&D and industrial engineering department backed by a team of local and American designers. These departments keep developing new ideas and concepts to execute them in products round the clock. ...” (Director Marketing)*

The connections with designers and developers in different textile areas helps MTM to improves overall firm operations.

*“...as a result of these changes the specifications, construction and appearance of the garment changed a lot. Overall the customers required latest and unique treatment in their orders. We are alert and keep ourselves aware of such changes by acquiring and upgrading our systems, men, machinery, tools and processes on preferential*

basis. We are armed with modern applications, testing tools and processes which enable us to execute order in best possible way. ....” (Technical Manager R&D and P&D)

“...we developed our R&D and industrial engineering departments. Similarly, we established a local design studio followed by two design studios in USA, hired foreign designers and developers for the development of latest garments and design according to international demand. We launched our brand “Land Mark” but we rolled back in 2000. Now we are presenting our product concept on seasonal basis every year, we present 20 concepts each season to show our R&D, developments and expertise in knitted apparel. We are fully vertically integrated company, producing all type of generic and technical garments according to any western demands. Similarly, we are running two overseas production facilities in Jordan and Bangladesh as our strategic production planning. We are in the export line which is our core business, but we grow and improved it over years through latest operations, systems and specialists....” (Director Marketing)

“...we have a well-established R&D team and strong industrial engineering department, they engineer the garment. Similarly, we have engineering and designers here in PAK and USA who set together and design the garment according to the required specifications. That becomes very easy for us which bring the garment into the production floor. Before going for full fledge production we make the trail sample and conduct a series of tests. If there are any issues in any aspect of the garment we control it form this stage and sort out the problem in the early stage to avoid problems in full production. ....” (Director Marketing)

MTM constantly involve in latest processes to improve the quality of its offerings. Specialist and leading chemical suppliers are main ways to engage quality products, processes and develop business ties.

“...we are leaders in designing, developing and manufacturing of knitted apparel products right from basic to highly fashioned items and garments in this region thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional acumen. The team here strongly believes that Customer satisfaction is the essence of business today...” (<http://www.masoodtextile.com/index.php>)

“...we kept moving on as we started formal garments export to USA in 1997. That was a point of departure towards value addition. We installed latest machines improved our infrastructure and production capabilities. We developed our R&D and industrial engineering departments. Similarly, we established a local design studio followed by two design studios in USA, hired foreign designers and developers for the development of latest garments and design according to international demand. We launched our brand “Land Mark” but we rolled back in 2000. Now we are presenting our product concept on seasonal basis every year, we present 20 concepts each season to show our R&D, developments and expertise in knitted apparel. We are fully vertically integrated company, producing all type of generic and technical garments according to any western demands. Similarly, we are running two overseas production facilities in Jordan and Bangladesh as our strategic production planning. We are in the export line which is our core business, but we grow and improved it over years through latest operations, systems and specialists....” (Director Marketing)

“...similarly, we established a local design studio followed by two design studios in USA and hired foreign designers and developers for the development of latest demanded garments and designs. MtM launched its brand “Land Mark” in 1998 but it was stopped due to lack of proper experience and sale/marketing infrastructure. We regularly present product concepts on seasonal basis every year (i.e. 20 concepts each season) to show our innovative developments. We are vertically composite production facility producing all type of generic and technical garments according to western demands. The vertical set enable us to manure in our production planning and control i.e. quality, supply chain and meeting tight delivery schedules well in time. Additionally, we have two foreign production facilities in Jordan and Bangladesh as our strategic production planning. We stay in our core

*business line of exports, but we grow and improved it over years through latest techniques, operations and systems....” (Technical Manager R&D and P&D)*

*“...unique orders, carry very special fabric and replenishment like embroidery, our industrial engineering team make a flow from yarn to sewing for that special or unique order. That unique order is red alert at every department. They deal that order as they deal the samples, every aspect of components, fabrics, chemical and workmanship is watched very carefully to ensure the demanded quality. We give different racks, pre-assigned different sewing halls for particular orders, we assign a different embroidery machines and equipment for that, we allocate our most talents teams and experts to entertain such orders. We always believe on the timings as well, so in such orders we request our customers instead of 40-60 days we will need 90 days, or 110 days to entertain these unique orders. Because we have to understand it first, import fibers/ inputs to make the fabrics, we have to engage our printers, embroidery machines that take a little more time than ordinary orders. This unique order enables us to learn, engage in latest techniques and processes on production floor. We have specialized teams that entertain and handles such orders....” (senior Manager Marketing and Merchandizing USA)*

## **External Ties**

**MTM stay in touch with sourcing partners, customers and suppliers to improve its production, processing and developing contacts on regular basis**

*“...I told you before that from our inception we are export oriented and the main reason of course is to increase our export base. Our vision is of continual improvement and sustained growth. We mostly focus on learning, acquiring know how and equipment from anywhere to involve in best processes and production. We need latest technology and capabilities to meet the demand and increase our export base with latest processes and offering. It is impossible to get it alone; we need different sources and an engagement with our sourcing partners, customers and suppliers to better serves our needs and purpose...” (Director Marketing)*

*“...the main reason for engaging with clients is according to our business strategy and directions. I mentioned that our core business line is export and the main reason for engaging with international clients and markets is obviously to increase export and growth. To increase export base and best serve our clients/ sourcing partners, we focus on learning, knowhow, state of the art equipment, processes and machinery from anywhere. Working with world’s leading brands enables us to improve our operations from different aspect (i.e. from yarn to delivery of finish products, processes, operations and ethical standards spheres. ...” (Senior Manager Marketing and Merchandizing-USA)*

*“...the main reason of our engagement is absolutely to increase our business, which we are doing successfully over a decade. Form R&D perspective I will say that the reason of our engagement is two folds as; increase export through introducing latest products and techniques (i.e. earn) and to learn about and from best practices in the industry. Working with diverse customers over time expose us to multiple things; we are continuously learning, gaining experience of latest techniques, know-how and market trends on the production floor for every involved unit. Which is impossible to get it alone? We get in hand to find alternative ways and work towards elimination of problems arising during production....” (Technical Manager R&D and P&D)*

*“... we get complete direction and full list of things from our sourcing partners and retailers which we need to take care of in handling their orders. The customers specify us about their requirements such as the type of testing, aesthetics, finishing, fabric nature, washing and dozens of actives which we are required to meet. Our products should comply with all the requirements of the customers from every aspect. Such detailed specifications are rich source of learning and gaining first-hand experience for us. Similarly, our sourcing partners and clients visiting us from to time for audit, quality checks and waste control and other techniques. They train us on the production floor about these latest techniques. On the top, we always adopt the best practices from any source, sometimes we copy it, change it accordingly to our needs or invent totally new. We learned a lot from them as they guide us*

*something new about latest processes and techniques especially in washing and laundry due to highly demanded special effects, treatments and washes. They have well established and top class R&D and product development, we directly learn from their practices by implementing them practically in our production. Most of our long-term sourcing partners keeps coming and visiting us, similarly we visit them from time to time. Mostly we get training and a lot more from our USA based sourcing partners. Those training are extremely helpful in keep hands on effective techniques and latest processes in our integrated operations. We love such trainings and guidance, we never stick to one customer and option, we adopt best practices from anyone and invest accordingly. This is the way how we keep working in our day life and adjust our self with changes. ....” (Director Marketing)*

**Close ties with market actors help MTM further to involve in new and innovative operations.**

*“...we are very vigilant to these changes. We are moving along with these changes through upgrading our systems, men, machinery, tools and processes on preferential basis. We are equipped with latest applications, testing & lab tools and processes which enable us to meet different demand. We purchase license and pay for patent to producers such as Investa and Duo punt etc., to use their innovative process in our manufacturing. These are costly and expansive process, but you have to go with your customers demand and market trend. Similarly, our main customers also help us in getting on track through various advices and trainings. We are doing all generic and technical processes and are in continuous processes of improving our activities according to international standards...” (Director Marketing)*

*“...R&D is basically working with trouble shooting and improving the production process. We are always modifying the specific production processes, finding new ways of doing by studying the problems which our production team is facing on production floor. We respond in way to find out new raw material i.e. Yarn, fiber, chemicals etc. to procure and produced the product as per demanded quality and properties. The technical orders that are placed by different customers, usually those orders are already worked on by different organizations and experts, let say we get an order of an anti-microbial fabric yarn or fiber based, the fiber is already manufacture by organization like Depend or Investa and they have patents for that. What we do we put it on the fabric or garments. We purchase license and pay for patents for its usage. Similarly, when we talk about chemical for different washing and finishing purposes we buy it. Textile manufacturer is not a chemical manufacturer, is not fiber manufacturer, we are only mix and integrate everything in the right way in our manufacturing facility i.e. convert it into finish product and serve the customers....” (Technical Manager R&D and P&D)*

## **Imitation and Emulation**

**MTM copy and or alter other’s successful products and practices according to his needs for quick replenishment and response to abrupt market demand.**

**Azgard9 take this route to continuously update or innovate its existing products, processes and services to meet the demand.**

*“...the main reason for engaging with clients is according to our business strategy and directions. I mentioned that our core business line is export and the main reason for engaging with international clients and markets is obviously to increase export and growth. In order to increase export base and best serve our clients/ sourcing partners, we focus on learning, knowhow, state of the art equipment, processes and machinery from anywhere. Working with world’s leading brands enables us to improve our operations from different aspect (i.e. from yarn to delivery of finish products, processes, operations and ethical standards spheres. ...” (Senior Manager Marketing and Merchandizing-USA)*

*“...the main reason of our engagement is absolutely to increase our business, which we are doing successfully over a decade. From R&D perspective I will say that the reason of our engagement is two folds as; increase export through introducing latest products and techniques (i.e. earn) and to learn about and from best practices in the industry. Working with diverse customers over time expose us to multiple things; we are continuously learning, gaining experience of latest techniques, know-how and market trends on the production floor for every involved unit. Which is impossible to get it alone? We get in hand to find alternative ways and work towards elimination of problems arising during production....” (Technical Manager R&D and P&D)*

*“...on the top, we always adopt the best practices from any source, sometimes we copy it, change it accordingly to our needs or invent totally new. We learned a lot from them as they guide us something new about latest processes and techniques especially in washing and laundry due to highly demanded special effects, treatments and washes. They have well established and top class R&D and product development, we directly learn from their practices by implementing them practically in our production...” (Director Marketing)*

## **Training**

Training is vital in learning, development and execution of latest operations.

MTM get training and guidelines from customers, suppliers and consultants to improve product quality and performance.

*“...most of our long-term sourcing partners keeps coming and visiting us, similarly we visit them from time to time. Mostly we get training and a lot more form our USA based sourcing partners. Those training are extremely helpful in keep hands on effective techniques and latest processes in our integrated operations. We love such trainings and guidance, we never stick to one customer and option, we adopt best practices from anyone and invest accordingly. This is the way how we keep working in our day life and adjust our self with changes. ....” (Director Marketing)*

*“...when we get unique order, we have to compete with our competitors for that we must have to learn, may hire foreign experts, call foreign experts (developers, designers) to help us or train our people here or must train our people in foreign locations for such orders. When talking about the expertise related to textile wet processing, we have largest and sophisticated dying and washing facilities of Asia here at Masood. We have expertise in handling garments dying, spray, washes, special effect and other treatment. Similarly, the chemical companies over here have got expertise in that, they train their people in foreign countries. They learned from there and come here for the marketing of their products they provide free expertise in that area. Whenever we get the problem in this area (wet processing) the first action is to call the chemicals companies for specific remedies and expertise....” (Technical Manager R&D and P&D)*

*“...similarly, they train us on certain aspect of product inspections, checks, audits and planning. This way we received the instructions from the customers to use the imported inputs and packing material instead of local materials. They nominate suppliers and sources from where we get inputs and chemicals, which is a source of establishing new relation and alternative supplier. They ask us to put the products in to shipper trays instead of putting into shipping boxes. We made the shipper trays and then we pack it into the boxes. There are some unique boxes for that normally we have 3 or 4 plays packing but they ask us to put into 7 play boxes/ carton to avoid damages and safety of products... (Senior Manager Marketing and Merchandizing)*

Similarly, training enables MTM to comply with different standards.

*“...We are fully complying with all international and customer’s specific regional standards. We got certifications and training from various leading accreditation bodies and consultants...” (Director Marketing)*

*“...we got certifications and training from various leading accreditation bodies and consultants from various parts of the world such as NSI RAB (USA Based), U.KAS (UK Based) and DAR/TAG (Germany Based), Control Union Certification (Netherlands) etc. This shows our commitments to environmental and ethical standards and makes us more visible in this region ....” (Technical Manager R&D and P&D)*

*“...we are taking care of our clients demanded requirements through certifications and comply with standards at our best....” (Technical Manager R&D and P&D)*

## **Customer Specification**

Customer Specification(s) is vital for MTM involvement in latest production and processing, development of international ties, latest demand and compliance with international standards.

Matching with diverse customer needs and requirements for innovative products and processes enhance MTM abilities to improve its offerings on perpetual basis.

*“...similarly, different clients have different demand as per their market preferences and demand (i.e. price, quality and quantity). There is also change in the application of garments as the customer present and market the garments in such a way that it is not just a garment but a complete system of comfort and relief according to the user needs and preferences (i.e. \*technical textiles, active wear, sportswear etc.) ..... Because of these changes the specifications, construction and appearance of the garment changed a lot. Overall the customers required latest and unique treatment in their orders. We are alert and keep ourselves aware of such changes by acquiring and upgrading our systems, men, machinery, tools and processes on preferential basis. We are armed with modern applications, testing tools and processes which enable us to execute order in best possible way. We procure inputs, purchase license and pay for patent to suppliers to involve in latest production and processing....” (Technical Manager R&D and P&D)*

*“...such orders are vital for our learning and get hands in latest trends, market information and production techniques. Working with international brands and unique orders connect us to multiple exposures i.e. being a vertical integrated facility every unit is learning and getting new things. For example; A marketing team learn to work with foreign partners they learn the area of the specialty of that specific partner. .... Similarly, the production and processing teams are much concerned with the extent of acceptability of their customers, some customer accept somehow low quality while others are very strict even if they are low quality customers. Moreover, a manufacturing team if they get an order for new products such as finishing with fabric softener, water repellent or wind breaker, they learn how to develop and produce them over time. For washing and laundry units they learned about various garments dying, sprays, washes, special effects and other treatments from customer demands by using state of the art laundry machines. For R&D and Industrial Engineering units when we keep developing their products and processes, we get hands in innovative ideas, product concept and alternative ways for execution on the production floor. Moreover, we get supplies (i.e. Chemicals, dyes, risen and finishes etc.) from different companies around the globe, we learn various aspects of technical, economic and ecological parameters in our production. Every single part and unit of organization leaned in the same way for example the stitching, weaving, spinning, weaving, dying learn from orders and customer. There are learning and experiencing new things for everyone ....” (Technical Manager R&D and P&D)*

*“... we get complete direction and full list of things from our sourcing partners and retailers which we need to take care of in handling their orders. The customers specify us about their requirements such as the type of testing, aesthetics, finishing, fabric nature, washing and dozens of actives which we are required to meet. Our products should comply with all the requirements of the customers from every aspect. Such detailed specifications are rich source of learning and gaining first-hand experience for us. Similarly, our sourcing partners and clients visiting*

*us from to time for audit, quality checks and waste control and other techniques. They train us on the production floor about these latest techniques. On the top, we always adopt the best practices from any source, sometimes we copy it, change it accordingly to our needs or invent totally new. We learned a lot from them as they guide us something new about latest processes and techniques especially in washing and laundry due to highly demanded special effects, treatments and washes. They have well established and top class R&D and product development, we directly learn from their practices by implementing them practically in our production....” (Director Marketing)*

The main reason to implement customer specifications is to retain relations with the existing clients or develop new ties.

*“...the number and/ or business with foreign clients are growing. We have an annual growth rate of 20% per annum. We grew with some of our customers from the start and keep working with them. We keep adding new clients on regular basis as we establish business with KICK and TCP (children brand) which are latest addition to our customer list. Majority of our customers ages more than 15-16 years, they are going on and doing business with us, they are our all-time customers and partners (JC Penny, Levi’s, Adidas, Lee, Tommy Hilfiger, Puma, Rebook, Docker etc.) as we are accommodating their needs on continuous basis. We sale 80-85% to American brands and retailers while the rest we sell to Europe, Japan and Middle East. We have also seasonal customers that come and go on seasonal basis. Additionally, our international offices at various locations in USA, Hong Kong, UAE, Bangladesh and Jordan are our vehicle for growth in sale. We are exploring new segments, markets and customers for our quality and wide range of products, processes and services at international stage....” (Director Marketing)*

*“...the number or clients and or orders are growing @ 20-25% annually. We started and grew with world’s leading brands and retail chains and still working with them over two decades. We keep adding new clients on regular basis; customers like KICK and children brand TCP are the latest inclusion. Some of our customers are working with us from last 15-16 years, they keep doing business with us, they are our all-time customers and partners as we accommodate their emerging needs on continuous basis.....” (Technical Manager R&D and P&D)*

*“...mostly we are working with our all-time clients and partners. We developed mutual understandings over time as we know their systems, working patterns and level of acceptability. Similarly, they know our capabilities and capacities. We have long-term relationships with our customers and this is our success as once we develop a customer we retain him at every cost. Developing and manufacturing client’s innovative products in real time are source of learning and gaining in real time, which we extend to our future operations and annual collections. Additionally, we have seasonal and transactional buyers who come and go in different point in time and seasons. ...” (Senior Manager Marketing and Merchandizing)*

Working with a diverse clientage profile and meeting their requirements are an important source of compliance with client specific, regional and international standards.

*“...every international brand is taking care and respect issues related to ethics and environment at every cost. Our clients are internationally renowned brands and leading players in the market, they are taking care of each and every aspect to comply with their regional and international standards. Additionally, every customer has its own requirements and demands in reducing the environmental impact of their processes i.e. water and energy efficient washing, use of chemicals, treatment of waste and water, emission of CO<sub>2</sub>, nature of cotton and processes as per WRAP, Organic Cotton, European and American standards. We are certified company and comply with internationally required standards...” (Director Marketing)*

*“...our customers are global players; they are taking care of each and every aspect related to business ethics, environment, CSR, labor issues, they establish their business ties with those suppliers who are working on the same philosophy. Beside international standards some customers have specific requirements and demands in reducing the environmental impact of their processes i.e. water and energy efficient specific washings and finishing, use of chemicals, waste disposals, water treatment, emission of CO<sub>2</sub>, nominated suppliers, nature of cotton, labor dealings etc. as per WRAP, Organic Cotton, European and American standards. We are taking care of our clients demanded requirements through certifications and comply with standards at our best....” (Technical Manager R&D and P&D)*

*“...we are complying with all international and customer’s specific regional standards. We got certifications and training from various leading accreditation bodies and consultants like NSI, RAB (USA Based), UKAS (UK Based), DAR/TAG (Germany Based), Control Union Certification (Netherlands) etc. This shows our direct and indirect commitments to various environmental and ethical regional and international standards..... The company is certified from i.e. ISO-9002, WRAP (Worldwide Responsible Apparel Production) ISO-14001, SA-8000, REACH, GOTS, Organic Cotton Certified, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA). ...” (Director Marketing)*

## **Certification**

MTM is a certified company in client’s specific, regional and international standards to have acceptance and trust in its operations.

*“...we are complying with all international and customer’s specific regional standards. We got certifications and training from various leading accreditation bodies and consultants like NSI, RAB (USA Based), UKAS (UK Based), DAR/TAG (Germany Based), Control Union Certification (Netherlands) etc. This shows our direct and indirect commitments to various environmental and ethical regional and international standards. It creates a positive image for our doings in responsible and accountable way and serves as signaling for our future business developments. The company is certified from i.e. ISO-9002, WRAP (Worldwide Responsible Apparel Production) ISO-14001, SA-8000, REACH, GOTS, Organic Cotton Certified, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA). ...” (Director Marketing)*

*“...we got certifications and training from various leading accreditation bodies and consultants form various parts of the world such as NSI RAB (USA Based), U.KAS (UK Based) and DAR/TAG (Germany Based), Control Union Certification (Netherlands) etc. This shows our commitments to environmental and ethical standards and makes us more visible in this region ....” (Technical Manager R&D and P&D)*

*“...we are taking care of our clients demanded requirements through certifications and comply with standards at our best....” (Technical Manager R&D and P&D)*

## **Implementation of New Machinery**

The acquisition and investment in latest machines, equipment and systems are inevitable to meet market demanded products and processes.

The main motive for the application of state of the art hardware is to decrease the technology gap for producing high quality textiles, latest processing techniques and improve overall performance



*“... in 1993-1994 the Company moves towards value addition because of strategic shift and changes in its operations. In 1995, three spinning units were replaced with garments production unit (i.e. knitting and sewing) through acquisition and installation of latest machines and equipment. ...” (Technical Manager R&D and P&D)*

*“...we keep acquiring state of the art available hardware to involve in latest production and processes for higher value addition. We are vertical integrated manufacturing facility having in-house Yarn production, Knitting, Fabric dyeing, Processing, Laundry and Apparel manufacturing facilities for full control of supply chain and demanded quality at every step of production. Our manufacturing infrastructure consists of 30,500 spindles producing both carded and combed ring spun per day, 510 knitting machines with a capacity of 120,000 tons of fabric per day, state of the art dyeing and finishing machines producing 120 tons per day, 6000 sewing machines with a total capacity of 450,000 pieces per day...” (Director Marketing and Sr. Manager Merchandizing)*

*“...our major strength is our latest infrastructure, R&D and systems i.e. manufacturing, production and shipment processes are IT based. We have talented teams of designers, developers and visionary ownership. We established an aggressive R&D and product development systems. We had improved our operations right from the polo shirts; we shifted from totally manual to automated operations in cutting, sewing, knitting (weaving). We acquired and sourced latest machines and equipment from Germany, USA, UK, Italy, Japan, and Hong Kong to be capable of meeting latest emerging demand. We established design studios and hired foreign designers and developers to translate customer’s idea and concepts into reality through our integrated production facility. We develop our own innovative design and styles as a marketing and promotional tool regularly on seasonal basis. We provide 20 ideas every season to attract clients and a glimpse of company’s development i.e. products, technology and expertise. Similarly, an industrial engineering department was developed who calculated the standards minute’s value of each garments production and improve it accordingly. We work on the SAP, we focus on the technology and automations and always work on minute’s calculation in order to improve our productivity and efficiency. In 2010, we installed about 2000 Eton Stations which is fully automated, it has a hanger system and regular sewing line, it picks the garments, hang it and deliver it to respective operator. We installed an extremely sophisticated “Back Tracking System” to track problems in the garment after sales to avoid future problem.... we have two ware houses in the East Coast and West Coast of America for the continuous supply. Similarly, we established direct to store service in order to have a nonstop supply to clients and control of supply chain; we keep the inventory of stock for our customers in our US warehouse.... We have an autonomous and self-approved quality control and audit teams, who audit on behalf of certain clients such as JC Penny and Wal-Mart etc. We also provide audit services to both local and international customers here in Pakistan. We have our own energy power station to overcome the recent power shortages. We are working on the Bio mass project through which we generate heat for our stantners and drying machines. These are some little developments and advancement that our ownership place and brought in our operations and services to retain the customers for a longer time period and meeting their latest demand. ...” (Senior Manager Marketing & Merchandizing-USA)*

**Implementing new machines and system are the main ways for MTM to improve overall performance.**

*“...we are rapidly changing and developing our self in wake of market changes while staying in our core business i.e. manufacturing and export. Our change and growth has a combine positive effect on our relations with customers which are strengthening with existing and attract potential clients over the years (i.e. 20-25% annual growth rate...” (Senior Manager Marketing and Merchandizing-USA)*

*“...we started and grow with our sourcing partners who are leaders in international and regional markets. We gained experience and learned a lot while working with them. Apart from production and technological advances in their demands, their other requirements also enable us to focus on other issues like sustainability, ethical, social and environmental aspects through their regional and international standards. This is the way we learn and do business otherwise it would have a different case. We learned about ordering procedures, waste control, and maintenance of quality, compliance with latest international standards, latest techniques, procedures and emerging market trends. We developed our own back track system for visibility, direct to store model for effective and nonstop supply to our American clients and retail chains. We have overseas production facilities as a*

*contingency approach to meet supply uncertainties and duty-free goods and services. We came to know about the best and alternative solutions, suppliers and competitors....” (Director Marketing)*

*“...form our establishment we are in export lines, as our total production capacity is for export to US, Europe, UAE and Japan. In order grow and adopt recent market trends in our operations and production, we started our R&D, Industrial Engineering and Product Development centers armed with state of the art machines, equipment and testing tools.....We made huge investments in automated and systematic infrastructure form the last 10 years to improve our capabilities and capacities to entertain any customer request for high quality products with full confidence. ....” (Technical Manager R&D and P&D)*

*“...our manufacturing process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof. This enables us to reduce the time spent in completing your orders. All our machines are the latest available in the market and whenever required, MtM export has never shied away from purchasing the most modern equipment. All our divisions are equipped with the latest equipment to maintain the high-quality standards that we have set for ourselves...” (http://www.masoodtextile.com/infrastructure/infrastructure.php)*

**Continuous acquisition of modern machines is the main way to gain required technical competencies to meet latest demands.**

*“...our major strength is our latest infrastructure, R&D and systems i.e. manufacturing, production and shipment processes are IT based. We have talented teams of designers, developers and visionary ownership. We established an aggressive R&D and product development systems. We had improved our operations right from the polo shirts; we shifted from totally manual to automated operations in cutting, sewing and knitting (weaving). We acquired and sourced latest machines and equipment from Germany, USA, UK, Italy, Japan, and Hong Kong to be capable of meeting latest emerging demand...” (Senior Manager Marketing and Merchandising-USA)*

*“...similarly, our company proactive approach towards change through continuous acquisition of experts and investments in latest equipment, machines, innovative processes and R&D enables us to move on different directions with innovative ideas and market demanded products....” (Director Marketing)*

*“...additionally, continuous investment and acquisition of men, machines, innovative processes and involvement in R&D enables us to move in value-added operations, market demanded products and concepts round the year...” (Senior Manager Marketing and Merchandising-USA)*

**Similarly, implementation of latest machines enhances Azgard9 technical competencies in its operations to retain existing clients by fulfilling their demand and signaling potential customer for new ties.**

*“...we are changing and developing through investing in latest equipment and processes while staying in our core business i.e. manufacturing and exports. It enhanced and deepened our relationship with our all-time customers and will attract more due to improvements and developments over the years...” (Senior Manager Marketing and Merchandising-USA)*

*“...we are leaders in creating, developing and manufacturing of knitted apparel products right from basic to highly fashioned garments thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional acumen. The team here strongly believes that customer satisfaction is the essence of business today. MtM has the technology with expertise, products with knowledge and most importantly the right mindset to achieve total customer satisfaction. If the customers want to lock the prices for a certain period, Masood can offer this service as we reserve the cotton for the particular program...” (http://www.masoodtextile.com/division/spinning.php)*

*“...we manufacture a wide variety of quality garments including T-shirt, Polo shirt, Jogging suit, Henley shirt, Raglan shirt, Tank top, Bikini, Shorts, Pants and Sleepwear for world’s top brands. A combination of competent men, state of the art machines, supplies and support services enhances our sale and growth in different product categories. We have expanded our operations to include latest I.T applications and solutions to take advantage of international e-trade and e-commerce. Now we use state-of-the-art client/server technology for market information and processes to coordinate our wide spread network of global buyers and agents around the world. We are expanding at a rate of 20-25% annually as we are exporting our 80-85% production to USA and 15-20% to European and rest of the world. We don’t sale a single piece or even the defective pieces in local market due to legal bindings and safeguarding our client’s business and interest.....” (Senior Manager Marketing & Merchandizing-USA)*

*“...we keep adding new customers, explore new markets and segments. We acquired and import our machines and equipment from Germany, USA, Japan, Taiwan, Italy, Hong Kong, China and Switzerland. Since 2009, we also started the research and development and production of technical textile. We are the first textile mill in Pakistan with latest computerized Barcode System that assures quality at every stage of production from spinning to packing. Each specific product carries specific bar-coded stickers, which bear all the details and history of the operations of that certain product. Hence if any problem is reported, one can trace back the root cause of the problem and enable to prevent occurrence of the same in future. We also provide full service from product design to packing according to customer demand and needs. Similarly, we have strategic and contingent production partnerships with Bangladeshi and Jordanian companies to meet any uncertainties due to international trade, political, security and energy crises. Additionally, we have two ware houses in USA to meet the demanded supply without any interruption under our “direct to store” model...” (Director Marketing and Senior Manager Merchandizing)*

**Implementation of state of the art machines, equipment and system help MTM in improving product quality as per international standards.**

*“...we started latest production and processes which are key element for higher value addition in production. We enhanced our systems, operations and keep adding state of the art equipment and machinery. Now we are vertical integrated facility (i.e. spinning, knitting, processing, stitching and shipping units) to have full control of quality at every production stage. ...” (Sr. Manager Marketing & Merchandizing)*

*“...we are equipped with latest available machines, equipment and testing tools to maintain high quality standards set by international brands and clients. Our production process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof. This enables us to reduce the lead time to market and ensure the demanded quality under our breast at every production stage....” (Technical Manager R&D and P&D)*

*“...we are very vigilant to these changes. We are moving along with these changes through upgrading our systems, men, machinery, tools and processes on preferential basis. We are equipped with latest applications, testing & lab tools and processes which enable us to meet different demand. We purchase license and pay for patent to producers such as Investa and Duo punt etc., to use their innovative process for quality manufacturing. These are costly and expansive process, but you have to go with your customers demand and market trend. Similarly, our main customers also help us in getting on track through various advices and trainings. We are doing all generic and technical processes and are in continuous processes of improving our activities according to international standards...” (Director Marketing)*

*“... our knitting units are producing fabrics of excellent quality with minimum defects. Additionally, an online 100 percent fabric inspection system is in function to meet the international quality parameters as required by most of our customers. “4-points quality system “introduced by J.C PENNY (USA) is also being followed at our knitting facility...” (<http://www.masoodtextile.com/division/knitting.php>)*

## Vertical Production Facility

MTM established latest vertical integrated production setup as a mean to have control of the vital value chain and desired quality at production.

*“...we keep acquiring state of the art available hardware to involve in latest production and processes for higher value addition. We are vertical integrated manufacturing facility having in-house Yarn production, Knitting, Fabric dyeing, Processing, Laundry and Apparel manufacturing facilities for full control of supply chain and demanded quality at every step of production. Our manufacturing infrastructure consists of 30,500 spindles producing both carded and combed ring spun per day, 510 knitting machines with a capacity of 120,000 tons of fabric per day, state of the art dyeing and finishing machines producing 120 tons per day, 6000 sewing machines with a total capacity of 450,000 pieces per day...” (Director Marketing and Sr. Manager Merchandizing)*

*“...we are equipped with latest available machines, equipment and testing tools to maintain high quality standards set by international brands and clients. Our production process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof. This enables us to reduce the lead time to market and ensure the demanded quality under our breast at every production stage....” (Technical Manager R&D and P&D)*

*“...besides, MTM is one of the few fully vertical textile mills in Pakistan having in-house Yarn, Knitting, Fabric dyeing, Processing, Laundry and Apparel Manufacturing facilities. The vertically integrated operations help us in achieving shorter lead times and greater flexibility to cater to the customer’s demand. ... (Company Presentation)*

Vertical production support MTM to provide service from concept to execution, desire depth and varieties in demanded quality for better performance.

*“...we are composite production facility with our own spinning, weaving, knitting, sewing, dyeing, processing and cutting units, which serves the needs of today’s business and client demands i.e. mostly clients love one stop shop. The production capacity of each and every unit is very high as compare to local demand. Most of the famous garments brands are from USA and Europe, so we are focusing on those markets. We have different engagements and organizations of work depend on our clients and partner’s priorities and demand. We categories clients in three segments according to price, quality and quantity as: high end, mid tear and ...” (Director Marketing and Senior Manager Merchandizing)*

*“...we are leaders in creating, developing and manufacturing of knitted apparel products right from basic to highly fashioned garments through composite production facility, thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional expertise. The team here strongly believes that Customer satisfaction is the essence of business today. We have the technology with expertise, products with knowledge and most importantly the right mindset to achieve total customer satisfaction in a composite manner. ...” (Senior Manager Marketing)*

*“...besides, MTM is one of the few fully vertical textile mills in Pakistan having in-house Yarn, Knitting, Fabric dyeing, Processing, Laundry and Apparel Manufacturing facilities. The vertically integrated operations help us in achieving shorter lead times and greater flexibility to cater to the customer’s demand. ... (Company Presentation)*

## **R&D and Reverse Engineering (RE)**

R&D and Reverse engineering is a vital for creation of new and or reformulation of existing knowledge, production process and practices.

MTM engagement in R&D and Reverse engineering enhance its innovative capabilities for high quality offerings to meet demand and develop ties in international markets. Similarly, it mainly practices R&D and Reverse engineering as an approach to produce entirely new or improve its existing products, processes and services.

*“...in addition to investments in machines and equipment we hired foreign designers and developers, established industrial engineering and R&D units. These help us to explore innovative processes and product development. We have design studio in New York and Los Angeles that keep us with the latest trends in fad and fashion of customers in US region. Such arrangements enabling MTM to be ahead of many in the field and a propelling force for our annual growth i.e. 20-25%...” (Director Marketing and Senior Manager Merchandizing)*

*“...we are leaders in creating, developing and manufacturing of knitted apparel products right from basic to highly fashioned garments through composite production facility, thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional expertise. The team here strongly believes that Customer satisfaction is the essence of business today. We have the technology with expertise, products with knowledge and most importantly the right mindset to achieve total customer satisfaction in a composite manner...” (Senior Manager Marketing & Merchandizing)*

*“...we installed latest machines to improve our capability of latest production and processes according to the specifications of newly established clients. R&D and industrial engineering departments were established. Similarly, we established a local design studio followed by two design studios in USA and hired foreign designers and developers for the development of latest demanded garments and designs. MtM launched its brand “Land Mark” in 1998 but it was stopped due to lack of proper experience and sale/marketing infrastructure. We regularly present product concepts on seasonal basis every year (i.e. 20 concepts each season) to show our innovative developments....” (Technical Manager R&D and P&D)*

R&D and Reverse engineering enables MTM to add new features and functions result to improved quality offerings and performance.

*“...the main reason of our engagement is absolutely to increase our business, which we are doing successfully over a decade. From R&D perspective I will say that the reason of our engagement is two folds as; increase export through introducing latest products and techniques (i.e. earn) and to learn about and from best practices in the industry. Working with diverse customers over time expose us to multiple things; we are continuously learning, gaining experience of latest techniques, know-how and market trends on the production floor for every involved unit. Which is impossible to get it alone? We get in hand to find alternative ways and work towards elimination of problems arising during production....” (Technical Manager R&D and P&D)*

*“...this is our responsibility to inform the clients well before the production about any problem in his specified order. After receiving the order our design, R&D and industrial engineering assess it from every aspect. Almost every order is altering in one or another way. We inform and advise the customers well in advance. We provide them certain options and guide them with alternative ways to make it production friendly with fewer headaches and cost effective for respective client. That is helpful for both of us to minimize any later headaches in the full*

*production and post-production stages. Most of the time we advise our clients on different options and alternatives for improvements, such arrangements create positive image for us of being ethically and technically sound supplier with full confidence and trust from the clients. ....” (Director Marketing)*

*“...since 1997 we changed a lot with respect to infrastructure, technological base and production capability and capacity. We hired textile designers, established industrial engineering department, R&D and designs studio in Pakistan and in the USA. We are running two offshore production facilities in Jordan and Bangladesh to meet production and supply uncertainties and provide duties benefits to respective clients. We are stick to the export line which is our core business; we grow and improved it over years by adopting latest techniques, operations and systems. We are fully vertical integrated facility to keep value chain under our breast...” (Senior Manager Marketing & Merchandizing)*

MTM mainly uses R&D and Reverse engineering as an approach to produce entirely new or improve its existing products, processes and service, develop contacts and meet the last demand.

*“...beside active investments in machines and equipment we established industrial engineering and R&D units, hiring experts, designers and developers. This allows us to aggressively involve in product development and exploring innovative ideas to address forthcoming changes in more professional way. We have design studios in New York and Los Angeles that keep us with the latest trends in fad and fashion of US market in designs and patterns. These arrangements enable us to know about market changes in proactive manner and a driving force behind our phenomenal growth i.e. 20-25% per annum. ...” (Senior Manager Marketing & Merchandizing)*

*“.... our local and American R&D and Design teams have expertise in designing and pattern developments, as they keep us developing customer centric ideas, innovative concepts in our products and processes around the clock. Beside active R&D our industrial engineering department made innovations in processes and systems for better performance. Additionally, our international sales and marketing offices in, USA, UAE, Hong Kong, Bangladesh and Jordan feed us with the latest market developments....” (Director Marketing)*

*“...R&D is basically working with trouble shooting and improving the production process. We are always modifying the specific production processes, finding new ways of doing by studying the problems which our production team is facing on production floor. We respond in way to find out new raw material i.e. Yarn, fiber, chemicals etc. to procure and produced the product as per demanded quality and properties.*

*“...aggressive and creative R&D department is always busy in exploring innovative product development enabling MTM to be ahead of many in the field. Our keen, extensive and aggressive Merchandising team comprising experienced and trained MBAs functions with the core objective of rendering ultimate customer satisfaction through product development and smooth execution of orders. They are capable and keen to meet an average 3-4 days’ lead time for proto samples. ... (Company Presentation)*

R&D helps MTM to develop international ties through offering market demanded offerings.

*“...we established design studios and hired foreign designers and developers to translate customer’s idea and concepts into reality through our integrated production facility. We develop our own innovative design and styles as a marketing and promotional tool regularly on seasonal basis. We provide 20 ideas every season as a glimpse of company’s development (i.e. products, technology and expertise) to attract clients...” (Senior Manager Marketing & Merchandizing)*

*“...we are leaders in creating, developing and manufacturing of knitted apparel products right from basic to highly fashioned garments thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional acumen. The team here strongly believes that customer satisfaction is the essence of business today. MtM has the technology with expertise, products with knowledge and most importantly the right mindset to achieve total customer satisfaction. If the customers want to lock the prices for a certain period, Masood can offer this service as we reserve the cotton for the particular program...” (<http://www.masoodtextile.com/division/spinning.php>)*

*“...we developed our own designs according to the recent market trends as a promotional tool to present our innovative concept. It is just an idea(s) we provide about 20 ideas every season (i.e. Spring-Summer and Autumn-Winter) on continuous basis. The customers choose from them and amend according to their needs...” (Senior Manager Marketing & Merchandizing)*

## **Trade Fair and Commercial Office**

MTM uses international marketing and sales offices as a tool to projects its sales through direct contacts with clients and get the latest trends of specific region(s). Similarly, MTM’s active participation in trade fairs/expos provides a platform to present its latest offerings to attract clients and hand in information about demanded market trends.

MTM get to know about latest market trends and information through its marketing offices and trade fairs.

*“...we have sales and marketing offices in USA, UAE, Jordan, Bangladesh and Hong Kong that keep us in direct contact with clients, market our seasonal collections and samples to targeted clients and markets. Our marketing offices are vigilant in keeping sharp eyes on the latest trends from around the globe. Similarly, we are regularly participating in international conferences and expos to bring new concepts and products to international market...” (Senior Manager Marketing and Merchandizing-USA)*

*“...we continued our journey and focus more extensively on international markets and clients, as we established sales and marketing offices in USA (i.e. New York, Los Angeles, Dallas, Texas, Wisconsin, Ohio, and Milwaukee), UAE, Jordan, Bangladesh and Hong Kong that keep us in direct contact with clients and latest happening in these regions. MtM is among the pioneer in apparel who works on multiple business models, as we have offshore production facilities in Jordan and Bangladesh as a contingency approach to be agile and avoid headaches in production and supply chain due to law and order, duties and other effecting factors...” (Director Marketing and Sr. Manager Merchandizing)*

*“...our established sales and marketing offices in USA, UAE, Jordan, Bangladesh and Hong Kong help us to keep in touch with sourcing partners, clients, suppliers and respective market trends of those markets. Similarly, MTM sending its technical and marketing delegates to various international industrial fairs and exhibitions to learn about latest technology, processes and happenings and promotes MTM in proper way ...” (Technical Manager R&D and P&D)*

*“...similarly, we established our international sales and marketing offices in order to have a close and direct contact with our clients to get latest fashion trends from the region they are working. ....” (Senior Manager Marketing and Merchandizing USA)*

Similarly, MTM develop potential international ties through its international marketing offices and participations in trade fairs.

*“...we are expanding in different product categories, as we keep adding new clients and/or getting more orders from the existing clients in different product category. We are working with world’s top brands like Under Armour, Tommy Hilfiger, JC Penny, Jockey, Wal-Mart, Adidas, Polo Ralph Lauren Dockers and other. Earlier we were working with 8 clients as supplier and manufacturer of private brands and labels. The number of clients is increased to 20-21 from the last 6 years. We gained 25% growth in dollar value in turn over and infrastructure. We are constantly exploring new segments, markets and customers for our quality and customized products ranging from cotton, yarn, fabric to garments through our international sales and marketing channels and offices. ....” (Senior Manager Marketing and Merchandizing USA)*

*“...the number and/ or business with foreign clients are growing. We have an annual growth rate of 20% per annum. We grew with some of our customers from the start and keep working with them. We keep adding new clients on regular basis as we establish business with KICK and TCP (children brand) which are latest addition to our customer list. Majority of our customers ages more than 15-16 years, they are going on and doing business with us, they are our all-time customers and partners (JC Penny, Levi’s, Adidas, Lee, Tommy Hilfiger, Puma, Rebook, Docker etc.) as we are accommodating their needs on continuous basis. We sale 80-85% to American brands and retailers while the rest we sell to Europe, Japan and Middle East. We have also seasonal customers that come and go on seasonal basis. Additionally, our international offices at various locations in USA, Hong Kong, UAE, Bangladesh and Jordan are our vehicle for growth in sale. We are exploring new segments, markets and customers for our quality and wide range of products, processes and services at international stage....” (Director Marketing)*

*“...we developed our own designs according to the recent market trends as a promotional tool to present our innovative concept. It is just an idea(s) we provide about 20 ideas every season (i.e. Spring-Summer and Autumn-Winter) on continuous basis. The customers choose to form them and amend according to their needs. We present our seasonal ideas with different combination of fabric, design, colors to different customers through our international marketing and sale office located at various locations. From the last couple of years, we regularly participate in various international conferences and expos such as ITMA, Shanghai Tex, TDAP, International Textile Machinery Exhibition etc. to showcase our innovative products for future business ties. The participation in such mega events are rich source of information to keep our selves about latest trends and innovations in markets which we induce in our operations...” (Senior Manager Marketing and Merchandizing USA)*

## **Learning by Doing**

Execution of diverse orders on the production floor results in learning and gaining experience over time. MTM further practices experiential learning to improve its existing operations according to latest demand and develop ties.

*“... unique and unusual orders are very important from the learning and gaining experience in both cases whether we are able to fulfill or unable to fulfill the unique orders. Unique orders give new insights and recent market trends that are vital for our future operations. We always get something new in practice from such orders on production floor. The personnel expose to new ideas, alternate ways of doings and feel necessities for new and upgraded machines, techniques and technology. We extend and keep developing our product concepts which we present on seasonal basis on such unique orders. Our R&D, P&D teams are continuously mixing and creating samples for future. Such unusual ideas are beneficial for us. ....” (Director Marketing)*

*“...such orders are vital for our learning and get hands in latest trends, market information and production techniques. Working with international brands and unique orders connect us to multiple exposures i.e. being a*



*vertical integrated facility every unit is learning and getting new things. For example; A marketing team learn to work with foreign partners they learn the area of the specialty of that specific partner. If they are working with American clients they will get to know about the liking and disliking of that customer and its markets, what are the acceptability, and how we can win more orders specifically from them and in general form other players in that market. Similarly, the production and processing teams are much concerned with the extent of acceptability of their customers, some customer accept somehow low quality while others are very strict even if they are low quality customers. Moreover, a manufacturing team if they get an order for new products such as finishing with fabric softener, water repellent or wind breaker, they learn how to develop and produce them over time. For washing and laundry units they learned about various garments dying, sprays, washes, special effects and other treatments from customer demands by using state of the art laundry machines. For R&D and Industrial Engineering units when we keep developing their products and processes, we get hands in innovative ideas, product concept and alternative ways for execution on the production floor. Moreover, we get supplies (i.e. Chemicals, dyes, risen and finishes etc.) from different companies around the globe, we learn various aspects of technical, economic and ecological parameters in our production. Every single unit of organization learned in the same way for example the stitching, weaving, spinning, weaving, dying learn from orders and customer. There are learning and experiencing new things for everyone ....” (Technical Manager R&D and P&D)*

*“... we get complete direction and full list of things from our sourcing partners and retailers which we need to take care of in handling their orders. The customers specify us about their requirements such as the type of testing, aesthetics, finishing, fabric nature, washing and dozens of actives which we are required to meet. Our products should comply with all the requirements of the customers from every aspect. Such detailed specifications are rich source of learning and gaining first-hand experience for us. Similarly, our sourcing partners and clients visiting us from time to time for audit, quality checks and waste control and other techniques. They train us on the production floor about these latest techniques. On the top, we always adopt the best practices from any source, sometimes we copy it, change it accordingly to our needs or invent totally new. We learned a lot from them as they guide us something new about latest processes and techniques especially in washing and laundry due to highly demanded special effects, treatments and washes. They have well established and top class R&D and product development, we directly learn from their practices by implementing them practically in our production. Most of our long-term sourcing partners keeps coming and visiting us, similarly we visit them from time to time. Mostly we get training and a lot more from our USA based sourcing partners. Those training are extremely helpful in keep hands on effective techniques and latest processes in our integrated operations. We love such trainings and guidance, we never stick to one customer and option, we adopt best practices from anyone and invest accordingly. This is the way how we keep working in our day life and adjust our self with changes. ....” (Director Marketing)*

*“...we started and grow with our sourcing partners who are leaders in international and regional markets. We gained experience and learned a lot while working with them. Apart from production and technological advances in their demands, their other requirements also enable us to focus on other issues like sustainability, ethical, social and environmental aspects through their regional and international standards. This is the way we learn and do business otherwise it would have a different case. We learned about ordering procedures, waste control, and maintenance of quality, compliance with latest international standards, latest techniques, procedures and emerging market trends....” (Director Marketing)*

## **License**

MTM includes world leading innovative finishes, latest processes and treatments in its operations through license and acquisition of chemicals and dyes.

MTM pay for license and chemicals to different suppliers to include innovative treatments and latest processing techniques in its operations for demanded quality

*“...overall the customers required latest and unique treatment in their orders. We are alert and keep ourselves aware of such changes by acquiring and upgrading our systems, men, machinery, tools and processes on preferential basis. We are armed with modern applications, testing tools and processes which enable us to execute order in best possible way. We procure inputs, purchase license and pay for patent to suppliers to involve in latest production and processing ....” (Technical Manager R&D and P&D).*

*“...in order to address the change element, we are updating our systems, infrastructure and R&D with latest techniques and processes. We pay for license and patents to the innovators (i.e. Investa and Duo punt etc.) for the use of their innovative processes and techniques in our operations to handle a rising innovative demand in better manner...” (Senior Manager Marketing and Merchandizing-USA)*

*“...we are moving along with these changes through upgrading our systems, men, machinery, tools and processes on preferential basis. We are equipped with latest applications, testing & lab tools and processes which enable us to meet different demand. We purchase license and pay for patent to producers such as Investa and Duo punt etc., to use their innovative process for quality manufacturing. These are costly and expansive process, but you have to go with your customers demand and market trend....” (Director Marketing)*

*“...we are moving along with these changes through upgrading our systems, men, machinery, tools and processes on preferential basis. We are equipped with latest applications, testing & lab tools and processes which enable us to meet different demand. We purchase license and pay for patent to producers such as Investa and Duo punt etc., to use their innovative process for quality manufacturing. These are costly and expansive process, but you have to go with your customers demand and market trend....” (Technical Manager R&D and P&D).*

## **Design Studio**

MTM established design studios in Pakistan and USA to offer innovative designs in garments and established new ties.

*“...we have design studios in New York and Los Angeles that keep us with the latest trends in fad and fashion of US market in designs and patterns. These arrangements enable us to know about market changes in proactive manner and a driving force behind our phenomenal growth i.e. 20-25% per annum. ...” (Senior Manager Marketing & Merchandizing)*

*“... we established an Industrial Engineering, R&D units and design studio. We hired foreign experts, designers and developers with experience of North American garments market. Such involvements enable us to involve aggressively in exploring innovative ideas, designs and develop new products for ODM and our own annual collection. In 1998, the company started its own brand “Land Mark” in Polo shirt, but due to lack of expertise and proper both marketing channel the project was not successful and pulled back. MtM established design studios in New York and Los Angeles beside our active local studios to fully focus on the latest trends of US market. Such arrangements enabling MTM to be ahead of many in the field and a driving force behind our phenomenal growth i.e. 20-25% per annum ...” (Technical Manager R&D and P&D)*

. Our local and American R&D and Design teams have expertise in designing and pattern developments, as they keep us developing customer centric ideas, innovative concepts in our products and processes around the clock. Beside active R&D our industrial engineering department made innovations in processes and system for better performance ....” (Director Marketing)

Similarly, engagement with Design studies beside R&D and latest equipment MTM start selling under its own brand in the beginning.

*“...we developed our R&D and industrial engineering departments. Similarly, we established a local design studio followed by two design studios in USA, hired foreign designers and developers for the development of latest garments and design according to international demand. We launched our brand “Land Mark” but we rolled back in 2000....” (Director Marketing)*

*“...apart from investments in hardware we established an Industrial Engineering and R&D units, hired foreign experts, establishment of local design studio, designers and developers with experience of North American garments market. This enables us to involve aggressively in exploring innovative ideas, designs for developing products. In 1998, the company started its own brand “Land Mark” in Polo shirt, but due to lack of expertise and proper marketing channel the project was not successful and pulled back...” (Technical Manager R&D and P&D)*

*“...after the installations of latest machines, establishing of local design studios, R&D and hired designers and developers we went for our own brands for more value addition. We had done an experiment in 1998-99, as we launched a brand Land Mark PFD. We produced POLO Shirt under the label of LAND MARK PFD, but unfortunately at that time we did not have enough experience and suitable channel to do it properly, therefore we rollback our Land Mark project....” (Director Marketing)*

## **Technical Advices**

Based on vast production experience from last 2 decades MTM provide technical recommendations on certain issues in design, weaving, stitching, sewing and other aspects on regular basis. Such instructions make the production friendly and cost effective for both CBL and clients. It creates positive image for MTM of being technically competent supplier

MTM provision of technical advises serve as a tool to improve operational performance and retain good relationship with clients.

*“...first, we have to see either the fabric they are demanding, are we capable enough to produce, if we can't not produce we asked them that the contents you are requiring for example if they asking to produce for 50/50 (50% cotton and 50% polyester) we suggest them to convert them into 60/40 (60% cotton and 40%polyester) in this way it will get cotton rich product and you will have 50% discount on duties. Secondly, there are certain kinds of colors they send us; there are some problematic colors like some of them are very bright, or mixture of several which are not possible for us to dye and give the same **color**. So, we suggest them to bring them into little lighter or if there is any lighter we suggest them to bring them into little darker. This would be very easy for us to produce, so we give them different options to solve such problems. Every problem has a solution. If there is suggestion we diagnose with them we ask them that stich workman ship that they are asking us for example 5 needle 3 threads, we suggest them 4 needles 4 threads. If we have some limitation in sewing machines we give them some other options if there are some flat sewing we offer them overlap back lock which give the same impression as of flat sewing. On the other hand, we give them feedback and suggestion on the measurements of the garments for example if they are asking us across shoulders at some point 10 inches, and width 2-4 inches, long sleeves they are asking some different measurements. Our technical designers match the patterns of the garments and they suggest that if it can be reduced by half inch. Then every measurement will be accurate. Based on those suggestions we ask the customer to reduce the length and width by half inch in this way we have a complete shoulder measurements, self's measurements, arm hole measurements etc. These are the problem which usually comes in our sewing department. Then go for packing they asked us to pack 12 pieces in a carton, they ask us to give them the poly bag size. We prepared the size and they released the art work to different vendors and we sourced these poly bags from them. They asked us to provide the sizes of the polybags by putting the mobs and multitudes. We make the mobs how much fold size it would be, how much strength it would be in the carton. We suggest that how many cartons would be put in a container. We suggest them let the carton size in this way instead of that way, by doing this they have maximum utilization of container. They revised the carton quantity for example if they ask for 50 garments in a carton we suggest them to make it 52 garments in a carton, because the carton size is reduced by 1 inch or half*

*inch it would actually give better space in a container. Through which you can accommodate 1000 cartons in one container, if it is their way then it can accommodate only 800 cartons in one container. You can save your freights. Such issues come from time to time in our production and shipment areas and we give suggestions. Then there are some shading issues, for example if neck color is of different fabric and body fabric is of different fabric then there are some shading issues, and this is natural. We asked them for tolerances in the shade and they provide us tolerances. There is some issue that are related to specifications for which they give us tolerances, for example if front length i.e. requires 30 inches they give us the tolerance of  $\pm 1$  inch. You can go for maximum 31 or to 29 inches so they give us tolerance. This is manufacturing and in manufacturing although our aim is to work on 0 defects, but these garments are handles by human being and there are chances for such issues of tolerance. Some customers give us better tolerances, some customers are very tight. The customer with tights tolerances we put very high and strict quality check in places. These advices and technical comments are highly valued by our clients, as they feel confidence of doing business with competent supplier...” (Senior Manager Marketing and Merchandizing-USA)*

*“...this is our responsibility to inform the clients well before the production about any problem in his specified order. After receiving the order our design, R&D and industrial engineering assess it from every aspect. Almost every order is altering in one or another way. We inform and advise the customers well in advance. We provide them certain options and guide them with alternative ways in order to make it production friendly with fewer headaches and cost effective for respective client. That is really helpful for both of us to minimize any later headaches in the full production and post-production stages. Most of the time we advise our clients on different options and alternatives for improvements, such arrangements create positive image for us of being ethically and technically sound supplier with full confidence and trust form the clients. ....” (Director Marketing)*

*“...Whenever we start sampling, during sampling and after the production of sample we come to know about different issues in specific order. We conduct dozens of test and calibrations to check the product from different angles and standards. We carefully observe the behaviors of the finish product during the sampling production and testing processes. We inform the marketing department which ultimately inform customers about any abnormality that that customer may face in the future. We also advice certain changes and improvement in various aspects of the product such as fabric construction, sewing and washing for better results in cost effective manner. It creates goodwill and trust among clients of being working with someone who can care their needs in responsible way....” (Technical Manager R&D and P&D)*

*“...There is a compulsory check, test and development process which starts form initial proto samples, fit sample, pre-production samples and approved sample from every aspect. This is the same procedure for almost every customer. In the sampling development, we closely judge the behavior of product at various tests. We note every abnormal aspect and propose change in the orders for better development and execution. The customers also give their experts view regarding our proposals, sometimes they have different and better recommendation from ours, which are helpful for our learning. After overall customer approvals, we go for production. We go for product planning and control make the supply schedule with respect to procurement of inputs and raw materials, production and shipments. It follows the pattern to procure yarn, start production i.e. knitting, dying, cutting, sewing, shipping and after sales review...” (Director Marketing)*

**Additionally, counter technical responses from certain clients is way of getting alternative insights in execution of orders.**

*“...the customers also give their experts view regarding our proposals, sometimes they have different and better recommendation from ours, which are helpful for our learning. After overall customer approvals, we go for production. We go for product planning and control make the supply schedule with respect to procurement of inputs and raw materials, production and shipments. ...” (Director Marketing)*

*“...After receiving the order, we have certain steps which are same for every customer. There is a compulsory development process which is starts form initial proto samples, and fit sample followed by pre-production and finally approved sample from every aspect. Majority of orders are change in certain aspects during the sampling. We inform and advice the respective client for in time and necessary changes in their products for best results.*

*For colors, we developed lab dips i.e. color samples send to concerned customer for approval after necessary changes. We do product planning and control and make schedule with respect to procurement of inputs and raw materials, allocation of machines for production and shipments. It follows as we procure the yarn, knitting, dying, washing, cutting, sewing, shipping and after sales review....” (Technical Manager R&D and P&D)*

*“...In sampling development, we check, test and calibrate for various technical standards, measures and issues. Accordingly, we propose changes and alternation based on our tests and expertise in developing and manufacturing products over decade. We discuss changes with our customer’s R&D and design teams for approval, they also give us insights and feedback based on our proposed changes for better execution and performance...” (Senior Manager Marketing and Merchandizing-USA)*

## **CEO/Owner Interest**

CEO and owner personal interest and involvement in corporate affairs are the main factor for improvement and organizational change.

*“... the vision, zeal and zest of our management and organizational culture has foster creativity and given employee the freedom to take risks and try innovative ideas that lead to solid innovative products. Additionally, continuous investment and acquisition of men, machines, innovative processes and involvement in R&D enables us to move in value-added operations, market demanded products and concepts round the year...” (Senior Manager Marketing and Merchandizing-USA)*

*“...the internal factors such as our strategy, CEO enthusiasm and organizational culture have foster creativity that give employee the freedom to take risks and try innovative ideas that lead to steady stream of innovative products and processes. Similarly, our company proactive approach towards change through continuous acquisition of experts and investments in latest equipment, machines, innovative processes and R&D enables us to move on different directions with innovative ideas and market demanded products. But such huge investments are impossible form an entrepreneurial perspective. ....” (Director Marketing)*

*“...It is a result of continuous ownership motivation and painful struggle of dozens of activities and happenings over a span of two decades. It is an effect of cause and effect relationship of internal and external factors such as market derive, management vision and organizational culture. It leads to creativity and the freedom to take risks in new directions lead to steady stream of innovative processes and products. Additionally, Technological readiness, continuous acquisition of latest machine and equipment, investments in men, machines and processes enables us to move in an era of innovative supplies and services. Similarly, resources, knowledge and technological shortages hinder our movements towards value addition....” (Technical Manager R&D and P&D)*

## **Negotiation and Discount**

CBL practices different means to resolve any issue arising in fulfilling orders for long and smooth ties with clients.

*“...in case of deviations from certain aspects of the order or scheduled supply. We try to find alternative ways to resolve in best possible manner. We discuss such issues to understand it for possible settlement as we have faces uncertainties. Some clients understand our constraints they accommodate us while other don’t. In that case, we give them special price cut on decided prices, ship their consignment through alternative mode of transportation, replaced defective consignment etc. Such negotiations and arrangements are respected by our long-term clients who are keeping and expanding their business ties over decade and attract potential ones...” (Senior Manager Marketing and Merchandizing)*

*“...in case of problem in matching specifications, quality, shades and delivery schedules etc. we always try to sort out every possible way to resolve it mutually. We discuss the matter with open heart; we lesson clients, understand their problems and take every possible action for mutual acceptable solution. Similarly, clients also understand our problem they accommodate us while sometimes they go for the opposite. In such situation, we provide them special reduction on prices, alternative mode of transportations and replacements etc. it creates good projection for us among our existing clients in keeping business ties for decade and signaling to potential customers in the market ...” (Director Marketing)*

*“...we have specific arrangement and engagement with our clients which grow and mature over time. Some of our clients are working with us from the last 16 years; we consider them partners and carry out business in a more responsible way with mutual understanding. In case of any problem we openly hear them and discuss issues to have clarity in communication for better solutions. In case of issues in quality and matching product specifications due to design and execution we accommodate our clients at our level best through different arrangement like give them discounts, ship the consignment through fast transportation and replaced the defective items. Such arrangements melt the ice and result in keeping smooth and long-term relationship. ....” (Technical Manager R&D and P&D)*

## **Trade Secret Protection**

MTM is working on strict code of conduct in protecting client’s R&D and business secrets at every cost. MTM is among the suppliers form this region who are working with world leading clients from USA and Europe from the last 18 years.

*“...we provide complete secrecy of our customer’s R&D and safeguard their business interest at every cost. Our customer dealings create goodwill and trust for us in the market ....” (Technical Manager R&D and P&D)*

*“...we are expanding at a rate of 20-25% annually as we are exporting our 80-85% production to USA and 15-20% to European and rest of the world. We don’t sale a single piece or even the defective pieces in local market due to legal bindings and safeguarding our client’s business and interest.....” (Senior Manager Marketing & Merchandizing-USA)*

*“...we have a strict code of conduct towards customer’s business secretes, R&D and sensitive information. We guaranteed full security of business information and trade secrets as we don’t share one customer’s information with others. This creates trust and confidence in our dealings...” (Director Marketing)*

*“...additionally, we have seasonal and transactional buyers who come and go in different point in time and seasons. We have a strict code and business ethic towards customers’ privacy, commercial information, R&D and tactics. We don’t divulge trade secrets of customers with others...” (Senior Manager Marketing and Merchandizing)*

## **Offshore Manufacturing Facility**

MTM run offshore manufacturing facilities to address uncertainties, control value chain and provide duty free advantages to its US based clients.

*“...Similarly, we are running two overseas production facilities in Jordan and Bangladesh which fortify our integrated operations and source of strategic production planning. We are in the export line which is our core business, but we grow and improved it over years through latest operations, systems and specialists. ....” (Director Marketing)*

*“...MtM is among the pioneer in apparel who works on multiple business models, as we have offshore production facilities in Jordan and Bangladesh as a contingency approach to be agile and avoid headaches in production and supply chain due to law and order, duties and other effecting factors...” (Director Marketing and Sr. Manager Merchandizing)*

*“...We have offshore manufacturing facilities in Jordan and Bangladesh as a contingent approach to meet uncertainty, improve our performance through complete control of supply and to provide duty free advantages to our clients in different regions....” (Technical Manager R&D and P&D)*

*“...Masood has diversified its operational capabilities by utilizing various off-shore sewing facilities to avail the advantage of duty free access to US markets and to cope with the stiff price competition from valued customers...” (Company Presentations).*

## **Direct to Store Model**

MTM innovate a unique model (direct store supplies) for the non-stop delivery of goods across North America to retain clients, control value chain and improve overall performance.

*“...MtM is the initiator of establishing a unique shipment system (i.e. Lean Planning instead of 20-30 days' model) and “direct to store model” in this region to entertain and retain North American clients that were considered impossible to operate from this region. We have offshore manufacturing facilities in Jordan and Bangladesh as a contingent approach to meet any uncertainty, improve our performance through complete control of supply and to provide duty free advantages to our clients in different regions....” (Technical Manager R&D and P&D)*

*“...Similarly, we work on the SAP and minute's calculation in order to improve our productivity and efficiency. We establish a unique model i.e. “direct to store model” to engage North American clients with non-stop supply of products for the full control of supply chain. We analyze the sale of each client and forecast on weekly basis. Our model is an efficient tool to work with American customers on lean supply planning. We have two ware houses in the East Coast and West Coast of America for uninterrupted supplies....” (Technical Manager R&D and P&D)*

*“...We have two ware houses in the East Coast and West Coast of America for the continuous supply. Similarly, we established direct to store service in order to have a nonstop supply to clients and control of supply chain; we keep the inventory of stock for our customers in our US warehouse. Whenever, they have shortage of any size, style or colors in their stores, they order us from that warehouse and within 2-3 days the product is in their store. We analyze their sale on weekly basis, how much sizes or color have been sold in this week, either these sizes are available in our US warehouse, if these are available they take it. But there are few containers which are in transit and some quantity is in production as well. It is a cycle of filling the orders on continuous basis, they take the consignment form the US warehouse which we fill on continuous basis. This is our total supply chain model, we introduce this model to our customers like JC-Penny, Wal-Mart, Sears and Pools they are working with us on direct to store model...” (Senior Manager Marketing & Merchandizing-USA)*

*“...Textile experts point out that the said mill is perhaps the only Pakistani enterprise that remains in direct contact with the stores of its foreign buyers. It monitors online the sales pattern in these stores, including the colors that are preferred by the buyers. It, thus, could plan the replenishment of the depleted stocks quick. The direct shipment to the stores reduces the inventory cost of the buyers, besides increasing their sales, they said...” (<http://www.thenews.com.pk/Todays-News-3-218814-Chinese-giant-acquires-half-of-Masood-Textile>)*

MTM provide commercial services of “store door deliveries” based on its unique model to other textile suppliers in the region

*“...Masood has the unique capability of doing store door deliveries (SDD) to its valued customers like JC-Penney, Sears, and Kohl’s through Direct to Store Business Model. Team of business analysts, IT experts and US based co-ordination staff has built up a marvelous supply chain model by which Masood is delivering the goods across state side within 12 days of EDI PO generation. Masood has the flexibility of doing store door deliveries from either of east coast and west coast guaranteeing un-precedent lead times and 100% fill rates. Masood has developed the niche of DTS business model to the next level and has become DTS service provider to other textile companies in South Asia. Currently Sock supplier and Woven Dress Shirt supplier are benefiting from Masood expertise and are serving their customers with speed, flexibility and technology...” (Company Presentation)*

*“...based on our DTS supply model, we are DTS service provider to other textile companies and suppliers in South Asia. ...” (Senior Manager Marketing & Merchandizing-USA)*

#### **4.4.3 Derived Loop Model from Case Study**

A tentative research model (Figure 3) was presented in chapter 3, linking the experiential learning processes in offshore outsourcees to stages of movement in value-added chain and internationalization in the case companies. In Figure 4.1, findings from the case study of the Masood Textile Mills Limited (MTML) company are applied to the same basic model, linking the identified learning domains, ways, and reasons with respective developments. It is important to note that a certain learning domain causes multiple movements that further enhance a firm’s development. Similarly, the cross-case findings (chapter 5) portray varieties of progressions and stage sequences, based on different case histories in terms of learning domains, forms of learning, and reasons for learning. In relation to overall learning and development, the model displays different ways and strategies for taking on exploitation, exploration, or combined (that is, ambidextrous) routes in their learning and development, as shown in Figure 4.4.

MTM started its operations as a spinning mill through investment in conventional spinning facilities in 1984. MTM produced yarn and conventional fiber for the sale in local markets.

In 1993, MTM expanded its operations into knitted garments due to high demand in the international market. As a result, the spinning units were disposed of and a new garments unit was established in 1995. MTM started garment production and sewing was mostly on a CMT basis for small local orders. MTM was mostly engaged in local sales. In 1995 MTM successfully completed and exported a small order from a UK-based company called Jockey for basic underwear and brief. This export to the UK stimulated MTM to search for more international ties and business. Sales in the local market and a sudden export to UK moved MTM from “Traditional Actor” to “Experimental Outsourcee”



MTM invested in state-of-the-art yarn production facilities for use in downstream operations sewing. In 1997, MTM formally started exporting to the USA; this was a motivating step to proceed further in value-added operations and production. MTM has now expanded its sales and business sphere to the US market, in addition to local sales that linked MTM with “active outsourcee”.

In the same year, MTM made investments in R&D, a design studio, and acquiring experts. In 1998, MTM jumped into value-added operations as it launched and started selling polo shirts under its own brand, “Land Mark”. The involvement in this brand resulted in MTM moving from “active outsourcee” to “emerging global challenger”. The Land Mark brand did not remain in the market for long and MTM eventually rolled back the project in the year 2000 due to a lack of expertise and proper marketing channels at the international level.

After the failure of Land Mark, MTM started to focus on manufacturing of private brand/labels for others and on exporting. In 2002, MTM invested in state-of-the-art specialized knitting and sewing facilities to include a different range of garments (sports, sleep wear, lounge, and active wear). These investments helped MTM add a vast range of high fashion and value-added products to target leading American brands and international brands and clients.

In 2005–2006, MTM established marketing and sales offices in Dallas, Los Angeles and Milwaukee to focus more on the US market. The marketing offices were very successful in terms of establishing direct contact with the clients and hands-on regional market trends. In 2008–2009, MTM established PD and R&D centers for the latest developments in designs, future products, and conversion of innovative ideas into physical products. MTM also acquired the services of foreign experts and developers to develop future products and services. This enabled the company to develop and present its seasonal designs and product concepts on a continuous basis according to recent market trends as a promotional tool. These operations paved the way for MTM to establish ties in the US and Europe and move from “active outsourcee” “to “explorer”.

MTM further developed high-value-added products, designs, and services according to international standards and clients’ emerging needs based on market input and trends through marketing offices. These activities were partially responsible for the move from “active outsourcee “to “partner”.

MTM progressively engaged in innovative operations through investment in R&D and industrial engineering units. The industrial engineering enhanced efficiencies and cost mitigation through the latest tools and techniques to reduce production time and alternative ways of doing things on the production floor. Similarly, MTM established design studios in Los Angeles and New York, in addition to its active local design center for the creation of inspirational design innovations in fabrics, washing, and latest finishes according to international demand.

MTM also invested in IT systems, ERP, and e-commerce to improve its overall performance while remaining involved in the latest practices. MTM also installed a 100 percent online fabric inspection system to meet the international quality parameters as required by leading customers. Similarly, MTM follows the “four-point quality system” that J.C. Penney introduced in its knitting facility to control for internationally recognized quality.

In 2010, MTM invested in a state-of-the-art back-tracking system and become the only textile mill in Pakistan with a computerized barcode system that assures quality at every production stage. The products at different production stages of each department carry bar-coded stickers that have all the details and history of the operations of that product. If any problem is reported, it can be traced back to the root of the problem in order to avoid such occurrences in the future. MTM modernized its sewing facility through the installation of 2000 fully automated Eton Stations. These stations have a hanger system and regular sewing line, pick the garments, hang them, and deliver them to the respective operator to save production time and cost.

In 2011, MTM invested in a unique shipment system (Lean Planning) instead of the 20–30-day model; a DTS model (store-door deliveries, or SDD) to entertain and retain North American clients that were considered impossible to service from this region. Under this innovative supply model, MTM delivers consignments across the USA within 12 days of EDI PO generation. MTM has the flexibility of doing direct DSS from its two warehouses on the East and West Coasts of the US for continuous supply. MTM keeps the inventory of stock in its US warehouses. Whenever, there is a shortage of any size, style, or color in a customer’s stores, MTM fills the order from those warehouses and the product is in the customer’s store within two or three days. MTM analyzes its sales of different items, sizes, colors and varieties on a weekly basis, how much it sold and how much is in inventory; if these items are available in the US warehouse, they take it from there. There are few containers in transit and some quantity is in production

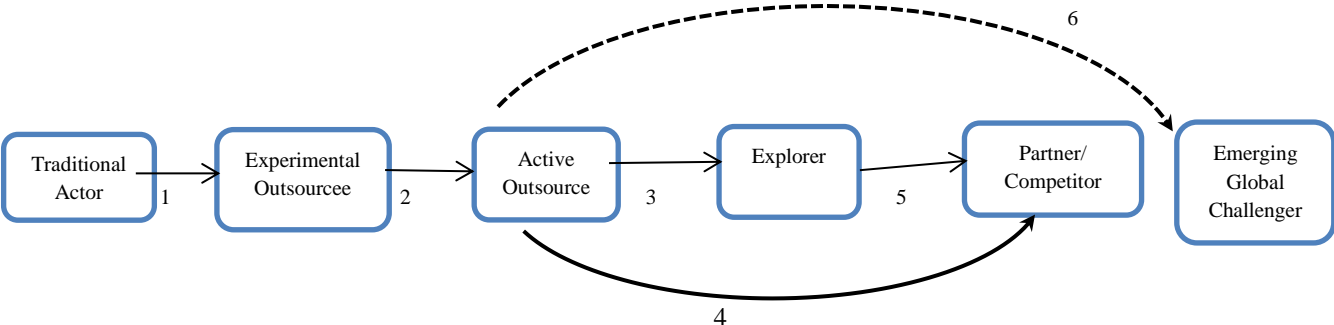
as well. It is a cycle of refilling the orders on a continuous basis; the customers take the consignment from the US warehouse, which MTM fills on a continuous basis. This supply model was introduced to J.C. Penney, Wal-Mart, Sears, and Kohl's, and they are working with MTM on a DTS model.

MTM is a pioneer in terms of working on multiple business models. Besides its vertical production setup, MTM diversified its production capabilities by utilizing offshore stitching facilities in Jordan and Bangladesh in 2011 and 2012, respectively. The offshore production facilities MTM's contingent approach to meet uncertainty, Improving Performance through control of supplies, avail duty-free advantages to access US markets, and cope with price competition.

MTM retained and expanded its customer base, both in terms of client numbers and getting more complex and iconic products from world-leading brands.

MTM has expertise in the provision of services from product concept to design, development, and door-step delivery to any part of the world through integrated infrastructure. Besides manufacturing services, MTM has developed its DTS service business model to the next level and has become DTS service provider to other textile companies in the South Asian region. Moreover, MTM has an autonomous and self-approved quality control and audit units, which audit on behalf of clients such as J.C. Penney and Wal-Mart at MTM and other suppliers' location in Pakistan. Such engagements are a motivating force for MTM's development from "explorer" to "partner".

Figure 4.4: The Loop Model



The loop model demonstrates MTM movement in different developmental stages. MTM mostly remained at "explorer" and "partner" status due to aggressive involvement in

innovative manufacturing, design, and commercial services to world-leading brands. A link towards “emerging global challenger” was evident in the initial stage through involvement in international marketing and sales under its own brands. The brand failed and the link to emerging global challenger was disconnected.

The summary of overall developments with respect to the identified learning domains across the cases is mentioned in Table 4.4.6.

Table 4.4.6: Developments with respect to main learning domains

No.	Development	Learning Domain
1	Traditional actor to Experimental Outsourcee	New Production & Manufacturing, Set & Start
2	Experimental Outsourcee to Active Outsourcee	New Production & Manufacturing, International & Regional Standards, Customer Relations, Integrated Production
3	Active Outsourcee to Explorer	New Production & Manufacturing, Promotion Management, Washing and Laundry, Innovation, Customer Relation, Design and Pattern Development
4	Active Outsourcee to Partner	Promotion Management, Washing & Laundry, International & regional Standards, Design & Pattern Development, Industry Trends, Integrated Production, Conflict Resolution
5	Explorer to Partner	New Production & Manufacturing, Promotion Management, Innovation, Design & Pattern Development, Industry Trends, Contingent Production
6	Active Outsourcee to Emerging Global Challenger	New Production & Manufacturing, Innovation, Branding Management

Overall, the loop model displays MTM’s developments in value chain. MTM started as a spinning mill “Traditional Actor” and moved to “outsourcee” by restructuring its focus on knitted garments and sewing through a small investment in garment manufacturing. MTM sold mostly in local markets and, to a small degree, in the UK. MTM moved to “active outsourcee” by improving its garment manufacturing facility with some sales in the US market, in addition to active involvement in local markets. The company continued its movement to develop as an “explorer” and “partner/competitor” through active involvement in innovative manufacturing, washing, promotional collections, and commercial services. MTM temporarily became an “emerging global challenger” through involvement in its own brand.

#### 4.4.4 Evaluation Fit Between Suggested Loop Model and Case Realities

In order to evaluate the fit between the original conceptual and the case based derived loop models from the case, the case realities are compared to the conceptual model to assess whether certain developments were fit with the original model, not fit with the original model or emerged from the case. Each development seen in the case is further explained in Table 4.4.7.

Table 4.4.7: Fit between suggested model and case realities

Model	Case	Description
Traditional Actor to Experimental Outsourcee	Fit	The company started as spinning mills in 1984, invested in spinning unit for the production and sale of conventional yarn in local market. In 1995, MTM expands to value-added knitted garments and fabrics through investments in latest production facilities and a new garments unit. The garments production and sewing production was for others and small orders and sales in local market. In addition, MTM successfully executed a small order and exported to the UK. Sales in local market and a sudden small export to the UK moved MTM from “traditional actor” to “experimental outsourcee”.
Experimental Outsourcee to Active outsourcee	Fit	The development from EO to AO is fit with the initial model. This is because the CIV successive investments in latest machines, equipment to gain in-house production capabilities in a yarn production for its own garments and downstream operations. The company also started to increase its export horizon as it managed to formally start exports to the USA. The export to the US market was a motivating step to proceed further in new lines of products and value-added operations. MTM has expanded its sales to the US market, beside active local sales in wide range of products, which linked MTM with “active outsourcee”.
Experimental Outsourcee to Explorer	Does not fit	There is no evidence of the said movement in this case. Because the company is at the early phase and progressed in a more linear manner to the explorer stage, as the said movement requires more resources, capabilities and investments related to production, R&D and innovative offerings, which were hard for the case company.
Active Outsourcee to Emerging global challenger	Fit	The development from AO to EGC is evident. Because of the company involvement in international markets and high-value-added offerings and downstream operations through investments in R&D, a design studio, and experts. Resultantly, MTM successfully started selling its own brand, thus moving from “active outsourcee” to “emerging global challenger”. Unfortunately, it rolled back this project in 2000 due to a lack of expertise and proper international marketing channels.
Active Outsourcee to Explorer	Fit	The development from AO to EXP is evident. This is because MTM solid focusing on the manufacturing of wide range of high fashion and value-added products and private brand/ labels for others and export lines. Resultantly, MTM invested in specialized knitting and sewing facilities to produce a different range of garments. These investments enabled MTM to add a wide range of high fashion and value-added products according to intentional market standards. Furthermore, MTM has established sales and marketing offices across the US to explore the market and develop business. Moreover, MTM established product development and R&D centers and acquired foreign experts to develop future innovative products/ services as promotional tool and address emerging trends. These

		operations paved the way to explore new segments, markets and establish ties particularly across the US and Europe, thus moving from “active outsourcee” to “explorer”.
Active Outsourcee to Partner	Fit	The movement from AO to PART is evident. It is the result of investments in latest knitting, sewing, latest textile production, processing, involvement in R&D, and product development capabilities. MTM strengthened its innovation abilities through product development, design studio, R&D centers and acquisition of foreign experts to develop innovative products/ services as promotional tool and address emerging trends. Furthermore, MTM has established sales and marketing offices across Asia and the US to explore new market segments and develop new ties. It enables MTM to offer quality products and innovative designs, services (OEM, ODM) according to international standards and enhance its share especially in the US market in certain product range.
Explorer to Partner	Fit	The company invested in latest production, experts, washing, R&D, systems and designing facilities to further modernized its garments production facilities and expand its capabilities and capacities. In addition, the case company offshore production facilities and unique customized supply chain system for the US based clients/ market enhances the innovative and marketing abilities to offer high quality products, processes and services (OEM, ODM, OBM) in different product ranges to meet international demand in an effective manner.
Explorer to Emerging Global Challenger	Does not fit	There is no evidence of the said movement in this case. Because the case company did not get the necessary competences and marketing and branding infrastructure to market and sales under its own brand in international market.
Partner to Emerging Global Challenger	Does not fit	The development from EXP to EGC is not evident. This is because the company focus on OEM, ODM, OBM and exports, rather than getting involved in marketing and branding its products and services under own brand names in both local and international market.

Having compared the case realities and conceptual model, out of nine, three movements were not identified, five were identified, while one was partially identified. In addition, one movement was emerged from the case realities.

The presence of “TA to EO” fit, as of the conceptual model due to the involvement of the case firm in certain value-added production operations such as production of yarn, knitted fabrics and knitted garments for local clients. Furthermore, the company managed to produce and export of small order on experimental basis beside active involvement in production, sales, and marketing in local markets.

The development “EO to AO” fit, as the case firm is actively involved in the sale and marketing of yarn, fabrics, and knitted garments in both local and international markets. Similarly, three developments (“Active Outsourcee to Explorer”, “Active Outsourcee to Partner”, and “Explorer to Partner”) were matched and identified as claimed in the conceptual model. The development “Active Outsourcee to Emerging Global Challenger” was partially predicted, as the case company involved in production, sales, and marketing under its own brand name in international market, but it did not sustain

this position due to a lack of expertise in branding, sales and marketing, and proper use of channels and competition at the international level. Therefore, the said development was not evident at a later stage.

Similarly, three developments (Experimental Outsourcee to Explorer, Explorer to Emerging Global Challenger, and Partner to Emerging Global Challenger) did not identified as claimed in the conceptual model. Because the case company does not acquire the required capabilities and competences (related to production, advance systems, R&D, international marketing and branding at the international level) that were necessary for the said developments.

#### **4.4.5 Conclusion/Answers to Research Questions**

In order to answer the two main research questions and obtain a detailed view of the learning impacts, each development is discussed with respect to the main learning domains, ways, and reasons for learning. It is hard to reach a complete understanding of the ways (the ‘how’) and the reasons (the ‘why’) without knowing and explaining the main learning domains (the ‘what’). In total of six developments were identified in the case company, MTM, as detailed below:

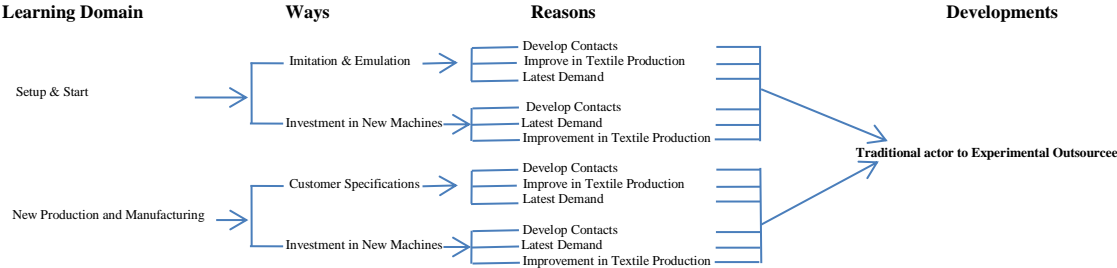
##### **4.4.5.1 Traditional Actor to Experimental Outsourcee (TA to EO)**

The development Traditional Actor to outsourcee was identified in MTM. This development is characterized by the main learning related to new setup and production and manufacturing through investments in new machines (garment manufacturing/sewing unit), imitation and customer specifications. The main reasons to involved in mentioned learning domains and ways were to improve textile production, meet latest demand and develop contacts in international market.

However, certain reasons are associated with particular learning and characterized by specific learning ways, for instance, improvement in textile production and meet latest demand is associated with new production and manufacturing through investment in new machines.

The summary of the development from TA to EO with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.4.1 Traditional Actor to Experimental Outsourcee (TA to EO)



**4.4.5.2 Experimental Outsourcee to Active Outsourcee (EO to AO)**

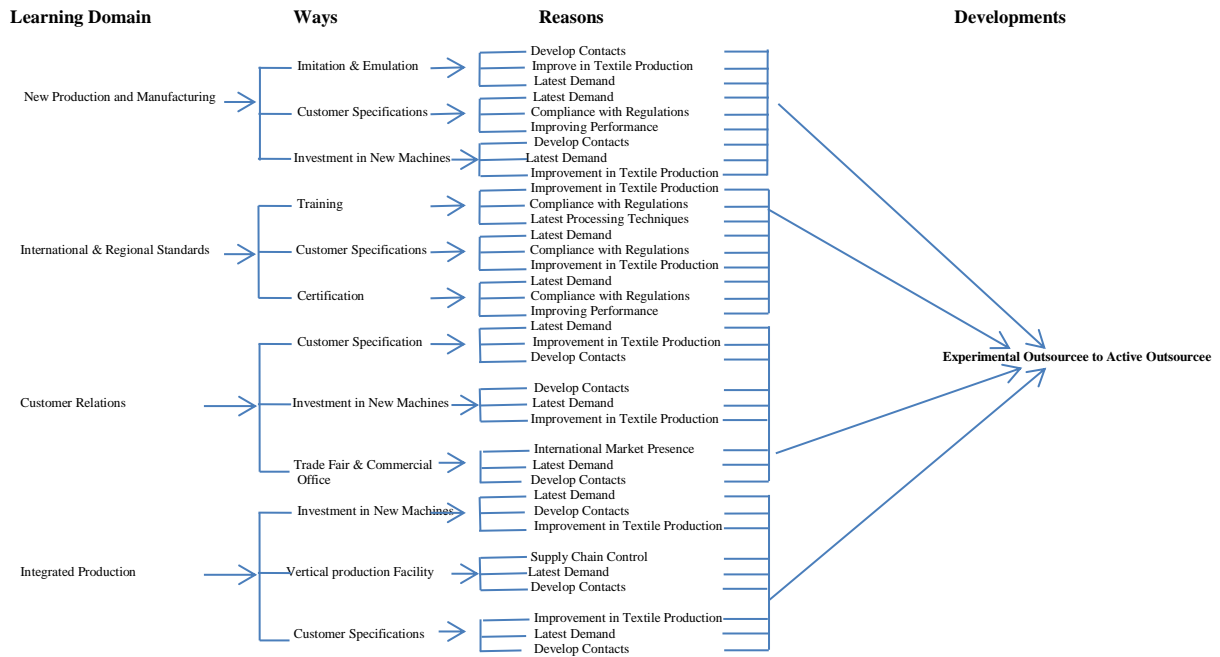
This development is characterized by the main learning related to new production and manufacturing, customer relation, integrated production and international and regional standards through investments in new machines, imitation and customer specifications. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, improvement in textile production, and compliance with regulations.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the supply chain control and meet latest demand are associated with integrated production facility through investment in new machines and vertical production facility.

The summary of the development from EO to AO with respect to main findings related to learning domains, ways and reasons is highlighted in graph.



Figure 4.4.2 Experimental Outsourcee to Active Outsourcee (EO to AO)



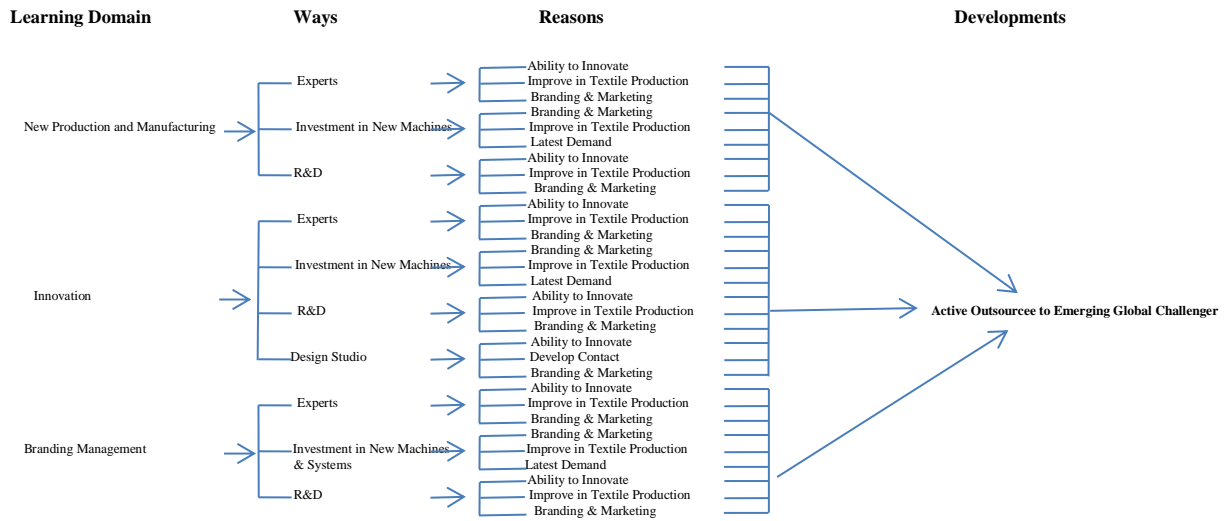
#### 4.4.5.3 Active Outsourcee to Emerging Global Challenger (AO to EGC)

This development is characterized by the main learning related to new production and manufacturing, innovation, and branding management through R&D/RE, investment in new machines, and experts (acquisition of designers/developers). The main reasons to involved in mentioned learning domains and ways were to meet latest demand, ability to innovate, branding and marketing, and improvement in textile production.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, branding and marketing and ability to innovate are associated with new production and manufacturing, innovation and branding management through investment in new machines, experts and R&D/RE.

The summary of the development from AO to EGC with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.4.3 Active Outsourcee to Emerging Global Challenger (AO to EGC)



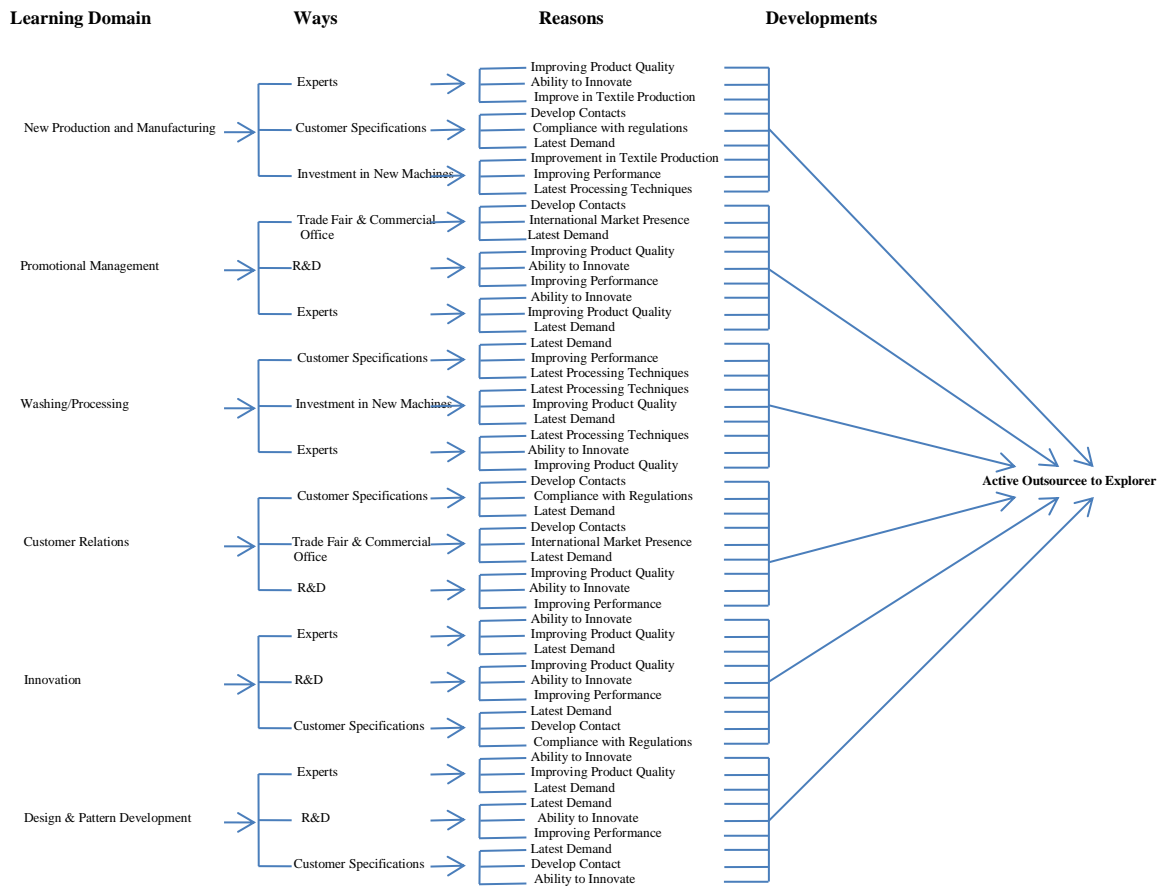
#### 4.4.5.4 Active Outsourcee to Explorer (AO to EXP)

This development is characterized by the main learning related to new production and manufacturing, promotional management, washing and processing, innovation, design and pattern development, and customer relations through investments in new machines, experts, R&D/ RE, customer specifications and trade fairs and commercial office. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, Improving Performance, ability to innovate, improving product quality and improvement in textile production.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the latest processing techniques is associated with washing through investment in new machines, experts and customer specifications. Similarly, international market presence is associated with customer relations through trade fair and commercial office.

The summary of the development from AO to EXP with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.4.4 Active Outsorcee to Explorer (AO to EXP)



#### 4.4.5.5 Active Outsorcee to Partner (AO to PART)

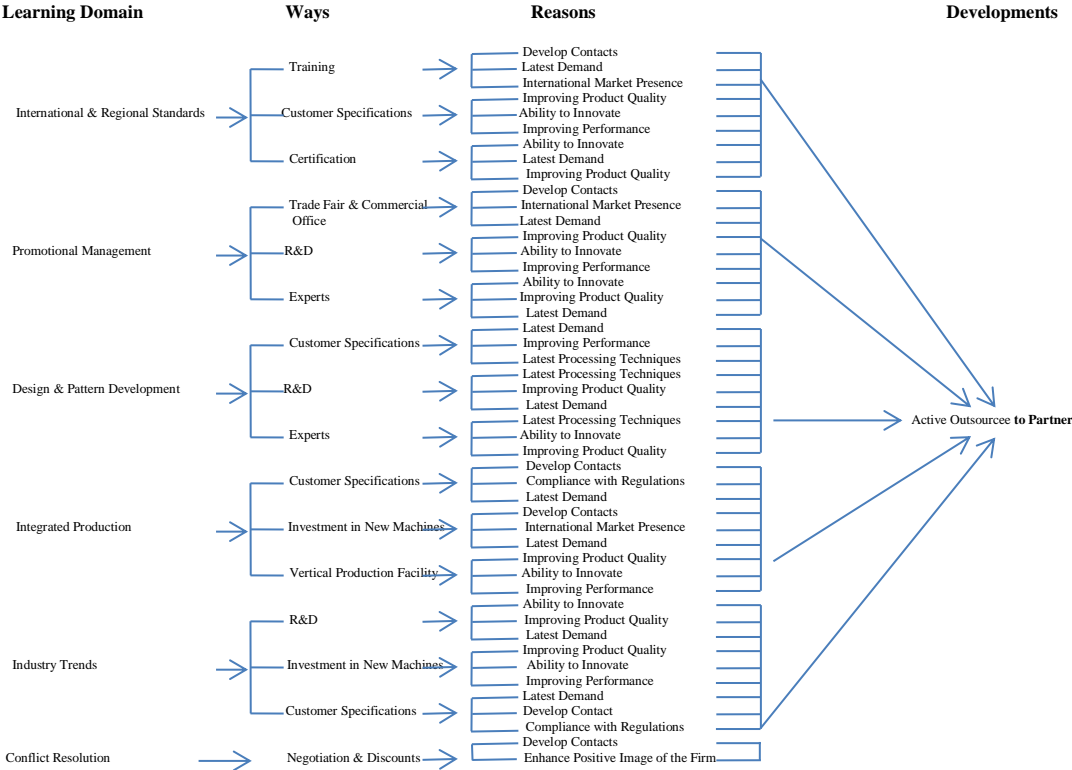
This development is characterized by the main learning related to promotional management, design developments, international standards, integrated production, and industry trends through customer specification, investment in new machines, R&D/RE, experts, and commercial offices. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, improving performance, ability to innovate, latest processing techniques and improving product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the improving product quality and ability to innovate are associated with designing and pattern development, industry trends, and international and regional standards through certification, experts and R&D/RE.

Similarly, enhance positive image of the firm is associated with conflict resolution through negotiations and discounts.

The summary of the development from AO to PART with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.4.5 Active Outsourced to Partner (AO to PART)



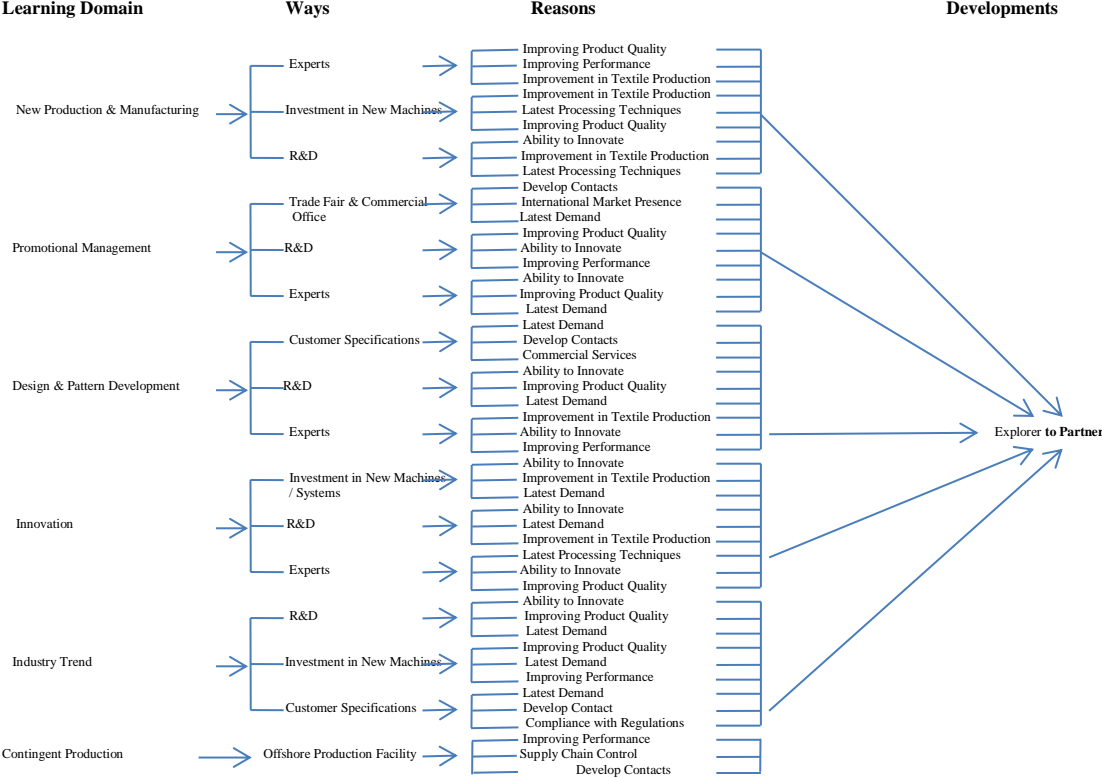
**4.4.5.6 Explorer to Partner/Competitor (EXP to PART)**

This development is characterized by the main learning related to in new production and manufacturing, promotional management, innovation, design and pattern development, industry trends and contingent production through investments in new machines, experts, R&D/ RE and customer specifications. The main reasons to involved in mentioned learning domains and ways were to meet latest demand, develop contacts, improving performance, ability to innovate, improve textile production and improving product quality.

However, certain reasons are associated with particular learning and characterized by particular learning ways, for instance, the improving performance, supply chain control and develop contacts are associated with the strategic approach of contingent production through offshore production facilities.

The summary of the development from EXP to PART with respect to main findings related to learning domains, ways and reasons is highlighted in graph.

Figure 4.4.6 Explorer to Partner/Competitor (EXP to PART)



Overall, the case firms reveal six development trajectories (Figures 4.4.1–4.4.6). Each development characterized by learning processes covers concrete domains, which are learned for specific reasons in particular ways. It was observed that case firm predominantly concentrated on four stages – “experimental outsourcee”, “active outsourcee”, “explorer”, and “partner” – due to its quest to build overall capabilities in the latest production techniques, innovative processes, and value-added services in order to move along the value chain and/or expand its operations in the international market. In addition, the development to “emerging global challenger” is evident in the early stages because of learning and building capabilities in new product design, product development, production, and sales and marketing under MTM’s own brands. However, a lack of expertise in branding, sales and marketing, and competition at the international level did not allow MTM to maintain its EGC status.

It is important to note that the learning in the context of this study, “learning in offshore outsourcing ties,” is not only associated with learning from the outsourcer (taking over

specific knowledge, capability, direct instructions, and specifications), but the strategic orientation of the outsourcee (case firm) as well. Hence, the main experiential learning seems to result in all kinds of interactions, including outsourcers, other market actors, and strategic steps taken by the case firm, so, the developments too.

#### 4.5.6 Case Database Sources

1. Interview with Director Marketing and Deputy Director Merchandizing
2. Interview with Manager Product Development and R&D
3. Interview with Senior Marketing Manager and Senior Manager Merchandizing
4. Interview (discussion) with Manager Finance
5. A short interview with HR Manager
6. Company's PPT and Video Presentations  
(<https://www.youtube.com/watch?v=rPgxD7oqMGc> )
7. <http://www.masoodtextile.com/products/products.php>
8. <https://www.facebook.com/pages/Masood-Textile-Mills/141115049241548>
9. [http://www.masoodtextile.com/aboutus/financial\\_reports.php?s=symbol](http://www.masoodtextile.com/aboutus/financial_reports.php?s=symbol)
10. <http://www.masoodtextile.com/customers/ourlabels.php>
11. <http://www.masoodtextile.com/products/products.php>
12. <http://www.masoodtextile.com/aboutus/fs/Annual%20Report%20three%20years/Published%20Annual%20Account%20-%202013.pdf>
13. <http://www.masoodtextile.com/division/divisions.php>
14. <http://www.masoodtextile.com/division/apparel.php>
15. <http://www.masoodtextile.com/profile.php>
16. <http://www.masoodtextile.com/quality/certifications.php>
17. <http://www.masoodtextile.com/research/pdmain.php>
18. [http://www.masoodtextile.com/research/sub\\_pdmain/autumn2013.php](http://www.masoodtextile.com/research/sub_pdmain/autumn2013.php)
19. <http://www.masoodtextile.com/aboutus/awards.php>
20. <http://www.masoodtextile.com/aboutus/news/news.php>
21. <http://www.masoodtextile.com/contact/contact.php>
22. [http://trade.ec.europa.eu/doclib/docs/2014/january/tradoc\\_152057.pdf](http://trade.ec.europa.eu/doclib/docs/2014/january/tradoc_152057.pdf)
23. [http://www.textileworldasia.com/Issues/2012/July-August-September/Features/Pakistan\\_Faces\\_Challenges](http://www.textileworldasia.com/Issues/2012/July-August-September/Features/Pakistan_Faces_Challenges)
24. <http://tribune.com.pk/story/769426/masood-textile-chinese-firm-withdraws-investment-offer/>

## Appendix-XII MTM Interview Quotes with Respective Codes

Quotes for Transcription	Learning	Ways	Reasons
1. "...Masood Textile Mills was incorporated in 1984 as a public limited company. We started with 4 spinning mills and yarn manufacturing. We produce yarn and conventional fiber to meet local market demand. We were doing what mostly others were doing in this region over years..." (Senior Manager Marketing and Merchandizing-USA)	Setup and Start	Imitation and Emulation	Latest Demand
2. "...Masood Textile Mills started its operation in 1984 initially with 4 spinning mills as a Public limited company. In the start, the company was engaged in traditional production of yarn and fiber for the local market demand..." (Director Marketing and Sr. Manager Merchandizing)	Setup and Start	Imitation and Emulation	Latest Demand
3. "...Masood Textile Mills was incorporated as public limited company in 1984 under the company ordinance. Initially MTM was running 4 spinning mills producing conventional yarn and fiber for the sale in local market..." (Technical Manager R&D and P&D)	Setup and Start	Imitation and Emulation	Latest Demand
4. "...A strategic shift came in 1993-94 when the company shift its focus towards value-added operations and offerings. In 1995, we shut down three of our spinning units and started the sewing and garment manufacturing operations through installation of new machines and equipment. We started with 40-50 stitching machines with a daily capacity of 4 tons for dyeing and knitting. The sewing was just for other here CMT basis and small local orders. In 1995, we started producing and exporting underwear briefs for Jockey UK ..." (Senior Manager Marketing and Merchandizing-USA)	New Production and Manufacturing Start and Setup Customer Relation	Implementation of New Machinery/Systems Customer Specifications	International Market Presence Latest Demand
5. "...In 1993-94 the company changed its strategy as we shifted our focus and resources towards change (i.e. we moved towards value addition). We disposed off three spinning units and replaced it with latest machines and equipment as in 1995 we started the garment and sewing operations on a small scale. I and my team at that time fully convinced the management to go into the value addition; as a result, we started the sewing operations. The sewing was just for other here CMT basis and small local orders. In the same year, we produced and exported underwear brief for a British brands Jockey..." (Director Marketing and Senior Manager Merchandizing)	New Production and Manufacturing Start and Setup Customer Relation	Implementation of New Machinery/Systems Customer Specifications	International Market Presence Latest Demand
6. "... In 1993-1994 the Company moves towards value addition as a result of strategic shift and changes in its operations. In 1995, three spinning units were replaced with garments production unit (i.e. knitting and sewing) through acquisition and installation of latest machines and equipment. We started with 40-50 stitching machines with a daily production of 4 tons for dyeing and knitting. The sewing was just for others here CMT basis and small local orders. In 1995, we received a small order of underwear briefs from a UK based brands Jockey which we successfully executed..." (Technical Manager R&D and P&D)	New Production and Manufacturing Start and Setup Customer Relation	Implementation of New Machinery/Systems Customer Specifications	International Market Presence Latest Demand Improvement in Textile Production



<p>7. In 1997, we formally started garment export to USA. This was a motivating step and encouragement for us to proceed further. We keep adding the latest machines and equipment form Japan, UK, Germany and Switzerland in order to enhance our production capacities and capabilities in meeting international demand of high value-added products....” (Sr. Manager Marketing &amp; Merchandizing)</p>	<p>New Production and Manufacturing Customer Relation</p>	<p>Implementation of New machinery/Systems Customer Specifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques Improving Product Quality International Market Presence Latest Demand</p>
<p>8. “...We started with 40-50 machines with a daily capacity of 4 tons for dyeing and knitting. In 1997, we formally started garment export to USA. This was an inspiration for us to move on and focus more on US market. To cater the needs of the new established US clients and enhance our production capacity and capabilities for higher value addition we keep sourcing and acquiring modern machines, equipment and testing tools form Japan, UK, Germany and Switzerland...” (Director Marketing and Sr. Manager Merchandizing)</p>	<p>Setup and Start New Production and Manufacturing Customer Relation</p>	<p>Implementation of New Machinery/System Customer Specifications</p>	<p>Latest Demand Develop Contacts Improving Product Quality Improving Performance</p>
<p>9. 10. “.... MtM keep going on towards value addition and quality production. In 1997, MTM started formal garment export to USA. This was the start of our international journey to proceed further. We keep adding state of the art machines and equipment form Japan, UK, Germany and Switzerland in order to improve our production capabilities and value addition in our operations to entertain customers in best possible way. ...” (Technical Manager R&amp;D and P&amp;D)</p>	<p>Setup and Start New Production and Manufacturing Customer Relation</p>	<p>Implementation of New Machinery/System</p>	<p>Latest Demand Develop New Contacts Improving Product Quality Improving Performance Improvement in Textile Production</p>
<p>11. “...We started latest production and processes which are key element for higher value addition in production. We enhanced our systems, operations and keep adding state of the art equipment and machinery. Now we are vertical integrated facility (i.e. spinning, knitting, processing, stitching and shipping units) to have full control of quality at every production stage. We have 30,500 spindles producing both carded and combed ring spun per day, 510 knitting machines with a capacity of 120,000 tons of fabric per day, state of the art dyeing and finishing machines producing 120 tons per day. In garment area, we have 6000 sewing machines with a total capacity of 450,000 pieces per day ...” (Sr. Manager Marketing &amp; Merchandizing)</p>	<p>New Production and Manufacturing Integrated Production</p>	<p>Implementation of New machinery Vertical Integrated Facility</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques Improving Product Quality Supply Chain Control Improving Performance</p>
<p>12. “...We keep acquiring state of the art available hardware to involve in latest production and processes for higher value addition. We are vertical integrated manufacturing facility having in-house Yarn production, Knitting, Fabric dyeing, Processing, Laundry and Apparel manufacturing facilities for full control of supply chain and demanded quality at every step of production. Our manufacturing infrastructure consists of 30,500 spindles producing both carded and combed ring spun per day, 510 knitting machines with a capacity of 120,000 tons of fabric per day, state of the art dyeing and finishing machines producing 120 tons per day, 6000 sewing machines with a total capacity of 450,000 pieces per day...” (Director Marketing and Sr. Manager Merchandizing)</p>	<p>New Production and Manufacturing Integrated Production</p>	<p>Implementation of New machinery Vertical Integrated Facility</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques Improving Product Quality Supply Chain Control</p>

<p>13. "...In the journey towards value additions in our production and meeting the demanded capacity, we enhanced our systems, operations and keep adding state of the art equipment and machinery. Now we are vertical integrated unit with in house spinning, knitting, processing, stitching and shipping facilities to have full control of supply chain and quality at every production stage. We have 30,500 spindles producing both carded and combed ring spun per day, over 500 knitting machines with a capacity of 120,000 tons of fabric per day, state of the art dyeing and finishing machines producing 120 tons per day, in garment we have 6000 sewing machines with a total capacity of 450,000 pieces per day ..." (Technical Manager R&amp;D and P&amp;D)</p>	<p>New Production and Manufacturing Integrated Production Customer Relationship</p>	<p>Implementation of New machinery Vertical Integrated Facility Customer Specifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques Improving Product Quality Supply Chain Control</p>
<p>14. "...Beside active investments in machines and equipment we established industrial engineering and R&amp;D units, hiring experts, designers and developers. This allows us to aggressively involve in product development and exploring innovative ideas to address forthcoming changes in more professional way. We have design studios in New York and Los Angles that keep us with the latest trends in fad and fashion of US market in designs and patterns. These arrangements enable us to know about market changes in proactive manner and a driving force behind our phenomenal growth i.e. 20-25% per annum. ..." (Senior Manager Marketing &amp; Merchandizing)</p>	<p>Product Innovation Design and Pattern Development Industry Trends</p>	<p>R&amp;D/I&amp;E and Reverse engineering Design Studio Experts</p>	<p>Ability to Innovate Develop Contacts Improvement in Textile Production Latest Demand</p>
<p>15. "...In addition to investments in machines and equipment we hired foreign designers and developers, established industrial engineering and R&amp;D units. These help us to explore innovative processes and product development. We have design studio in New York and Los Angles that keep us with the latest trends in fad and fashion of customers in US region. Such arrangements enabling MTM to be ahead of many in the field and a propelling force for our annual growth i.e. 20-25% ..." (Director Marketing and Senior Manager Merchandizing)</p>	<p>Product Innovation Design and Pattern Development Industry Trends</p>	<p>R&amp;D/Industrial Engineering and Reverse engineering Design Studio Experts</p>	<p>Ability to Innovate Develop New Contacts Improvement in Textile Production</p>
<p>16. "...apart from investments in hardware we established an Industrial Engineering and R&amp;D units, hired foreign experts, establishment of local design studio, designers and developers with experience of North American garments market. This enables us to involve aggressively in exploring innovative ideas, designs for developing products. In 1998, the company started its own brand "Land Mark" in Polo shirt, but due to lack of expertise and proper marketing channel the project was not successful and pulled back. MtM established design studios in New York and Los Angles beside our active local studios to fully focus on the latest trends of US market. Such arrangements enabling MTM to be ahead of many in the field and a driving force behind our phenomenal growth i.e. 20-25% per annum ..." (Technical Manager R&amp;D and P&amp;D)</p>	<p>Product Innovation Brand Management Industry Trends</p>	<p>Experts Design Studio R&amp;D/Industrial Engineering and Reverse engineering</p>	<p>Branding and Marketing Ability to Innovate Develop Contacts</p>
<p>17. "...We have sales and marketing offices in USA, UAE, Jordan, Bangladesh and Hong Kong that keep us in direct contact with clients, market our seasonal collections and samples to targeted clients and markets. Our marketing offices are vigilant in keeping sharp eyes on the latest trends from around the globe. Similarly, we are regularly participating in international conferences and expos to bring new concepts and products to international market..." (Senior Manager Marketing and Merchandizing-USA)</p>	<p>Industry Trends Customer Relations Promotional Management</p>	<p>Trade Fairs and Commercial Office</p>	<p>Develop Contacts Latest Demand International Market Presence</p>

<p>18. "...we continued our journey and focus more extensively on international markets and clients, as we established sales and marketing offices in USA (i.e. New York, Los Angeles, Dallas, Texas, Wisconsin, Ohio, and Milwaukee), UAE, Jordan, Bangladesh and Hong Kong that keep us in direct contact with clients and latest happening in these regions. MtM is among the pioneer in apparel who works on multiple business models, as we have offshore production facilities in Jordan and Bangladesh as a contingency approach to be agile and avoid headaches in production and supply chain due to law and order, duties and other effecting factors..." (Director Marketing and Sr. Manager Merchandizing)</p>	<p>Customer Relation Industry Trend Contingent Production</p>	<p>Trade Fairs and Commercial Office Offshore Manufacturing Facilities</p>	<p>Develop New Contacts Improving Performance Supply Chain Control International Market Presence Latest Demand</p>
<p>19. "...our established sales and marketing offices in USA, UAE, Jordan, Bangladesh and Hong Kong help us to keep in touch with sourcing partners, clients, suppliers and respective market trends of those markets. Similarly, MTM sending its technical and marketing delegates to various international industrial fairs and exhibitions to learn about latest technology, processes and happenings and promotes MTM in proper way ..." (Technical Manager R&amp;D and P&amp;D)</p>	<p>Industry Trends Customer Relations</p>	<p>Trade Fairs and Commercial Office</p>	<p>Develop New Contacts International Market Presence Latest Demand</p>
<p>20. "We manufacture a wide variety of quality garments including T-shirt, Polo shirt, Jogging suit, Henley shirt, Raglan shirt, Tank top, Bikini, Shorts, Pants and Sleepwear for world's top brands. A combination of competent men, state of the art machines, supplies and support services enhances our sale and growth in different product categories. We have expanded our operations to include latest I.T applications and solutions to take advantage of international e-trade and e-commerce. Now we use state-of-the-art client/server technology for market information and processes to coordinate our wide spread network of global buyers and agents around the world. We are expanding at a rate of 20-25% annually as we are exporting our 80-85% production to USA and 15-20% to European and rest of the world. We don't sale a single piece or even the defective pieces in local market due to legal bindings and safeguarding our client's business and interest....." (Senior Manager Marketing &amp; Merchandizing-USA)</p>	<p>New Production and Manufacturing Customer Relations International &amp; Regional Standards</p>	<p>Customer Specification Implementation of New Machines/System Experts Trade Secrets</p>	<p>Develop New Contacts International Market Presence Compliance with Regulations Improving Performance</p>
<p>21. "... it is very important for us to have foreign clients. From the start, we are in export business which grows at regular interval. 100% of our production is for export. We do not sell even a single piece in local market to comply with business ethics; legal binding, agreements and compulsion form our customers. Even the defective garments we recycle it and make yarn that we sell in local market. We totally depend on foreign markets as our products are mostly design for international demand and export. We are composite production facility with our own spinning, weaving, knitting, sewing, dyeing, processing and cutting units, which serves the needs of today's business and client demands i.e. mostly clients love one stop shop. The production capacity of each and every unit is very high as compare to local demand. Most of the famous garments brands are from USA and Europe, so we are focusing on those markets. We have different engagements and organizations of work depend on our clients and partners'</p>	<p>Customer Relations Integrated Production International &amp; Regional Standards</p>	<p>Customer Specifications Integrated Production Facility Trade Secrets</p>	<p>Compliance with Regulations International Market Presence Improvement in Textile Production Develop Contacts</p>

priorities and demand. We categories clients in three segments according to price, quality and quantity as: high end, mid tear and masses ...” (Director Marketing)			
22. “...MtM is the initiator of establishing a unique shipment system (i.e. Lean Planning instead of 20-30 days’ model) and “direct to store model” in this region to entertain and retain North American clients that were considered impossible to operate from this region. We have offshore manufacturing facilities in Jordan and Bangladesh as a contingent approach to meet any uncertainty, improve our performance through complete control of supply and to provide duty free advantages to our clients in different regions....” (Technical Manager R&D and P&D)	Contingent Production Lean Supply Customer Relation Innovation	Offshore Manufacturing Facility Direct to store model	Develop Contacts Supply Chain Control Improving Performance Ability to Innovate
23. “...MTM established with the export centered philosophy as per customer specifications, we export 100% of our production (i.e. approximately 80-85% to USA and 10-15% to the European and some quantity to Japan and UAE markets)....” (Technical Manager R&D and P&D)	Customer Relation Setup and Start	Customer Specifications	International Market Presence
24. “...In order to keep the pace of changes and encounter geopolitical/economic situation we have multiple business models. We are running offshore manufacturing production facilities in Jordan and Bangladesh as a source of contingency planning and provide duty free consignments to international clients. In Bangladesh, we have a sister company, while in Jordan we rent a production facility....” (Senior Manager Marketing & Merchandizing-USA)	Contingent Production Customer Relation	Offshore Manufacturing Facility	Improving Performance Supply Chain Control Develop Contacts
25. “...No, we do not have any local brands at all in garments. In Yarn, we have some brands but it is not our focus as it is raw product and do not provide more value. After the installations of latest machines, establishing of local design studios, R&D and hired designers and developers we went for our own brands for more value addition. We had done an experiment in 1998-99, as we launched a brand Land Mark PFD. We produced POLO Shirt under the label of LAND MARK PFD, but unfortunately at that time we did not have enough experience and suitable channel to do it properly, therefore we rollback our Land Mark project. We were in the initial developmental stages and that was an immature decision. We started focus on our main stream of business i.e. exports. If we want we can do it now in a best way. But we want to stay in the main core of our business and operations, we do not want to lose focus from our core business...” (Director Marketing)	Brand Management	Experts R&D and Reverse engineering Implementation of New Machines	Branding and Marketing
26. “...We have multi business model, as we are flexible to work with world’s leading brands and retail chains according to their business model. We divided clients into three categories according to price, quality and quantity as: high end, mid tear and masses. We serve them successfully with full confidence over a decade. Moreover, we are vertical composite setup that helps us to control whole supply and value chain to serve our clients at our best. Sometimes, we do not entertain foreign clients due to our minimum order quantity (MOQ) compulsion....” (Technical Manager R&D and P&D)	Customer Relation Integrated Production	Customer Specifications Vertical Production Facility	Latest Demand International Market Presence Supply Chain Control

<p>27. "...We are equipped with latest available machines, equipment and testing tools to maintain high quality standards set by international brands and clients. Our production process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof. This enables us to reduce the lead time to market and ensure the demanded quality under our breast at every production stage...." (Technical Manager R&amp;D and P&amp;D)</p>	<p>Customer Relation Integrated Production New Production &amp; Manufacturing</p>	<p>Customer Specifications Integrated Production Facility Implementation of New Machines</p>	<p>Latest Demand International Market Presence Improvement in Textile Production Improving Product Quality</p>
<p>28. "...we are expanding in different product categories, as we keep adding new clients and/or getting more orders from the existing clients in different product category. We are working with world's top brands like Under Armour, Tommy Hilfiger, JC Penny, Jockey, Wal-Mart, Adidas, Polo Ralph Lauren Dockers and other. Earlier we were working with 8 clients as supplier and manufacturer of private brands and labels. The number of clients is increased to 20-21 from the last 6 years. We gained 25% growth in dollar value in turn over and infrastructure. We are constantly exploring new segments, markets and customers for our quality and customized products ranging from cotton, yarn, fabric to garments through our international sales and marketing channel and offices...." (Senior Manager Marketing and Merchandizing USA)</p>	<p>Customer Relation</p>	<p>Customer Specifications Trade Fairs and Commercial Office</p>	<p>Develop New Contacts Improving Performance International Market Presence</p>
<p>29. "...The number and/ or business with foreign clients are growing. We have an annual growth rate of 20% per annum. We grew with some of our customers form the start and keep working with them. We keep adding new clients on regular basis as we establish business with KICK and TCP (children brand) which are latest addition to our customer list. Majority of our customers ages more than 15-16 years, they are going on and doing business with us, they are our all-time customers and partners (JC Penny. Levi's, Adidas, Lee, Tommy Hilfiger, Puma, Rebook, Docker etc.) as we are accommodating their needs on continuous basis. We sale 80-85% to American brands and retailers while the rest we sell to Europe, Japan and Middle East. We have also seasonal customers that come and go on seasonal basis. Additionally, our international offices at various locations in USA, Hong Kong, UAE, Bangladesh and Jordan are our vehicle for growth in sale. We are exploring new segments, markets and customers for our quality and wide range of products, processes and services at international stage...." (Director Marketing)</p>	<p>Customer Relation</p>	<p>Customer Specification Trade Fairs and Commercial Office</p>	<p>Develop Contacts International Market Presence Improving Product Quality Improving Performance</p>
<p>30. "...The number or clients and or orders are growing @ 20-25% annually. We started and grew with world's leading brands and retail chains and still working with them over two decades. We keep adding new clients on regular basis; customers like KICK and children brand TCP are the latest inclusion. Some of our customers are working with us form last 15-16 years, they keep doing business with us, they are our all-time customers and partners as we accommodate their emerging needs on continuous basis. We sale 80-85% to American brands and retailers while the rest we sell to Europe, Japan, UAE and seasonal customers. Similarly, our international offices located in USA, Hong Kong, UAE, Bangladesh and Jordan enables us to increase our sale and export. We are exploring new segments, markets and customers across borders for our</p>	<p>Customer Relation Design and Pattern Development</p>	<p>Customer Specification Trade Fairs and Commercial Office</p>	<p>Develop Contacts International Market Presence Improving Product Quality Latest Demand</p>

diversified collection of products, processes and services....” (Technical Manager R&D and P&D)			
31. “...There are four basic things which about every customer looking for as 1. most important is the price, 2. Quality of product 3. Time span (i.e. the lead time). 4. Compliance with the international and regional ethical and social standards etc. Customers check these 4 factors first. Then it comes to minor details that are related to our operational region and locations, if it suites to their region of business or operations as well they go further. There are lots of transit cost involve, from here to US, we see either country of origin i.e. Jordan will be suitable for them, Pakistan or Bangladesh will be suitable for them. So, which countries of origin are suitable for them. So, these components are the most important which attract customers, to serve them according to their needs and demands. The rest what services we provided in our products either we are specialized to produce their specific fabrication, special finishes, special knitted fabrics, so these details come later...” (Senior Manager Marketing and Merchandizer)	Customer Relation International and Regional Standards	Customer Specification Certifications Implementation of New Machinery/system	Compliance with Regulations Latest Demand
32. “...customers who are going to establishing business ties for the first time are almost the same in their requirements. They visit our plant check the infrastructure, systems, capabilities and capacities form every aspect. They are extremely concern about our compliance with international and regional standards in our operations. Once they satisfied form there, they come on business dealings which are mainly around price, quality, lead time and region of operations. The specifications and product details are different form customer to customer as it depends on the customer target market and region where he is working. Some brands and customers exclusively targeting kids, women while others targeting young people etc. Similarly, some brands and retailers target price conscious while other focus on quality conscious customers. Additionally, some brands and retailers demand extra treatments in their orders. They go for advanced technical textile than that of traditional. For example, they need one or more special and sophisticated finishing, processing and treatments like antibacterial, antifungal, antimicrobial, antimicrobial with Wicking, Nano-technological treated fiber and fabrics, ammonia wash, waterproof, Coolmax...” (Director Marketing)	Customer Relation International and Regional Standards	Customer Specification Certifications Implementation of New Machinery/system	Compliance with Regulations Latest Demand
33. “...The customer visits us whenever he is going to establishing business for the first time. Customer visit our plant to check the infrastructure, production facilities and capacities, R&D, systems, compliance with ethical and environmental standards i.e. everyone has special concern for water treatment plant, chemical treatment and labor dealings. Even some clients also check our list of clients and sourcing partners. Every customer is extremely concern about compliance with international and regional standards. Once they satisfied they proceed further and come on business table to discuss price, quality, lead time and region of operations. After negotiating and come to an agreed business terms, every customer has his own specifications depends on his target market and regional needs. Some customers exclusively targeting kids while others focus on young. Similarly, some brands and retailers target price conscious while other target quality	Customer Relation International and Regional Standards	Customer Specification Certifications Implementation of New Machinery/system	Compliance with Regulations Latest Demand

<p>conscious customers. Different customers have different color combinations, fabric type, finishing embroidery and sewing according to market segment. Some brands ask for extra treatments in their orders. Beside conventional garments they ask for technical textile. For example, they need one or more special and sophisticated finishing and processing ....” (Technical Manager R&amp;D and P&amp;D)</p>			
<p>34. “... every customer and retailer has his own target market and regional needs. For example, some customers demand for high quality, low volume and good prices products, some go for average quality with better prices, while the rest sell low price products with satisfactory quality. So, every customer is different from other in specifications and needs, or even a single customer having different segments have different needs and requirements according to his targeted market segments....”(Technical Manager R&amp;D and P&amp;D)</p>	Customer Relation	Customer Specification	Latest Demand
<p>35. “...Beside international standards some clients have special regional requirements for the use of cotton, chemicals, finishes, processing and ethical standards. Additionally, some clients and brands demand extra treatments and in their orders. They go for advanced <b>technical</b> textile than that of conventional. For example they need one or more special and sophisticated finishing, processing and treatments like antibacterial, antifungal, Nano-technological treated fiber and fabrics, ammonia wash, fire replants, waterproof, water replant, cool max, anti-wrinkle, Thermo and others you name it in their products ( for details see <a href="http://www.masoodtextile.com/research/special_finishes/special_finishes.php">http://www.masoodtextile.com/research/special_finishes/special_finishes.php</a>)</p>	Customer Relation International and Regional Standards	Customer Specification	Latest Demand
<p>36. “...Every international brand is taking care and respect issues related to ethics and environment at every cost. Our clients are internationally renowned brands and leading players in the market, they are taking care of each and every aspect to comply with their regional and international standards. Additionally, every customer has its own requirements and demands in reducing the environmental impact of their processes i.e. water and energy efficient washing, use of chemicals, treatment of waste and water, emission of CO2, nature of cotton and processes as per WRAP, Organic Cotton, European and American standards. We are certified company and comply with internationally required standards...” (Director Marketing)</p>	Customer Relation International and Regional Standards	Customer Specification Certification	Latest Demand Compliance with Regulations
<p>37. “...Our customers are global players; they are taking care of each and every aspect related to business ethics, environment, CSR, labor issues, they establish their business ties with those suppliers who are working on the same philosophy. Beside international standards some customers have specific requirements and demands in reducing the environmental impact of their processes i.e. water and energy efficient specific washings and finishing, use of chemicals, waste disposals, water treatment, emission of CO2, nominated suppliers, nature of cotton, labor dealings etc. as per WRAP, Organic Cotton, European and American standards. We are taking care of our clients demanded requirements through certifications and comply with standards at our best....” (Technical Manager R&amp;D and P&amp;D)</p>	Customer Relation International and Regional Standards	Customer Specification Certification	Latest Demand Compliance with Regulations

<p>38. "...We are complying with all international and customer's specific regional standards. We got certifications and training from various leading accreditation bodies and consultants like NSI, RAB (USA Based), UKAS (UK Based), DAR/TAG (Germany Based), Control Union Certification (Netherlands) etc. This shows our direct and indirect commitments to various environmental and ethical regional and international standards. It creates a positive image for our doings in responsible and accountable way and serves as signaling for our future business developments. The company is certified from i.e. ISO-9002, WRAP (Worldwide Responsible Apparel Production) ISO-14001, SA-8000, REACH, GOTS, Organic Cotton Certified, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA). ...” (Director Marketing)</p>	<p>International and Regional Standards</p>	<p>Certification Training Customer Specification</p>	<p>Latest Demand Compliance with Regulations Develop Contacts Positive Image of Firm</p>
<p>39. "...We are doing our business in a responsible way and complying with international and customer's specific regional standards. We are certified company from different aspects having certifications as per of our clients' requirements i.e. ISO-9002, WRAP (Worldwide Responsible Apparel Production) ISO-14001, SA-8000, REACH, GOTS, Organic Cotton Certified, OEKO TEX-100, BSCI, OE (Organic Exchange) Blended, Cotton USA certified (ASA). We got certifications and training from various leading accreditation bodies and consultants form various parts of the world such as NSI RAB (USA Based), U.KAS (UK Based) and DAR/TAG (Germany Based), Control Union Certification (Netherlands) etc. This shows our commitments to environmental and ethical standards and makes us more visible in this region ....” (Technical Manager R&amp;D and P&amp;D)</p>	<p>International and Regional Standards Customer Relation</p>	<p>Customer Specifications Certification Training</p>	<p>Latest Demand Compliance with Regulations Positive Image of Firm</p>
<p>40. "... overall procedures are same, but nowadays much systems are involving, some customers send us the order through email, while majority uses their systems and websites for placing orders. We pulled and filled their orders in the system; they have given us the IDs and password for their website where we fulfilled it through online system. Similarly, we update the order status on daily basis. After receiving the order, we have certain steps which are same for every customer. We evaluate the order except repeat orders. It is common practice to propose changes in different aspects of the order. There is a compulsory development process which starts form initial <i>proto i.e.</i> Samples, fit sample followed by pre-prediction samples and finally approved sample from every aspect. In sampling development, we check, test and calibrate for various technical standards, measures and issues. Accordingly, we propose changes and alternation based on our test and expertise in developing and manufacturing products over decade. We discuss changes with our customer's R&amp;D and design teams for approval, they also give us insights and feedback based on our proposed changes for better execution and performance. For every customer, this is same depending on the matching with their specifications. We color we developed lab dips, that dips are basically the color swatches which are send to customers for approval, after their approvals we produce accordingly. We go for product planning and control</p>	<p>International and Regional Standards Customer Relation Industry Trend</p>	<p>Customer Specifications Implementation of New Machine/System Technical Advices</p>	<p>Latest Demand Improving Performance</p>



<p>and make the full supply schedule with respect to procurement of inputs and raw materials, production and shipments. It follows as we procure the yarn, then production i.e. knitting, dyeing, cutting, sewing, shipping and sales review...” (Senior Manager Marketing and Merchandizing-USA)</p>			
<p>41. “...the ordering procedure is totally changed from the last three years. It is much I.T based and system oriented, there is no more long purchase orders (PO) in a traditional way. Some customers are using emails for their orders, while majority brands and clients issues their purchase orders (PO) on their website. We pulled and filled their orders in the system with specific IDs and password for their websites where we fulfilled it through online. On daily basis, we update the system regarding their order status and the delivery schedule. After receiving the order, we have certain steps which are same for every customer. There is a compulsory check, test and development process which starts form initial proto samples, fit sample, pre-production samples and approved sample from every aspect. This is the same procedure for almost every customer. In the sampling development, we closely judge the behavior of product at various tests. We note every abnormal aspect and propose change in the orders for better development and execution. The customers also give their experts view regarding our proposals, sometimes they have different and better recommendation from ours, which are helpful for our learning. After overall customer approvals, we go for production. We go for product planning and control make the supply schedule with respect to procurement of inputs and raw materials, production and shipments. It follows the pattern to procure yarn, start production i.e. knitting, dyeing, cutting, sewing, shipping and after sales review...” (Director Marketing)</p>	<p>International and Regional Standards Customer Relation Industry Trend Product Innovation New Production and Manufacturing</p>	<p>Customer Specifications Implementation of New Machine/System Technical Advices</p>	<p>Latest Demand Improving Performance Improvement in Textile Production Latest Textile Processing Techniques</p>
<p>42. “...From couple of years the ordering procedure is totally changed. The orders are more system oriented means that customers are using and adopting advance I.T system, packages and software for efficiency and clarity in communication. Mostly the customer issues order on their system instead of sending us PO like in the past, they give access to specific area where they issue PO on our name. We pulled and filled their orders in the system; we put the delivery schedule and update order status on daily basis. After receiving the order, we have certain steps which are same for every customer. There is a compulsory development process which is starts form initial proto samples, and fit sample followed by pre-production and finally approved sample from every aspect. Majority of orders are change in certain aspects during the sampling. We inform and advice the respective client for in time and necessary changes in their products for best results. For colors, we developed lab dips i.e. color samples send to concerned customer for approval after necessary changes. We do product planning and control and make schedule with respect to procurement of inputs and raw materials, allocation of machines for production and shipments. It follows as we procure the yarn, knitting, dyeing, washing, cutting, sewing, shipping and after sales review) ..... Similarly, different clients have different demand as per their market preferences and demand (i.e. price, quality and quantity). There is also change in</p>	<p>Product Innovation Customer Relation Industry Trend New Production and Manufacturing</p>	<p>Customer Specifications Implementation of New Machine/System R&amp;D and Reverse engineering Experts License Technical Advices</p>	<p>Latest Demand Improving Performance Improvement in Textile Production Latest Textile Processing Techniques Ability to Innovate/NPD</p>

<p>the application of garments as the customer present and market the garments in such a way that it is not just a garment but a complete system of comfort and relief according to the user needs and preferences (i.e. *technical textiles, active wear, sportswear etc.) ..... Because of these changes the specifications, construction and appearance of the garment changed a lot. Overall the customers required latest and unique treatment in their orders. We are alert and keep ourselves aware of such changes by acquiring and upgrading our systems, men, machinery, tools and processes on preferential basis. We are armed with modern applications, testing tools and processes which enable us to execute order in best possible way. We procure inputs, purchase license and pay for patent to suppliers to involve in latest production and processing ....” (Technical Manager R&amp;D and P&amp;D)</p>			
<p>43. “... the industry is changing overnight with respect to innovations in machines, processes, products, applications and customer’s needs. Every season there are ongoing changes and improvements in designs, color, styles and construction of garments. Similarly, there are changes in the standards and regulations regarding compliance, quotas, duties, freights and taxes. The industry is very dynamic from every aspect i.e. form cotton field to door step delivery of finish products. To address the change element, we are updating our systems, infrastructure and R&amp;D with latest techniques and processes. We pay for license and patents to the innovators (i.e. Investa and Duo punt etc.) for the use of their innovative processes and techniques in our operations to handle a rising innovative demand in better manner...” (Senior Manager Marketing and Merchandizing-USA)</p>	<p>Product Innovation Industry Trend</p>	<p>License R&amp;D and Reverse engineering Implementation of New Machinery/System Customer Specifications</p>	<p>Latest demand Ability to innovate Improving Product Quality Improvement in textile Production Latest Textile Processing Techniques</p>
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<p>45. “...As a result of such changes the specifications, construction and appearance of the garment changed a lot. Overall the customers required unique, unusual and extra treatment in their orders that are mostly changed from previous years. For example, some customers demand for the latest changes in the products and processes, as they are switching from conventional garments to more *technical garments. We are very vigilant to these changes. We are moving along with these changes through upgrading our systems, men, machinery, tools and processes on preferential basis. We are equipped with latest applications, testing &amp; lab tools and processes which enable us to meet different demand. We purchase license and pay for patent to producers</p>	<p>Product Innovation Industry Trend New production and Manufacturing Customer Relation</p>	<p>License R&amp;D and Reverse engineering Implementation of New machinery/System Customer Specifications</p>	<p>Latest demand Ability to innovate Improving Product Quality</p>

<p>such as Investa and Duo punt etc., to use their innovative process for quality manufacturing. These are costly and expansive process, but you have to go with your customers demand and market trend. Similarly, our main customers also help us in getting on track through various advices and trainings. We are doing all generic and technical processes and are in continuous processes of improving our activities according to international standards...” (Director Marketing)</p>			
<p>46. “...As a result of such changes the specifications, construction and appearance of the garment changed a lot. Overall the customers required unique, unusual and extra treatment in their orders that are mostly changed from previous years. For example, some customers demand for the latest changes in the products and processes, as they are switching from conventional garments to more *technical garments. We are very vigilant to these changes. We are moving along with these changes through upgrading our systems, men, machinery, tools and processes on preferential basis. We are equipped with latest applications, testing &amp; lab tools and processes which enable us to meet different demand. We purchase license and pay for patent to producers such as Investa and Duo punt etc., to use their innovative process for quality manufacturing. These are costly and expansive process, but you have to go with your customers demand and market trend. Similarly, our main customers also help us in getting on track through various advices and trainings. We are doing all generic and technical processes and are in continuous processes of improving our activities according to international standards...” (Director Marketing)</p>	<p>Product Innovation Industry Trend New production and Manufacturing Customer Relation</p>	<p>License R&amp;D and Reverse engineering Implementation of New machinery/System Customer Specifications</p>	<p>Latest demand Ability to innovate Improving Product Quality</p>
<p>47. “...We have a very well established industry w.r.t to cotton, polyester, sheeting and dressing products. But when we go to the technical products then we need to have certain modifications in our machinery and processes because the machinery which we are using here in Pakistan is state of the art machinery of his time. I worked in Chenab as I mentioned before they had very sophisticated machinery of that time. Similarly, here at MTM we are having state of the art machinery subject to continuous improving. Once we get order from any customer for technical textile we make necessary changes i.e. up-gradation in machines and equipment because of the good price. If we get good and committed orders we invest heavily in new machinery and infrastructure. I never seen such situation that we hesitate to invest in new machinery in case of committed orders. Even we have some examples here in this district that firms started totally new setups for new orders and demand. Overall, our industry is least interested in changing the current business as I mentioned that we are basically cotton oriented and feels conformable in cotton products because of expertise in cotton through centuries. But whenever healthy orders come then we welcome such changes but mostly at individual or firm level...” (Technical Manager R&amp;D and P&amp;D)</p>	<p>Industry Trend New production and Manufacturing Customer Relation</p>	<p>R&amp;D and Reverse engineering Implementation of New machinery/System Customer Specifications Acquisition</p>	<p>Latest demand Ability to innovate Improving Product Quality Develop Contact</p>

<p>48. "...If you look on the past years, you will notice innovations in technical and operational aspects on daily basis, which changes whole industry structure. It makes the industry very volatile from every aspect. I will say that there is pressure on industry from three sides i.e. regional and international standards/ rules, industry norms and changes in market. The three factors shape overall changes in industry in two aspects as: <i>i-</i> Innovations in equipment, processes, new applications, patents, services and use of garments. <i>ii-</i> Competition in supplies i.e. price, quality, delivery time, improvisation in products and processes and speed of adaptation. There is a split between us and western firms. We are good in supplies due to cheap labor and availability of inputs while the westerns have upper hands on innovation frontier due to technology and knowhow... We pay for license to different companies for the use of innovative processes and techniques in our production..." (Director Marketing)</p>	<p>Industry Trend</p>	<p>Certification Implementation of New Machinery License</p>	<p>Latest Demand Ability to innovate Improvement in textile Production Latest Textile Processing Techniques Compliance with Regulations</p>
<p>49. We are actually main and direct supplier to world leading brands and customers. We do not have any contract for production. We produce customer's labels (i.e. private brands and labels) as per specification. For example, there is Tommy Hilfiger we produce Tommy Hilfiger brands from cotton to door step delivery, if there is Nike we produce only Nike brands so we do not produce under our own brand name except our promotional products under specific themes, but it is not brand at all. We only deal in international markets as we are exporting 100% of our production. We do not design their products as they have well developed design teams. We get designs from our customers; develop their article and brands according to their needs. We advise and suggest changes in their design and or specifications based on our expertise in developing and manufacturing form decades to make the production processes friendly and cost effective to eliminate problems in the market. It creates a sense of security among our clients and positive projection for us. For certain clients, we also design their products depend on the nature of products and market. Mostly we are working with our all-time clients and partners. We developed mutual understandings over time as we know their systems, working patterns and level of acceptability. Similarly, they know our capabilities and capacities. We have long-term relationships with our customers and this is our success as once we develop a customer we retain him at every cost. Developing and manufacturing client's innovative products in real time are source of learning and gaining in real time, which we extend to our future operations and annual collections. Additionally, we have seasonal and transactional buyers who come and go in different point in time and seasons. We have a strict code and business ethic towards customers' privacy, commercial information, R&amp;D and tactics. We don't divulge trade secrets of customers with others. In case of deviations from certain aspects of the order or scheduled supply. we try to find alternative ways to resolve in best possible manner. We discuss such issues to understand it for possible settlement as we have also faces issues on production floor. Some clients understand our constraints they accommodate us while other don't. In that case, we give them special price cut on decided prices, ship their consignment through alternative mode of transportation, replaced defective consignment etc. Such negotiations and arrangements are</p>	<p>Customer Relation Design and Pattern Development Promotional Management Conflict Resolution</p>	<p>Customer Specifications Imitation and Emulation Trade Secrets Technical Advises R&amp;D and Reverse engineering Negotiations</p>	<p>International Market Presence Latest Demand Develop Contacts Positive Image of Firm Improving Performance</p>

<p>respected by our long-term clients who are keeping and expanding their business ties over decade and attract potential ones...” (Senior Manager Marketing and Merchandizing)</p>			
<p>50. “...We grew with some leading brands and important players in the industry. Majority of our customers ages more than 15-16 years and keep working with us except the KICK and children brand (the children palace- TCP) which were added last year. They keep their business with us on permanent basis. But it is also a fact that sometimes we get more business but other time we get less. There are variations I mean ups and downs in business relation. Since 2003 three of our clients left us. We do not have production contract with any client. Most of the clients design their products; we developed and manufacture it here. We suggest changes to make it production friendly and cost effective. We have good relationships with our customers and trying to engage them at every cost. Basically, we are working with our long-term strategic partners with whom we have good business relations and mutual understandings. We know their systems and they know ours. We have trust relationships they guide us and we act. I can say that we have long-term relationships with our customers and this is our success. Once we develop a customer we retain him at every cost. We are also working with seasonal and transactional buyers who come and go in different season as for as they meet our minimums order quantity (MOQ). We have a strict code of conduct towards customer’s business secretes, R&amp;D and sensitive information. We guaranteed full security of business information and trade secrets as we don’t share one customer’s information with others. This creates trust and confidence in our dealings. In case of problem in matching specifications, quality, shades and delivery schedules etc. we always try to sort out every possible way to resolve it mutually. We discuss the matter with open heart; we lesson clients, understand their problems and take every possible action for mutual acceptable solution. Similarly, clients also understand our problem they accommodate us while sometimes they go for the opposite. In such situation, we provide them special reduction on prices, alternative mode of transportations and replacements etc. it creates good projection among our existing clients in keeping business ties for decade and signaling to potential customers in the market ...” (Director Marketing)</p>	<p>Customer Relation Conflict Resolution</p>	<p>Customer Specifications Imitation and Emulation Negotiation/Discount Trade Secret Protection</p>	<p>Ability to Innovate Latest textile Processing Improvement in Textile Production Compliance with Standards Develop Contacts Positive Image for the Company Latest Demand</p>
<p>51. “...We are exporting 100% of our production. We engage our customer and sourcing partners with good working relationship from every aspect. We are developers and manufacturer of private brands and labels to top American and European brands. We have specific arrangements and engagements with our clients which grow and mature over time. Some of our clients are working with us from the last 16 years; we consider them partners and carry out business in a more responsible way with mutual understanding. In case of any problem we openly hear them and discuss issues to have clarity in communication for better solutions. In case of issues in quality and matching product specifications due to design and execution we accommodate our clients at our level best through different arrangements like give them discounts, ship the consignment through fast transportation mode and replaced the defective items. Such arrangements melt the ice and result in keeping smooth and long-term relationship. We provide</p>	<p>Customer Relation Conflict Resolution</p>	<p>Customer Specifications Trade Secret Protection Imitation and Emulation Negotiation</p>	<p>Compliance with Standards Develop Contacts Positive Image for the Company Latest Demand</p>

<p>complete secrecy of our customer's R&amp;D and safeguard their business interest at every cost. Our dealings create goodwill and trust for us in the market...." (Technical Manager R&amp;D and P&amp;D)</p>			
<p>52. "...we developed our own designs according to the recent market trends as a promotional tool to present our innovative concept. It is just an idea(s) we provide about 20 ideas every season (i.e. Spring-Summer and Autumn-Winter) on continuous basis. The customers choose to form them and amend according to their needs. We present our seasonal ideas with different combination of fabric, design, colors to different customers through our international marketing and sale office located at various locations. From the last couple of years, we regularly participate in various international conferences and expos such ITMA, Shanghai Tex, TDAP, International Textile Machinery Exhibition etc. to showcase our innovative products for future business ties. The participation in such mega events are rich source of information to keep our selves about latest trends and innovations in markets which we induce in our operations. Until and unless you do not keep on R&amp;D based on different markets you do not bring innovation into products and you cannot gain the orders. Because innovation in the product, in the systems is very important to cater the need of the customers. Customers are brining innovation into their products from season to season and if we do not align our self-according to their needs probably we will not survive. We have aggressive R&amp;D and industrial engineering department to meet challenges and introducing and presenting new ideas...." (Senior Manager Merchandizing)</p>	<p>Promotional Management Industry Trends Customer Relations Product Innovation</p>	<p>R&amp;D and Reverse engineering Experts Trade Fairs and Commercial Office DESIGN STUDIO</p>	<p>Develop Contacts Ability to Innovate Latest demand</p>
<p>53. "...we are leaders in designing, developing and manufacturing of knitted apparel products right from basic to highly fashioned items and garments in this region thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional acumen. The team here strongly believes that Customer satisfaction is the essence of business today..." (<a href="http://www.masoodtextile.com/index.php">http://www.masoodtextile.com/index.php</a>)</p>	<p>Product Innovation Industry Trend Design and Pattern Development Customer Relation</p>	<p>Experts R&amp;D and Reverse engineering Customer Specifications</p>	<p>Latest Demand Develop Contacts Improving Product Quality Ability to Innovate</p>

<p>54. "... in garments and apparel clients comes and go on continuous basis. We have a policy of having long-term working relationship with our clients for longevity in our business, as we are exporting 100% of our capacity. We want to grow with clients as it is much easier to work once you get to know the system, behavior and specifications of a certain customer. There are certain issues that have huge effect on our relations with certain clients. There were 3-4 clients who left us from the last 6 years, because cotton and yarn prices were increased and shoot up in international markets. Those customers did not give us price up charge, although we negotiated with them through face to face dialogues and meetings, but they were not agreed on that. They had gotten some better prices out of China, so they gradually pulled their production program from us.... few customer's policies were in a way that if there any little activity of militancy in any country they will not work, so they left us.... one customer who was working with us actually reduce his volumes, which were not according to our MOQs (minimum order quantity) requirements. They were not fulfilling our minimum order quantity, obviously, we requested him to increase the quantity due to our production capacity and capability, he did not increase the quantity and we stop working with him... There was an American company who change its strategy that they will not work in the region which is far away from USA. So, they will work in Latin America or neighboring countries like Honduras, Argentina due to transit duties and shorter lead time. It almost took 25-29 days through sea to send them consignment. From Honduras or Argentina, it only takes few hours. So, they left us and this region just because they were working on lean planning instead of working on 30 days planning. It is very hard for the producers in this region to work on lean time with the US customers...." (Merchandizing Manager)</p>	<p>Customer Relation Conflict Resolution</p>	<p>Customer Specifications Negotiations</p>	<p>Develop Contacts</p>
<p>55. "...I know three to four clients left us in last 7 years due to various reasons. We have up and downs in our relationship with clients. Sometime, the customer did not leave us, but stops working on specific article. Similarly, we have some seasonal customers as they place and pull their orders depend on their seasonal needs. Customer left us or we left them as one customer does not meet our requirements for minimum order quantity (MOQ) which was not attractive for us. One client left us due to price, as he does not increase the prices due to increase in input prices. I think one client left us due to its policy of not working in faraway regions (i.e. long lead time) ...." (Technical Manager R&amp;D and P&amp;D)</p>	<p>Customer Relations</p>	<p>Customer Specification</p>	<p>Develop Contacts</p>
<p>56. "... basically, we are working with our strategic partners from almost two decades. They are still working with us. There are up and down in business/ orders. Yes, four customers left us due to various reasons; the main reason was their geographical locations which does suit us or the customer shift to nearby location. They left or we left them as one customer does not meet our minimum order quantity which was not attractive for us from our business model. There was nothing with the quality, delivery and relational issues. We are growing about 20% per annum in terms of sale and expanding to accommodate more business. ..." (Director Marketing)</p>	<p>Customer Relations</p>	<p>Customer Specification</p>	<p>Develop Contacts</p>

<p>57. "...the main reason for engaging with clients is according to our business strategy and directions. I mentioned that our core business line is export and the main reason for engaging with international clients and markets is obviously to increase export and growth. In order to increase export base and best serve our clients/ sourcing partners, we focus on learning, knowhow, state of the art equipment, processes and machinery from anywhere. Working with world's leading brands enables us to improve our operations from different aspect (i.e. from yarn to delivery of finish products, processes, operations and ethical standards spheres. ...)" (Senior Manager Marketing and Merchandizing-USA)</p>	<p>Customer Relations New Production and Manufacturing</p>	<p>Customer Specification Implementation of New machinery Learning by Doing Imitation and Emulation</p>	<p>Develop Contacts International Market Presence Latest Demand Improving Performance Improvement in Textile Production Latest Textile Processing Techniques Compliance with Regulations</p>
<p>58. "...I told you before that from our inception we are export oriented and the main reason of course is to increase our export base. Our vision is of continual improvement and sustained growth. We mostly focus on learning, acquiring know how and equipment from anywhere to involve in best processes and production. We need latest technology and capabilities to meet the demand and increase our export base with latest processes and offering. It is impossible to get it alone; we need different sources and an engagement with our sourcing partners, customers and suppliers to better serves our needs and purpose..." (Director Marketing)</p>	<p>New Production and Manufacturing</p>	<p>Product Partnership Learning by doing Imitation and emulation Implementation of New machinery</p>	<p>Develop Contacts International Market Presence Latest Demand Improvement in Textile Production Latest Textile Processing Techniques</p>
<p>59. "...the main reason of our engagement is absolutely to increase our export base, which we are doing successfully over a decade. Form R&amp;D perspective I will say that the reason of our engagement is two folds as; increase export through introducing latest products and techniques (i.e. earn) and to learn about and from best practices in the industry. Working with diverse customers over time expose us to multiple things; we are continuously learning, gaining experience of latest techniques, know-how and market trends on the production floor for every involved unit. Which is impossible to get it alone? We get in hand to find alternative ways and work towards elimination of problems arising during production..." (Technical Manager R&amp;D and P&amp;D)</p>	<p>Industry Trends Customer Relation</p>	<p>R&amp;D and Reverse engineering Imitation and Emulation Learning by Doing</p>	<p>Develop Contacts Improving Performance Improvement in Textile Production Latest Textile Processing Techniques Improving Product Quality</p>
<p>60. "...the first mode of supply to foreign markets was an export of underwear briefs to Jockey UK in 1995, followed by formal garments export to USA in 1997. Since 1997 we changed a lot with respect to infrastructure, technological base and production capability and capacity. We hired textile designers, established industrial engineering department, R&amp;D and designs studio in Pakistan and in the USA. We are running two offshore production facilities in Jordan and Bangladesh to meet production and supply uncertainties and provide duties benefits to respective clients. We are stick to the export line which is our core business; we grow and improved it over years by adopting latest techniques, operations and systems. We are fully vertical integrated facility to keep value chain under our breast..." (Senior Manager Marketing &amp; Merchandizing)</p>	<p>Setup and Starts New production and Manufacturing Integrated Production Contingent Production</p>	<p>Implementation of New Machinery R&amp;D and Reverse engineering Integrated Production Facility Design Studio Offshore Manufacturing Facility</p>	<p>International Market Presence Improving Performance Develop Contacts Supply Chain Control</p>



<p>61. "...In 1995, we started the latest and fashion-oriented knitted garment development on small scale for local market sales. In the same year, we made our first export to UK based brand Jockey, we supplied underwear briefs. We kept moving on as we started formal garments export to USA in 1997. That was a point of departure towards value addition. We installed latest machines improved our infrastructure and production capabilities. We developed our R&amp;D and industrial engineering departments. Similarly, we established a local design studio followed by two design studios in USA, hired foreign designers and developers for the development of latest garments and design according to international demand. We launched our brand "Land Mark" but we rolled back in 2000. Now we are presenting our product concept on seasonal basis every year, we present 20 concepts each season to show our R&amp;D, developments and expertise in knitted apparel. We are fully vertically integrated company, producing all type of generic and technical garments according to any western demands. Similarly, we are running two overseas production facilities in Jordan and Bangladesh which fortify our integrated operations and source of strategic production planning. We are in the export line which is our core business, but we grow and improved it over years through latest operations, systems and specialists..." (Director Marketing)</p>	<p>New production and Manufacturing Integrated Production Design and Pattern Development Brand Management Promotional Management Contingent Production</p>	<p>Implementation of New Machinery R&amp;D and Reverse engineering Integrated Production Facility Experts Design Studio Offshore Manufacturing Facility</p>	<p>International Market Presence Improving Performance Develop Contacts Improving Product Quality Latest Demand Branding and Marketing</p>
<p>62. "...in 1995 MtM started the production of knitted garments on small scale for the sale in local market. In the same year MtM exported underwear to British brand. We keep the exporting trends as we started formal garments export to USA in 1997. That was a point of realization of value addition for MtM, as we installed latest machines to improve our capability of latest production and processes according to the specifications of newly established clients. R&amp;D and industrial engineering departments were established. Similarly, we established a local design studio followed by two design studios in USA and hired foreign designers and developers for the development of latest demanded garments and designs. MtM launched its brand "Land Mark" in 1998 but it was stopped due to lack of proper experience and sale/marketing infrastructure. We regularly present product concepts on seasonal basis every year (i.e. 20 concepts each season) to show our innovative developments. PUT MACHINES AND EFFECICIENS. We are vertically composite production facility producing all type of generic and technical garments according to western demands. The vertical set enable us to manure in our production planning and control i.e. quality, supply chain and meeting tight delivery schedules well in time. Additionally, we have two foreign production facilities in Jordan and Bangladesh as our strategic production planning. We stay in our core business line of exports, but we grow and improved it over years through latest techniques, operations and systems..." (Technical Manager R&amp;D and P&amp;D)</p>	<p>New production and Manufacturing Integrated Production Brand Management Promotional Management Contingent Production</p>	<p>Implementation of New Machinery R&amp;D and Reverse engineering Integrated Production Facility Experts Design Studio Offshore Manufacturing Facility</p>	<p>International Market Presence Develop Contacts Improving Product Quality Branding and Marketing Supply Chain Control Improvement in Textile Production Latest Textile Processing Techniques Ability to Innovate/NPD</p>

<p>63. "... yes, we received such orders which are not basically for MtM from time to time. We called it test orders. Once we received such order a team consist of Industrial engineering, R&amp;D, Supply Chain, Product planning and control and Sewing, etc. discuss and evaluate it form every aspect, whether we are capable to do it or not, if yes what we need in machines, expertise etc. for full execution. We always request for certain changes in orders to make it production friendly and avoid investments in machines. If the order has future business aspects and the clients is a major one we even go for that. Those test orders do not consist of major bulk quantity, for example they are in need of 500K pieces of garments, they just give us a test order of 10 thousand (10K) pieces first to check us and to judge our capabilities. When it lands in stores and if it sells well without any issue then they send us a bulk order. But few customers directly send us the bulk orders based on our pre-production samples, our quality, past relations and experiences with us. So, they directly send us their bulk orders but addition to that they send their quality control teams and auditors. They continuously checking the processes and production lines for required standards set by respective client. We cannot proceed from one production step to another without their auditor's inspection. Similarly, they conduct the final inspection of that merchandizing prior to shipment..." (Senior Manager Marketing &amp; Merchandizing)</p>	<p>Customer Relation Product Innovation</p>	<p>Experts Customer Specification R&amp;D and Reverse engineering</p>	<p>Develop Contacts Improving Product Quality Compliance with Regulations Ability to Innovate/NPD</p>
<p>64. "...we are working as a specialized private label and brand manufacturer for Americans and Europeans prestigious brands since our inception. Most of the time they give us detailed and standardized orders which they keep repeating with changes over time. Sometimes we get orders which are not exactly for MtM i.e. it is totally different form the running orders or market trends. We are eager to work and execute such order to hand in something new or abnormal. Whenever we received such orders we evaluate it from various angles and aspects through a team of experts consisting R&amp;D, Industrial engineering, Production, product planning and control, supply chain and quality whether we are capable to do it with available machines and expertise or we need something extra. To avoid investments in machine and experts we always request for change in certain aspect of such order to make it production friendly, if the customer does not agree on that, we go for investment but it depend on customers and future stream of business. If we feel confident that we are able to do it we go ahead otherwise we say sorry. We do not commit any thing which we cannot do properly. Sometimes we have to do it if there is demand for such article, it is challenging in the start but with the passage we get confidence to do it. First, we do lots of homework on that specific order from design, testing and production through different departments. We have a well-established R&amp;D team and strong industrial engineering department, they engineer the garment. Similarly, we have engineering and designers here in PAK and USA who set together and design the garment according to the required specifications. That becomes very easy for us which bring the garment into the production floor. Before going for full fledge production we make the trail sample and conduct a series of tests. If there are any issues in any aspect of the garment we control it form this stage and sort out the problem in the early stage to avoid problems in full production. ...." (Director Marketing)</p>	<p>New Production and Manufacturing Customer Relation Product Innovation</p>	<p>Customer Specifications Imitation and Emulation Experts Implementation of New Machinery R&amp;D and Reverse engineering Learning by Doing</p>	<p>Latest Demand Improving Performance Develop New Contacts Ability to innovate/NPD</p>

<p>65. "...we get orders which are somehow different form the rest, we prefer to execute it. When we received such order, we discuss it, evaluate it and decide it with a team of experts form different units whether we are capable to do it in available resources and expertise or we need something extra. If we feel problems (expertise or infrastructure) or in some aspects of the order, we ask for specific changes to make it production friendly and avoid investments. If the customer doesn't agree with our request then we transfer it to other manufacturers who are specialized in that certain aspect or problem which we are facing. When we get unique order, we have to compete with our competitors for that we must have to learn, may hire foreign experts, call foreign experts (developers, designers) to help us or train our people here or must train our people in foreign locations for such orders. When talking about the expertise related to textile wet processing, we have largest and sophisticated dying and washing facilities of Asia here at Masood. We have expertise in handling garments dying, spray, washes, special effect and other treatment. Similarly, the chemical companies over here have got expertise in that, they train their people in foreign countries. They learned from there and come here for the marketing of their products they provide free expertise in that area. Whenever we get the problem in this area (wet processing) the first action is to call the chemicals companies for specific remedies and expertise. We have in house latest washing and laundry facilities with reverse osmosis plant for quality garments, dying, spray, washes, special effects and treatments. When a larger order comes to chemical company they train their people accordingly form abroad. But it all depends on nature of clients and business. If there is longevity in order we don't hesitate to invest. As concerned for the technical textiles we use the latest innovations in our processes and products through licensing them form the innovators. Otherwise we take alternative routes and if that did not work we simply excuse. In the start, we develop the product as a prototype to best match with the specifications in all respects, we send it to customers for approval and after several trial and error and changes we approved it form client. Once it approved we go for full fledge production with special arrangements in production for handling such orders...." (Technical Manager R&amp;D and P&amp;D)</p>	<p>Customer relation Product Innovation Washing and Laundry</p>	<p>Customer specifications Experts R&amp;D and Reverse engineering Training Implementation of New machines Imitation and Emulation License</p>	<p>Latest Textile Processing Techniques Improvement in Textile Production Ability to Innovate Latest demand Develop Contacts (Longevity)</p>
<p>66. "...unique orders, carry very special fabric and replenishment like embroidery, our industrial engineering team make a flow from yarn to sewing for that special or unique order. That unique order is red alert at every department. They deal that order as they deal the samples, every aspect of components, fabrics, chemical and workmanship is watched very carefully to ensure the demanded quality. We give different racks, pre-assigned different sewing halls for particular orders, we assign a different embroidery machines and equipment for that, we allocate our most talents teams and experts to entertain such orders. We always believe on the timings as well, so in such orders we request our customers instead of 40-60 days we will need 90 days, or 110 days to entertain these unique orders. Because we have to understand it first, import fibers/ inputs to make the fabrics, we have to engage our printers, embroidery machines that take a little more time than ordinary orders. This unique order enables us to learn, engage in latest techniques and</p>	<p>Product Innovation Promotional Management</p>	<p>Customer specifications Experts R&amp;D and Reverse engineering Learning by doing Imitation and Emulation</p>	<p>Latest Demand Improving Product Quality Improving Performance Latest Textile Processing Techniques Improvement in Textile Production</p>

<p>processes on production floor. Additionally, we also get ideas for our seasonal collections and alternative ways of doing things in our overall production processes i.e. to reduce the production and processing timings for better performance. We have specialized teams that entertain and handles such orders...” (senior Manager Marketing and Merchandizing USA)</p>			
<p>67. “... Unique and unusual orders are very important from the learning and gaining experience in both cases whether we are able to fulfill or unable to fulfill the unique orders. Unique orders give new insights and recent market trends that are vital for our future operations. We always get something new in practice from such orders on production floor. The personnel expose to innovative ideas, alternate ways of doings and feel necessities for new and upgraded machines, techniques and technology. We extend and keep developing our product concepts which we present on seasonal basis on such unique orders. Our R&amp;D, P&amp;D teams are continuously mixing and creating samples for future. Such unusual ideas are beneficial for us. ....” (Director Marketing)</p>	<p>Industry Trends Product Innovation Promotional Management</p>	<p>R&amp;D and Reverse engineering Learning by doing Imitation and Emulation Implementation of New machines/system Imitation and Emulation</p>	<p>Improving Performance Develop Contacts Improvement in Textile Production Latest textile Processing techniques</p>
<p>68. “...such orders are vital for our learning and get hands in latest trends, market information and production techniques. Working with international brands and unique orders connect us to multiple exposures i.e. being a vertical integrated facility every unit is learning and getting new things. For example; A marketing team learn to work with foreign partners they learn the area of the specialty of that specific partner. If they are working with American clients they will get to know about the liking and disliking of that customer and its markets, what are the acceptability, and how we can win more orders specifically from them and in general form other players in that market. Similarly, the production and processing teams are much concerned with the extent of acceptability of their customers, some customer accept somehow low quality while others are very strict even if they are low quality customers. Moreover, a manufacturing team if they get an order for new products such as finishing with fabric softener, water repellent or wind breaker, they learn how to develop and produce them over time. For washing and laundry units they learned about various garments dying, sprays, washes, special effects and other treatments from customer demands by using state of the art laundry machines. For R&amp;D and Industrial Engineering units when we keep developing their products and processes, we get hands in new ideas, product concept and alternative ways for execution on the production floor. Moreover, we get supplies (i.e. Chemicals, dyes, risen and finishes etc.) from different companies around the globe, we learn various aspects of technical, economic and ecological parameters in our production. Every single unit of organization learned in the same way for example the stitching, weaving, spinning, weaving, dying learn from orders and customer. There are learning and experiencing new things for everyone ....” (Technical Manager R&amp;D and P&amp;D)</p>	<p>Industry Trends Product Innovation Customer Relation Integrated Production New Production and Manufacturing Washing and Laundry</p>	<p>Learning by doing Integrated Production Facility Customer Specification R&amp;D and Reverse engineering Imitation and Emulation Product Partnership Training</p>	<p>Develop Contacts Improvement in Textile Production Latest Textile processing techniques Ability to Innovate Improving product Quality</p>

<p>69. "...we received the instructions and updates from our customers on regular basis when they are launching new product, changing the existing products and specifications etc. For example, customers asked for to approve every fabric lot form them. They demand that we should not have start sewing of the cut parts until our inspectors does not come and inspect it. You cannot bring those cut parts out of printing area until quality and audit teams do not inspect it randomly. After 5% sewing is completed there is inline sewing inspection so they do inspection of those unique orders. Some customers asked us to conduct our internal audits and inspections. Our QC teams check and inspect each and every garment of that order before the external quality checks and audit. Some customer invites us to attend workshops, seminar for quality control and waste management. Similarly, they train us on certain aspect of product inspections, checks, audits and planning. This way we received the instructions from the customers to use the imported inputs and packing material instead of local materials. They nominate suppliers and sources from where we get inputs and chemicals, which is a source of establishing new relation and alternative supplier. They ask us to put the products in to shipper trays instead of putting into shipping boxes. We made the shipper trays and then we pack it into the boxes. There are some unique boxes for that normally we have 3 or 4 plays packing but they ask us to put into 7 play boxes/ carton to avoid damages and safety of products... (Senior Manager Marketing and Merchandizing)</p>	<p>Customer Relation</p>	<p>Customer Specification Training/Workshops Learning by doing R&amp;D and Reverse engineering Imitation and Emulation</p>	<p>Improving Product Quality Improving Performance Develop Contacts Compliance with Standards</p>
<p>70. "... We get complete direction and full list of things from our sourcing partners and retailers which we need to take care of in handling their orders. The customers specify us about their requirements such as the type of testing, aesthetics, finishing, fabric nature, washing and dozens of actives which we are required to meet. Our products should comply with all the requirements of the customers from every aspect. Such detailed specifications are rich source of learning and gaining first-hand experience for us. Similarly, our sourcing partners and clients visiting us from to time for audit, quality checks and waste control and other techniques. They train us on the production floor about these latest techniques. On the top, we always adopt the best practices from any source, sometimes we copy it, change it accordingly to our needs or invent totally new. We learned a lot from them as they guide us something new about latest processes and techniques especially in washing and laundry due to highly demanded special effects, treatments and washes. They have well established and top class R&amp;D and product development, we directly learn from their practices by implementing them practically in our production. Most of our long-term sourcing partners keeps coming and visiting us, similarly we visit them from time to time. Mostly we get training and a lot more form our USA based sourcing partners. Those training are extremely helpful in keep hands on effective techniques and latest processes in our integrated operations. We love such trainings and guidance, we never stick to one customer and option, we adopt best practices from anyone and invest accordingly. This is the way how we keep working in our day life and adjust our self with changes. ...." (Director Marketing)</p>	<p>Customer Relation Washing and Laundry New Production and Manufacturing Industry Trends</p>	<p>Customer Specification Training Learning by Doing Imitation and Emulation R&amp;D and Reverse engineering</p>	<p>Comply with standards Improving Product Quality Improvement in Textile Production Latest processing techniques Latest Demand</p>

<p>71. "...MTM strives to achieve rapid introduction of new and improved products by adopting a disciplined and customer focused approach to product development. We recognize the importance of keeping abreast of new concepts and technologies within our chosen product ranges and therefore, we are keen to work with customers who continually bring forward innovative and existing new concepts..." (<a href="http://www.masoodtextile.com/research/pdmain.php">http://www.masoodtextile.com/research/pdmain.php</a>)</p>	<p>Product Innovation Customer Relation</p>	<p>Implementation of New machines R&amp;D and Reverse engineering Customer Specifications</p>	<p>Ability to Innovate Latest Demand</p>
<p>72. "...we are pleased to have business ties with world's leading brands and prestigious retail chains. This exposure and work with world class brands and labels has been the continuous learning by doing and gaining experience for our entire setup. As I mentioned that we are integrated facility we start the order from the cotton to the shipping which consists of 100s of tasks and activities that involves every department. Everyone is gaining and learning something new every day. Similarly, we and our international clients regularly visit each other; such visits are an important source of knowhow, learning and gaining information. Our local and American R&amp;D and Design teams have expertise in designing and pattern developments, as they keep us developing customer centric ideas, innovative concepts in our products and processes around the clock. Beside active R&amp;D our industrial engineering department made innovations in processes and system for better performance. Additionally, our international sales and marketing offices in, USA, UAE, Hong Kong, Bangladesh and Jordan feed us with the latest market developments...." (Director Marketing)</p>	<p>Customer Relation Integrated Production Design and Pattern Development Industry Trends</p>	<p>Learning by Doing Customer Specifications Integrated Production Facility R&amp;D and Reverse engineering Commercial Offices Design Studio</p>	<p>Improving Performance Develop Contacts Ability to Innovate</p>
<p>73. "... I mentioned earlier that apart from sale every order brings something new for us. The orders are from diverse customers with different demand and needs according to their regional and target customer's preferences. Such diverse orders are rich source of learning which expose us to external knowledge. We are fully vertically integrated setup. There is something new in almost every order for us. i.e. an order is a combination of dozens of tasks (i.e. from yarn to final supply and after sale tasks) which are carrying out by different subunits; those subunits learn and practiced innovative ways of executions. Completing diversified orders are the best way of learning by doing and hands in experience, which we extend to our operations and future engagements. Similarly, we continuously visit our international clients, participating in expos/ trade shows, buying rival brands from different places and keep searching internet for information and learning. We get ideas and information from any source for our learning and execution. We have a well-established R&amp;D and industrial engineering department backed by a team of local and American designers. These departments keep developing new ideas and concepts to execute them in products round the clock. Our overseas offices in Hong Kong, USA, UAE, Bangladesh and Jordan feed us with the latest market trends and developments. Such arrangement put us ahead of the game apart from cheap imitation and survival tool..." (Director Marketing)</p>	<p>Customer Relation Integrated Production Product Innovation</p>	<p>Customer Specifications Learning by doing Imitation and emulation R&amp;D and Reverse engineering Experts Commercial Office</p>	<p>Develop Contacts Ability to Innovate Improvement in Textile Production Latest Demand</p>
<p>74. "...first, we have to see either the fabric they are demanding, are we capable enough to produce, if we can't not produce we asked them that the contents you are requiring for example if they asking to produce for 50/50 (50% cotton and 50% polyester) we suggest them to convert them</p>	<p>Customer Relation Design and Pattern Development</p>	<p>Customer Specifications R&amp;D and Reverse engineering</p>	<p>Positive Image of Firm Improving Quality Improving Performance</p>

<p>into 60/40 (60% cotton and 40%polyester) in this way it will get cotton rich product and you will have 50% discount on duties. Secondly, there are certain kinds of colors they send us; there are some problematic colors like some of them are very bright, or mixture of several which are not possible for us to dye and give the same <b>color</b>. So, we suggest them to bring them into little lighter or if there is any lighter we suggest them to bring them into little darker. This would be very easy for us to produce, so we give them different options to solve such problems. Every problem has a solution. If there is suggestion we diagnose with them we ask them that stich workman ship that they are asking us for example 5 needle 3 threads, we suggest them 4 needles 4 threads. If we have some limitation in sewing machines we give them some other options if there are some flat sewing we offer them overlap back lock which give the same impression as of flat sewing. On the other hand, we give them feedback and suggestion on the measurements of the garments for example if they are asking us across shoulders at some point 10 inches, and width 2-4 inches, long sleeves they are asking some different measurements. Our technical designers match the patterns of the garments and they suggest that if it can be reduced by half inch. Then every measurement will be accurate. Based on those suggestions we ask the customer to reduce the length and width by half inch in this way we have a complete shoulder measurements, self's measurements, arm hole measurements etc. These are the problem which usually comes in our sewing department. Then go for packing they asked us to pack 12 pieces in a carton, they ask us to give them the poly bag size. We prepared the size and they released the art work to different vendors and we sourced these poly bags from them. They actually asked us to provide the sizes of the polybags by putting the mobs and multitudes. We make the mobs how much fold size it would be, how much strength it would be in the carton. We actually suggest that how many cartons would be put in a container. We suggest them let the carton size in this way instead of that way, by doing this they have maximum utilization of container. They revised the carton quantity for example if they ask for 50 garments in a carton we suggest them to make it 52 garments in a carton, because the carton size is reduced by 1 inch or half inch it would give better space in a container. Through which you can accommodate 1000 cartons in one container, if it is their way then it can accommodate only 800 cartons in one container. You can save your freights. Such issues come from time to time in our production and shipment areas and we give suggestions. Then there are some shading issues, for example if neck color is of different fabric and body fabric is of different fabric then there are some shading issues, and this is natural. We asked them for tolerances in the shade and they provide us tolerances. There is some issue that are related to specifications for which they give us tolerances, for example if front length i.e. requires 30 inches they give us the tolerance of <math>\pm 1</math> inch. You can go for maximum 31 or to 29 inches so they give us tolerance. This is manufacturing and in manufacturing although our aim is to work on 0 defects, but these garments are handles by human being and there are chances for such issues of tolerance. Some customers give us better tolerances, some customers are very tight. The customer with tights tolerances we put very high and strict quality check in places. These advices and technical comments are highly valued by</p>		<p>Experts <b>Technical Advises</b></p>	<p>Develop Contacts Positive Image of Firm</p>
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our clients, as they feel confidence of doing business with competent supplier. (Senior Manager Merchandizing)			
75. "...this is our responsibility to inform the clients well before the production about any problem in his specified order. After receiving the order our design, R&D and industrial engineering assess it from every aspect. Almost every order is altering in one or another way. We inform and advise the customers well in advance. We provide them certain options and guide them with alternative ways in order to make it production friendly with fewer headaches and cost effective for respective client. That is really helpful for both of us to minimize any later headaches in the full production and post-production stages. Most of the time we advise our clients on different options and alternatives for improvements, such arrangements create positive image for us of being ethically and technically sound supplier with full confidence and trust form the clients. ...." (Director Marketing)	Customer Relation	Customer Specifications R&D and Reverse engineering Technical Advises	Positive Image of Firm Improving Product Quality Improving Performance
76. "...Whenever we start sampling, during sampling and after the production of sample we come to know about different issues in specific order. We conduct dozens of test and calibrations to check the product from different angles and standards. We carefully observe the behaviors of the finish product during the sampling production and testing processes. We inform the marketing department which ultimately inform customers about any abnormality that that customer may face in the future. We also advice certain changes and improvement in various aspects of the product such as fabric construction, sewing and washing for better results in cost effective manner. It creates goodwill and trust among clients of being working with someone who can care their needs in responsible way...." (Technical Manager R&D and P&D)	Product Innovation Customer Relation	Customer Specifications Technical Advises Learning by doing	Positive Image of Firm Improving Product Quality
77. "...our core business is export as we are exporting 100% of our capacity to US, European, Asia and Oceana. In order grow in our core business and respond to the changing demand in time we started our R&D, Industrial Engineering department and established design studios in New York, Los Angles and Pakistan. We are running offshore production facilities in Jordan and Bangladesh to serve our clients in cost efficient and agile way. Similarly, we established our international sales and marketing offices in order to have a close and direct contact with our clients to get latest fashion trends from the region they are working. ...." (Senior Manager Marketing and Merchandizing USA)	Industry Trend New Production and Manufacturing Customer Relation Contingent Production	Customer Specifications R&D and Reverse engineering-Industrial Engineering Commercial Office Design Studio Offshore Manufacturing Facility	Latest Demand International Market Presence Develop Contacts Improving Performance Supply Chain Controls
78. ...since 1995 we are in export business and that is our strategy. 100% of our business comprises exports and provide complete services from design to private labeling and brand manufacturing for world leading brands and retailers. Our annual growth rate is 20% in exports. We keep investing in men and machines both up and down streams to enhancing our capacities and processes on regular basis. We are fully vertically integrated manufacturing facility having in-house Yarn, Knitting, Fabric dyeing, Processing, Laundry and garment manufacturing facilities. We retain and keep adding new customers due to these investments in latest productions and processes. The company is one of the best in making quality yarns in this region. We also provide a range of services from product design (i.e. from yarn to garments) to door step delivery	Design and Pattern Development Integrated Production	Implementation of New machines/system Experts Integrated Production Facility	International Market Presence Develop Contacts Commercial Services Improvement in Textile Production Latest Textile Processing Techniques Improving Product Quality



<p>according to customer concept and needs. Similarly, we are self-approved quality auditor, we are providing auditing services to world's leading brands such as JC Penny and others to ship goods to retail stores across the globe on their behalf. ...." (Director Marketing)</p>			
<p>79. "...form our establishment we are in export lines, as our total production capacity is for export to US, Europe, UAE and Japan. In order grow and adopt recent market trends in our operations and production, we started our R&amp;D, Industrial Engineering and Product Development centers armed with state of the art machines, equipment and testing tools.....We made huge investments in automated and systematic infrastructure form the last 10 years to improve our capabilities and capacities to entertain any customer request for high quality products with full confidence. We have state of the art vertical integrated production facility. We invested heavily in machines and equipment for example Non-Roll Collar machines, Automated Hanger System, Auto Trimmer, Auto Placket, Auto Fusing, Bottom Hemming, power generation plants machines. Our latest installed dying facility with reverse osmosis plant and labs offer ability and wide range of garment dying, spray, washes special effects and treatments. We installed ERP systems, online merchandizing, production data base and effective back track system from cotton to final product. These installations improve operational efficiency by 35% in reducing labor, energy and overhead costs by 35% and 20% material costs. We invested in I.T, latest packages and Back Track System, which help us to mark each garment produced at MtM with a unique ID or number. This helps us to back tracks from cotton to shipment and create visibility in our operations for efficiency and quality. Similarly, we work on the SAP and minute's calculation in order to improve our productivity and efficiency. We establish a unique model i.e. "direct to store model" to engage North American clients with non-stop supply of products for the full control of supply chain. We analyze the sale of each client and forecast on weekly basis. Our model is an efficient tool to work with American customers on lean supply planning. We have two ware houses in the East Coast and West Coast of America for uninterrupted supplies. Additionally, we have offshore manufacturing facilities in Jordan and Bangladesh as a contingency production planning to meet demand in agile and cost effective manner. Similarly, we hired foreign designers/ developers and established design studios in New York, Los Angles and Pakistan that connect us with recent trends. Our established international sales and marketing offices in USA, Hong Kong, UAE, Jordan and Bangladesh bridge us with international clients and market for updates. We are working on the Bio mass project which will help us in heat generations for our stantners and drying machines in green way. We installed waste water and influent treatment plant to treat waste water. We are self-approved auditors for some brands as we are providing auditing and quality check services to them at our plant and outside at our premises i.e. at other supplier location and send consignment on their behalf to retailers around the world. These are the developments that brought in place over the year to serve our customers in more efficient way for future business (i.e. from product concept, design and new product development as per demand) ...." (Technical Manager R&amp;D and P&amp;D)</p>	<p>Customer Relation Industry Trends Integrated Production New Production and Manufacturing Contingent Production Innovation</p>	<p>R&amp;D and Reverse engineering (P&amp;D and Industrial Engineering) Implantation of New Machines/System Vertical Production Facility Offshore Manufacturing Facility Experts Design Studio Commercial Offices Direct to Store Model Customer Specifications</p>	<p>International Market Presence Develop New Contacts Latest Demand Improving Product Quality Improving Performance Supply Chain Control Commercial Services Improvement in Textile Production Latest Textile Processing Techniques</p>

<p>80. "...We are leaders in creating, developing and manufacturing of knitted apparel products right from basic to highly fashioned garments through composite production facility, thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional expertise. The team here strongly believes that Customer satisfaction is the essence of business today. We have the technology with expertise, products with knowledge and most importantly the right mindset to achieve total customer satisfaction in a composite manner. ..." (Senior Manager Marketing)</p>	<p>New Production and Manufacturing Design and Pattern Development Industry Trends Customer Relations</p>	<p>Implementation of New Machines/System Integrated Production Facility Experts Customer Specifications</p>	<p>Latest Demand Improving Product Quality Develop Contacts</p>
<p>81. "...we have the infrastructure that has the ability and potential to produce quality products under one roof. Our vertically integrated garment manufacturing facility enables to have control of demanded quality at any production stage and reduce lead time. All our machines are the latest available in the market and whenever requires we acquire the latest equipment on preferential basis. All our divisions are equipped with the latest machines, equipment, calibrations and testing tools to maintain the high-quality standards that we have set for ourselves. The improvement in system helped to reduce labor cost by 35%, material cost by 20% and energy and overhead cost by 35% annually. We increase the capacity of our productions due to our full integrated production facility; we grow at a rate of 20% per annum. Additionally, we keep adding new customers, explore new markets and segments. We acquired and import our machines and equipment from Germany, USA, Japan, Taiwan, Italy, Hong Kong, China and Switzerland. Since 2009, we also started the research and development and production of technical textile. We are the first textile mill in Pakistan with latest computerized Barcode System that assures quality at every stage of production from spinning to packing. Each single product carries a specific bar coded stickers, which bear all the details and history of the operations of that certain product. Hence if any problem is reported, one can trace back the root cause of the problem and enable to prevent occurrence of the same in future. We also provide full service from product design to packing according to customer demand and needs. Similarly, we have strategic and contingent production partnerships with Bangladeshi and Jordanian companies to meet any uncertainties due to international trade, political, security and energy crises. Additionally, we have two ware houses in USA to meet the demanded supply without any interruption under our "direct to store" model..." (Director Marketing)</p>	<p>Integrated Production Contingent Production Customer Relation</p>	<p>Implementation of New Machines/System Vertical Production Facility Offshore Manufacturing Facility Direct to store model Customer Specifications</p>	<p>Improving Product Quality Supply Chain Control Develop Contacts Commercial Services Latest Demand</p>
<p>82. "...Our major strength is our latest infrastructure, R&amp;D and systems i.e. manufacturing, production and shipment processes are IT based. We have talented teams of designers, developers and visionary ownership. We established an aggressive R&amp;D and product development systems. We had improved our operations right from the polo shirts; we shifted from totally manual to automated operations in cutting, sewing, knitting (weaving). We acquired and sourced latest machines and equipment from Germany, USA, UK, Italy, Japan, and Hong Kong to be capable of meeting latest emerging demand. We established design studios and hired foreign designers and developers to translate customer's idea and concepts into reality through our integrated production facility. We develop our own innovative design and styles as a marketing and promotional tool regularly on seasonal basis. We provide 20 ideas every season</p>	<p>Innovation Design and Pattern Development Promotional Management Integrated Production Customer Relationship</p>	<p>Implementation of New machines/ System R&amp;D and Reverse engineering Design Studio Experts Trade Fairs and Commercial Office Offshore Manufacturing Facility</p>	<p>Develop Contacts Latest Demand Ability to Innovate Improving Performance Latest textile Processing Techniques Improvement in Textile Production Commercial Services</p>

<p>as a glimpse of company’s development (i.e. products, technology and expertise) to attract clients. Similarly, an industrial engineering department was developed who calculated the standards minutes’ value of each garments production and improve it accordingly. We work on the SAP, we focus on the technology and automations and always work on minute’s calculation in order to improve our productivity and efficiency. In 2010, we installed about 2000 Eton Stations which is fully automated, it has a hanger system and regular sewing line, it picks the garments, hang it and deliver it to respective operator. We installed an extremely sophisticated “Back Tracking System” to track problems in the garment after sales to avoid future problem. For example, if any customers bring that specific garment back to their stores with problem i.e. there is hole, there is problem in stitching, knitting problems, there any kind of buzz or any workman ship. We ask the retailers please provide us the back-tracking ID number, which we placed a little label on the back side of the collar and there is a unique ID number which consist of 4 or 5 numbers like <u>LE154</u>, so punch it in our system it give details about who made this garment and we reached to information regarding that at what time and at what line it had been stitched, who was the inline inspector, what was the fabric lot and at what time and year it was guide. So, we can track everything in that garment, and then we see what was the fault and with which area it is relevant, if it relevant with fabric we see who has guide this fabric, who has knitted this fabric, who was the machine operator and we fixed that issues in knitting that it could not come again. So, we reach into the roots causes of the problem through that back-tracking system. We established international sales and marketing offices in US, Europe, UAE, Hong Kong, Jordan and Bangladesh to have a presence and direct contact with our clients for our future business ties. We established two design studios in USA for design and developed as per American markets demands. Design studios and our commercial offices enhance our capabilities to present promotional products and concepts on regular basis.</p> <p>We have two ware houses in the East Coast and West Coast of America for the continuous supply. Similarly, we established direct to store service in order to have a nonstop supply to clients and control of supply chain; we keep the inventory of stock for our customers in our US warehouse. Whenever, they have shortage of any size, style or colors in their stores, they order us from that warehouse and within 2-3 days the product is in their store. We analyze their sale on weekly basis, how much sizes or color have been sold in this week, either these sizes are available in our US warehouse, if these are available they take it. But there are few containers which are in transit and some quantity is in production as well. It is a cycle of filling the orders on continuous basis, they take the consignment form the US warehouse which we fill on continuous basis. This is our total supply chain model, we introduce this model to our customers like JC-Penny, Wal-Mart, Sears and Pools they are working with us on direct to store model. We have expertise in provision of services from product concept to design, development and door step delivery to any part of the world through our integrated infrastructure. We have an autonomous and self-approved quality control and audit teams, who audit on behalf of certain clients such as JC Penny and Wal-Mart etc. Based on our DTS supply model, we are DTS service</p>		<p>CEO Interest Vertical Production Facility Direct to Store Model</p>	<p>International Market Presence</p>
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<p>provider to other textile companies and suppliers in South Asia. We also provide audit services to both local and international customers here in Pakistan. We have our own energy power station to overcome the recent power shortages. We are working on the Bio mass project through which we generate heat for our stantners and drying machines. These are some little developments and advancement that our ownership place and brought in our operations and services to retain the customers for a longer time period and meeting their latest demand. ...” (Senior Manager Marketing &amp; Merchandizing-USA)</p>			
<p>83. “...Our inspiration is our vision of improvement and sustained growth. The dedicated leadership with craze of change and improvement is a driving force behind our innovative practices and growth....” (Director Marketing)</p>	Product Innovation	CEO Interest	Improving Performance Ability to Innovate
<p>84. “...Our inspiration is our vision of improvement and sustained growth....” (Technical Manager R&amp;D and P&amp;D)</p>	Innovation	CEO Interest	Improving Performance
<p>85. “...no relation is free from challenges, and especially in garment it happened a lot due to several interconnected factors. For example, last year we had challenges of energy/ gas downfalls and blackouts which affect our delivery schedules and causes delays in shipments. We switched to BIO MAS to improve the situation to some extent. We raise this issue with our customers, but thanks to our good relationships and track record they accommodate our problems and cooperate. Direct to store model and contingency production facilities in other countries help us to overcome in time supply challenges to some extent. In case of late delivery, we provide some extra services, share cost or give some special discount to resolve and avoid any misunderstanding and confusion. ...” (Director Marketing)</p>	Customer Relation Conflict Resolution	Commercial Office Experts Offshore Production Direct to Store Model Negotiations	Improving Performance Supply Chain Control Develop Contacts/Longevity
<p>86. “...R&amp;D is basically working with trouble shooting and improving the production process. We are always modifying the specific production processes, finding innovative ways of doing by studying the problems which our production team is facing on production floor. We respond in way to find out new raw material i.e. Yarn, fiber, chemicals etc. to procure and produced the product as per demanded quality and properties. The technical orders that are placed by different customers, usually those orders are already worked on by different organizations and experts, let say we get an order of an anti-microbial fabric yarn or fiber based, the fiber is already manufacture by organization like DuPont or Investa and they have patents for that. What we do we put it on the fabric or garments. We purchase license and pay for patents for its usage. Similarly, when we talk about chemical for different washing and finishing purposes we buy it. Textile manufacturer is not a chemical manufacturer, is not fiber manufacturer, we are only mix and integrate everything in the right way in our manufacturing facility i.e. convert it into finish product and serve the customers. In case of any problems we resolve the issue by ourselves first and then contact the respective suppliers. In dying and washing laundry we heavily invested in latest machines, equipment and labs to accommodate diverse customer demand for special</p>	Product Innovation Washing/Finishing Customer Relation	R&D and Reverse engineering Learning by Doing License Implementation of New Machinery Customer Specifications	Develop Contacts Latest Demand Improving Product Quality Ability to Innovate Improvement in Textile Production

<p>treatments and effects through soda wash, enzyme wash and stone wash etc. in garments....” (Technical Manager R&amp;D and P&amp;D)</p>			
<p>87. “...no relation is free from challenges, and especially in garments it happened a lot due to interrelated production stages and processes. We face challenges in our daily production it pop-up from simple problem with the customer and goes for long discussions among our internal teams and with customers. For example, last year we faced challenges due to energy/ gas crises and shortfalls we switched to BIO MAS, which causes delays in shipment. We discuss the problem with our customers, but thanks to our customer’s good response and our track records they accommodate our problems and cooperate. Sometime the customer insists on the scheduled supply of consignment in such cases which is very hard to meet, we ship the goods through air instead of sea. Some time we provide extra services, share cost or give special discount to resolve issues and avoid any misunderstanding. It is valued by our clients and has positive impact on long-term business relations. Additionally, we have state of the art computerized bar code tracking system, which enable us to sort out the matter and find the root causes or problems in an effective way....” (Director Marketing)</p>	<p>Customer Relation Conflict Resolution</p>	<p>Negotiations</p>	<p>Develop Contacts Positive Image of Firm</p>
<p>88. “...we want to have more expertise in production and manufacturing as we are manufacturing based company. We are focusing on that. So, retail or brand launching could be made but it has a specific direction i.e. our company has to go for different joint ventures and partnerships. Probably next 5 to 10 years we will be launching our brands, but currently we are not. If we launch our own brands in the international market, it would provide us a risk of not seeking more business from the retailers, they will consider us competitors. This would also give impression of fear and uncertainty among our clients and I am afraid they will absolutely pull out their business from us. We want to remain in our core business i.e. high quality production and export, while enhanced our operations for growth and efficiency. We adopted several modes in comparison to our initial mode of operations, i.e. investment in experts, machines, R&amp;D and design studios, offer our annual promotional collections and innovative offering on continuous basis to develop business. Similarly, the establishment of overseas marketing offices and production facilities in Jordan and Bangladesh develop new and retain existing tie... ” (Director Marketing)</p>	<p>Customer Relation Promotional Management New production and Manufacturing Brand Management Contingent Production</p>	<p>Commercial Office Experts Implementation of new Machines/System Product Partnership Marketing Partnership Design Studio Offshore Manufacturing Facility</p>	<p>International Market Presences Develop new contacts International Branding and Marketing</p>
<p>89. “...would like to learn about the technological advancement, latest trends and applications in technical textile which is a complete system of needs. As a marketer, I love to focus more on value addition i.e. services, marketing and brandings that will move us up in the value chain....” (Director Marketing)</p>	<p>Industry Trends Customer Relation</p>	<p>Experts Imitation and Emulation R&amp;D and Reverse engineering</p>	<p>Improving Product Quality Improving Performance</p>

90. "...It is all because of the company's growth strategy, market demands and special personal involvement of CEO in business operations. The visionary leadership, full support of CEO and freedom of taking risks are driving force behind our change. ...." (Director Marketing)	Product/ System Innovation	CEO Interest	International Market Presences Develop Contacts Improving Performance
91. "...the vision, zeal and zest of our management and organizational culture has foster creativity and given employee the freedom to take risks and try new ideas that lead to solid innovative products. Additionally, continuous investment and acquisition of men, machines, innovative processes and involvement in R&D enables us to move in value-added operations, market demanded products and concepts round the year..." (Senior Manager Marketing and Merchandising-USA)	Customer Relation Promotional Management Product <b>Innovation</b>	CEO Interest Implementation of New machines/System Experts R&D	International Market Presence Develop Contacts Improving Performance Ability to Innovate Latest Demand
92. "...the internal factors such as our strategy, CEO enthusiasm and organizational culture have foster creativity that give employee the freedom to take risks and try innovative ideas that lead to steady stream of innovative products and processes. Similarly, our company proactive approach towards change through continuous acquisition of experts and investments in latest equipment, machines, innovative processes and R&D enables us to move on different directions with innovative ideas and market demanded products. But such huge investments are impossible form an entrepreneurial perspective...." (Director Marketing)	Innovation	CEO Interest Implementation of New machines/System Experts R&D	International Market Presence Develop Contacts Improving Performance Latest Demand Ability to Innovate/NPD
93. "...The organizational environment of MtM foster change as to grow and excel. The company strategy, market demand and personal involvement of CEO in business operations are the vital forces for such implementation. The visionary leadership, full support of CEO and freedom of taking risks are driving force behind our change and growth. ..." (Technical Manager R&D and P&D)	Innovation	CEO Interest	Latest Demand Improving Performance
94. "...I mentioned that we sustain and enhanced our mode of operations. Yes of course it will <b>affect</b> the relationship with our customers; the customers are more stick to us due to the vertical integrated setup, installations of latest technology, techniques, innovative processes, and products. Similarly, our direct connections in international markets through our marketing and sale offices deepen exiting relations and develop new..." (Director Marketing)	Customer Relation Promotional Management Integrated Production	Commercial Office Vertical Production Facility Implementation of new machines/ System	International Market Presences Develop new contacts
95. "...I mentioned that we are changing and developing through investing in latest equipment and processes while staying in our core business i.e. manufacturing and exports. It enhanced and deepened our relationship with our all-time customers and will attract more due to improvements and developments over the years..." (Senior Manager Marketing and Merchandising-USA)	Customer Relation New Production and Manufacturing	Trade Fairs and Commercial Office Implementation of New Machines/System Vertical Production Facility	Improving Performance Develop Contacts

<p>96. "...our annual growth is almost 20%. We are 300-million-dollar company. We want to expand and grow more in our core business i.e. exporting the latest garments. Our target is to export of 320 million dollars by next year. Personally, I prefer to have partnerships with our main clients and suppliers in different operations. This will give more room for learning and knowledge about the future markets demands and create goodwill. These arrangements will ensure continuity of business and compete with low cost manufacturers form our regional competitors...." (Director Marketing)</p>	<p>Industry Trends Product Innovation Customer Relation</p>	<p>Product Partnership Market Partnership</p>	<p>Positive Image for the Company Ability to Innovate Develop Contacts Improving Performance</p>
<p>97. "...It is a result of continuous ownership motivation and painful struggle of dozens of activities and happenings over a span of two decades. It is an effect of cause and effect relationship of internal and external factors such as market derive, management vision and organizational culture. It leads to creativity and the freedom to take risks in new directions lead to steady stream of innovative processes and products. Additionally, Technological readiness, continuous acquisition of latest machine and equipment, investments in men, machines and processes enables us to move in an era of innovative supplies and services. Similarly, resources, knowledge and technological shortages hinder our movements towards value addition...." (Technical Manager R&amp;D and P&amp;D)</p>	<p>Innovation Design and Pattern Development Customer Relation</p>	<p>Experts Implementation of new Machines/System Design Studio CEO Interest</p>	<p>Ability to Innovate Develop Contacts</p>
<p>98. "...We started and grow with our sourcing partners who are leaders in international and regional markets. We gained experience and learned a lot while working with them. Apart from production and technological advances in their demands, their other requirements also enable us to focus on other issues like sustainability, ethical, social and environmental aspects through their regional and international standards. This is the way we learn and do business otherwise it would have a different case. We learned about ordering procedures, waste control, and maintenance of quality, compliance with latest international standards, latest techniques, procedures and emerging market trends. We developed our own back track system for visibility, direct to store model for effective and nonstop supply to our American clients and retail chains. We have overseas production facilities as a contingency approach to meet supply uncertainties and duty free goods and services. We came to know about the best and alternative solutions, suppliers and competitors...." (Director Marketing)</p>	<p>New Production and Manufacturing Industry Trends International Standards Customer Relation</p>	<p>Customer Specifications Learning by Doing Certification Implementation of New machines/System Direct to Store Model Offshore Manufacturing Facility</p>	<p>Compliance with Regulations Improving Product Quality Latest Demand Supply Chain Control Improving Performance</p>
<p>99. "... we grow with our sourcing partners who are leaders in garments and brandings. We practically learned through working with different clients. Apart from production they also enable us to focus on other issues like sustainability, ethics and environmental aspects through their obligatory standards. This is the way we learn and do business. ...." (Director Marketing)</p>	<p>Setup and Start New Production and Manufacturing International Standards Customer Relation</p>	<p>Customer Specifications Certification</p>	<p>Improving Performance Compliance with Regulations</p>

100. "...garment manufacturing i.e. knitted apparel is a combination and sequence of dozens of small and main tasks (i.e. spinning, knitting, dyeing, washing, cutting, stitching, and shipment etc.). These tasks are interconnected in such away to have a cause and effect relationship. The output of one activity is the input of other and so on which has a combine effect on overall performance..." (Technical Manager R&D and P&D)	Setup and Start New production and manufacturing Integrated Production	Vertical Production Facility	Improving Performance
101. "...garment manufacturing is a combine and integrated system of dozens of small and main tasks (i.e. spinning, knitting, dyeing, washing, cutting, sewing and delivery etc.) These are interconnected tasks, that the output of one step is an input for others. It has a synergetic effect which has overall impact of the performance i.e. production, services, client retention/attraction and sale etc...." (Director Marketing)	Integrated Production	Vertical Production Facility	Improving Performance
102. "...The contributions of these factors enhanced our growth 20-25% per annum and more value addition in our products. ...." (Director Marketing)	New Production and Manufacturing	Implementation of New machinery	Improving Performance
103. "... I mentioned earlier that we are rapidly changing and developing our self in wake of market changes while staying in our core business i.e. manufacturing and export. Our change and growth has a combine positive effect on our relations with customers which are strengthening with existing and attract potential clients over the years (i.e. 20-25% annual growth rate..." (Senior Manager Marketing and Merchandizing-USA)	Customer Relation	Customer Specifications Implementation of New Machines/ System Experts	Develop Contacts Improving Performance Enhance Positive Image for the Firm
104. "...we are vertically integrated facility. Our doing based on what we learned and experienced from the last two decades with foreign brands and suppliers. That enables us to meet any demand and enhance our growth. The contributions of these factors enhanced our growth @ 20-25% per annum and more value addition in our products. ...." (Senior Manager Marketing & Merchandizing-USA)	Integrated Production Customer Relation	Vertical Production Facility Customer Specification Learning by Doing	Improving Performance Improving Product Quality Develop Contacts Supply Chain Control Latest Demand
105. "...The continuous acquisition and investments in machines and systems attract new customers and working with world's best brands as a manufacturer of their private brands and labels from the last two decades. It enables us to involve in latest production processes and techniques. Additionally, the vertical integrated setup enables us to provide full service according to customer needs, control of quality and lead time in our supply chain..." (Technical Manager R&D and P&D)	Setup and Start New Production and Manufacturing Customer Relation Integrated Production	Implementation of New machinery Customer Specifications Vertical Production Facility	Improvement in Textile Production Latest Textile Processing Techniques Improving Performance Improving product Quality Develop Contacts Supply Chain Control
106. "...we are serving world top brands and keeps adding new on continuous basis from the last two decades. Additionally, the vertical integrated setups help us in provision of better services, control of quality and lead time as per customer needs..." (Director Marketing and Senior Manager Merchandizing)	Integrated Production Customer Relation	Customer Specifications Vertical Production Facility	Improving product Quality Improving Performance Supply Chain Control Compliance with Regulations



<p>107. "...Masood Textile Mills is the only textile mill in Pakistan with latest computerized Barcode System that assures quality in every operation of production from spinning to packing. Products of each department carry BAR CODED stickers, which bear all the details and history of the operations of that product. Hence if any problem is reported, one can trace back the root of the problem and enable to prevent occurrence of the same in future.</p> <p>The 'Back Tracking System' plays a vital role in developing sense of responsibility and accountability in every person in making and inspecting the garments. The same thing is emphasized in ISO-9002, so we are not only the ISO-9002 Certified holder but also the true executors. The company has independent Quality Assurance (QA) Team that conducts inline audits and final finished goods audits. The QA Manager ensures that before the goods leave the factory, they comply to the customer's AQL standard..." (Company Presentation)</p>	Customer Relation	Implementation of New machinery/System Experts Vertical Production Facility	Supply Chain Control Compliance with Regulations Improving Performance Improving product Quality
<p>108. "...Besides, MTM is one of the few fully vertical textile mills in Pakistan having in-house Yarn, Knitting, Fabric dyeing, Processing, Laundry and Apparel Manufacturing facilities. The vertically integrated operations help us in achieving shorter lead times and greater flexibility to cater to the customer's demand. ... (Company Presentation)</p>	Integrated Production	Vertical Production Facility	Supply Chain Control
<p>109. "...MTM is proud to work with the world's best labels. This exposure to the brand labels has been a continuous learning experience for the entire team. Currently, 85% of production is exported to the U.S. while rest 15% to Europe. ... (Company Presentation)</p>	Customer Relation	Customer Specifications Learning by doing	Develop Contacts
<p>110. "...The MTM Team comprises a balanced blend of experienced professionals including over 200 MBAs, Textile Engineers and Industrial Engineers. Continuous training and development keeps them abreast with modern technical and management tools. MTM is WRAP certified and ISO 9002 certified as well. ... (Company Presentation)</p>	New Production and Manufacturing International and Regional Standards	Experts Training Certificate	Compliance with Regulations Develop Contacts Improving Performance
<p>111. "...A very aggressive and creative R&amp;D department is always busy in exploring innovative product development enabling MTM to be ahead of many in the field. Our keen, extensive and aggressive Merchandising team comprising experienced and trained MBAs functions with the core objective of rendering ultimate customer satisfaction through product development and smooth execution of orders. They are capable and keen to meet an average 3-4 days' lead time for proto samples. ... (Company Presentation)</p>	Product Innovation	R&D and Reverse engineering	Ability to Innovate Develop Contacts
<p>112. "...MTM, as a corporate citizen, recognizes and believes in fulfilling its responsibility towards the society and the environment. An effluent treatment plant is in placed to treat waste water for all to <b>dismatter</b>. The compliance standards of international community are fully implemented and ensured at all times..." (Company Presentation)</p>	International and Regional Standards	Certificate	Compliance with Regulations

<p>113. With over 3400 stitching machines, MTM is producing about 5 million pieces per month of fashion garments like Polo, Rugby and Henley shirts along with basic garments like Crew Neck Tee, Sweat shirt, Boxer shorts and Bikinis. MTM has in-house Embroidery facility equipped with Tajima machines. The fabric Processing Division of Masood Textiles has a capacity of dyeing 1,16,295 kgs per day. It is equipped with Thies, T.S.I, Fong's, Sclavos, Scholl Gaston dyeing machines. It is capable of dyeing both 100% cotton and blended fabric. The machine size selection gives the flexibility in dyeing a lot size ranging from 100 kgs to 1,000 kgs. The department has two Santex finishing lines from Switzerland, which include hydro extractors, dryers and compactors. In order to maintain the quality of processed fabric, Masood has the testing laboratory with latest equipment to check the fabric. It ensures that the fabric quality is maintained and is according to the required parameters of our customers.</p> <p>Our in-house and very well-equipped Dyeing department with a production capacity of around 1,16,295 Kg of dyeing / day allows us to fully meet our dyeing requirements. We have dyeing machines for dyeing cotton fabric and a fully computerized high temperature jet-dyeing machine to dye all kinds of synthetic fabrics including polyester. A well-equipped laboratory ensures all dyed fabric is properly checked, as per buyer's requirements, for factors such as shrinkage, color fastness, etc.</p> <p>Finishing department at Masood, comprises of automatic hydro-extractors for the removal of moisture from dyed fabric, computerized tensionless dryers for instant fabric drying, soft-setting and calendaring machines for systematic soft-setting and rolling of fabric, fully computerized compaction machines for complete shrinkage control, and panel wash machines and tumble dryers for panel washing the fabric to give minimum shrinkage value. Again, personal attention ensures that all the fabric leaving the finishing department is properly inspected and thoroughly checked for relevant factors before being forwarded to the next stage of production. 7 cutting units working under the supervision of skilled unit managers, these cutting units are well equipped with latest machinery including Gerber Plotter, Auto Spreader, Auto cutter, Band Knife, Spreader, and Bierrebi etc. With over 6,185 stitching machines, manned with the most skilled and expert operators. The Quality control and Quality Assurance departments are in place to make sure the company's objective of zero defects. Computerized Bar coding and Back Tracking systems provide Masood 100% predictability and tracking performance. Latest Tajima embroidery machines, fully automated, 6 color 40 heads provide Masood the flexibility and capability to cater to the customer requirements. (<a href="http://www.masoodtextile.com/division/divisions.php">http://www.masoodtextile.com/division/divisions.php</a>)</p>	<p>New Production and Manufacturing Washing and Laundry Integrated Production Customer Relations</p>	<p>Implementation of New Machinery/system R&amp;D and Reverse engineering Vertical Production Facility Customer Specifications</p>	<p>Improvement in Textile Production Latest Textile Processing techniques Improving Product Quality Latest Demand Improving Performance</p>
<p>114. "...Apparel division was established in 1995 to enter into value addition field. The company started producing underwear briefs for Jockey U.K. Now it consists of 17 independent stitching units...."</p>	<p>New production and Manufacturing</p>	<p>Implementation of New machines/system</p>	<p>International Market Presence Improving Performance</p>

<p>115.“...Masood has the unique capability of doing store door deliveries(SDD) to its valued customers like JCPenney, Sears, and Kohl’s through Direct to Store Business Model. Team of business analysts, IT experts and US based co-ordination staff has built up a marvelous supply chain model by which Masood is delivering the goods across state side within 12 days of EDI PO generation. Masood has the flexibility of doing store door deliveries from either of east coast and west coast guaranteeing un-precedent lead times and 100% fill rates. Masood has developed the niche of DTS business model to the next level and has become DTS service provider to other textile companies in South Asia. Currently Sock supplier and Woven Dress Shirt supplier are benefiting from Masood expertise and are serving their customers with speed, flexibility and technology...” (Company Presentation)</p>	<p>Customer Relation Innovation</p>	<p>Direct to Store Model Experts</p>	<p>Develop Contacts Supply Chain Control Commercial Services Improving Performance</p>
<p>116.“... Our knitting units are producing fabrics of excellent quality with minimum defects. Additionally, an online 100 percent fabric inspection system is in function to meet the international quality parameters as required by most of our customers. “4-points quality system “introduced by J.C PENNY (USA) is also being followed at our knitting facility...” (<a href="http://www.masoodtextile.com/division/knitting.php">http://www.masoodtextile.com/division/knitting.php</a>)</p>	<p>Customer Relation Innovation</p>	<p>Implementation of New machines/system Customer Specifications</p>	<p>Improving Performance Latest Demand Develop Contacts Improving Product Quality</p>
<p>117.“...MTM, as a corporate citizen, recognizes and believes in fulfilling its responsibility towards the society and the environment. An effluent treatment plant is in place. The compliance standards of international community are fully implemented and ensured at all times...” (Company Presentation)</p>	<p>International and Regional Standards</p>	<p>Implementation of New machines/ System Customer Specification</p>	<p>Compliance with Regulations</p>
<p>118.“...Our manufacturing process has been vertically integrated to facilitate all the processes involved in garment manufacturing under one roof. This enables us to reduce the time spent in completing your orders. All our machines are the latest available in the market, and whenever required, MtM export has never shied away from purchasing the most modern equipment. All our divisions are equipped with the latest equipment to maintain the high-quality standards that we have set for ourselves...” (<a href="http://www.masoodtextile.com/infrastructure/infrastructure.php">http://www.masoodtextile.com/infrastructure/infrastructure.php</a>)</p>	<p>Integrated Production</p>	<p>Implementation of New machines/System Vertical Production Facility</p>	<p>Supply Chain Control Improving Performance Latest demand</p>
<p>119. “...MTM strives to achieve rapid introduction of new and improved products by adopting a disciplined and customer focused approach to product development. We recognize the importance of keeping abreast of new concepts and technologies within our chosen product ranges and therefore, we are keen to work with customers who continually bring forward innovative and existing new concepts...” (<a href="http://www.masoodtextile.com/research/pdmain.php">http://www.masoodtextile.com/research/pdmain.php</a>)</p>	<p>Innovation Customer Relation Imitation &amp; Emulation</p>	<p>Customer Specification R&amp;D and Reverse engineering Learning by doing Customer Specifications</p>	<p>Ability to Innovate/NPD Develop Contacts Improvement in Textile Production</p>
<p>120.“...Masood Textile Mills is the only textile mill in Pakistan with latest computerized Barcode System that assures quality in every operation of production from spinning to packing. Products of each department carry bar coded stickers, which bear all the details and history of the operations of that product. Hence if any problem is reported, one can trace back the root of the problem and enable to prevent occurrence of the same in future...” (Company Presentations)</p>	<p>Customer Relations</p>	<p>Implementation of New Machines/System</p>	<p>Develop Contacts Improving Performance</p>
<p>121.“...Besides, Masood is one of the few fully vertical textile mills in Pakistan having in-house Ginning, Spinning, Knitting, Fabric dyeing, Processing, Laundry and Apparel Manufacturing</p>	<p>Integrated Production</p>	<p>Vertical Production Facility</p>	<p>Supply Chain Control Latest Demand</p>

facilities. The vertically integrated operations help us in achieving shorter lead times and greater flexibility to cater to the customers' demand. ..." (Company Presentations)			
122. "...Masood has also a pride to work with the world's best labels like Abercrombie & Fitch, Polo Ralph Lauren, Calvin Klein, Nautica, Tommy Hilfiger, Next, Macy's, Khol's, Sear's, Levi's, Chaps Ralph Lauren, Russell, JC-Penney, Wal-Mart, Polo Jeans, VF, Champion, Hanes, American Eagle, New Yorkers. The local community and customer recognize our products, R&D and services through their awards such as JC Penney- Outstanding partnership (2001-2002), best supplier of the region (2001-2002,2005,2008), operational excellence (2002 and 2004), best quality (2002,2005 and 2009), Purchasing Partnership (2007).Fruit of the Loom-Best startup supplier (2005), Accuracy in communication and Execution (2006, 2008-2009), best compliance (2006, 2008-2009), Best quality (2008-2009), supplier of the year (2008-2009, 2013), Quality control (2005),Russell Corporation- Quality recognition (2001),President of Pakistan- Best hosiery exporter (2010-2011) ..." (Company Presentations and <a href="http://www.masoodtextile.com/aboutus/awards.php">http://www.masoodtextile.com/aboutus/awards.php</a> )	Customer Relations	Customer Specifications Certification	Latest Demand Enhance Positive Image of the Firm
123. "...Masood has diversified its operational capabilities by utilizing various off-shore sewing facilities to avail the advantage of duty free access to US markets and to cope with the stiff price competition from valued customers..." (Company Presentations).	Contingent Production	Offshore Manufacturing Facility	Improving Performance Develop Contacts
124. "...A very aggressive and creative R&D department is always busy in exploring innovative product development enabling Masood to be ahead of many in the field. Our keen, extensive and aggressive Merchandising team comprising experienced and trained MBA's functions with the core objective of rendering ultimate customer satisfaction through product development and smooth execution of orders. They are capable and keen to meet an average 3~4 days lead time for proto samples..." (Company Presentations).	Innovation	R&D and Reverse engineering Experts	Latest Demand Develop Contacts Ability to Innovate
125. "...Masood, as a corporate citizen, recognizes and believes in fulfilling its responsibility towards the society and the environment. An effluent treatment plant is working to save the environment. The compliance standards of international community are fully implemented and ensured at all times..." (Company Presentations)	International and Regional Standards	Implementation of New Machines/System	Comply with International Standards
126. "...We are leaders in creating, developing and manufacturing of knitted apparel products right from basic to highly fashioned garments thus responding to emerging trends in the industry. We translate conceptual ideas of our customers into reality and shape them through our technical bent and professional acumen. The team here strongly believes that customer satisfaction is the essence of business today. MtM has the technology with expertise, products with knowledge and most importantly the right mindset to achieve total customer satisfaction. If the customers want to lock the prices for a certain period, Masood can offer this service as we reserve the cotton for the particular program..." ( <a href="http://www.masoodtextile.com/division/spinning.php">http://www.masoodtextile.com/division/spinning.php</a> )	Customer Relations Industry Trends Innovation	Customer Specifications Experts Implementation of New machines/System R&D and Reverse engineering	Latest Demand Develop Contacts Ability to Innovate

<p>127. "...Textile experts point out that the said mill is perhaps the only Pakistani enterprise that remains in direct contact with the stores of its foreign buyers. It monitors online the sales pattern in these stores, including the colors that are preferred by the buyers. It, thus, could plan the replenishment of the depleted stocks quick. The direct shipment to the stores reduces the inventory cost of the buyers, besides increasing their sales, they said..."  <a href="http://www.thenews.com.pk/Todays-News-3-218814-Chinese-giant-acquires-half-of-Masood-Textile">http://www.thenews.com.pk/Todays-News-3-218814-Chinese-giant-acquires-half-of-Masood-Textile</a></p>	Customer Relations	Direct to Store Model	Develop Contact Improving Performance
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## Appendix-XIII CBL Interview Quotes with Respective Codes

Quotes for Transcription	Learning	Ways	Reasons
<p>1. "...The mother company started its operations since the formation of Pakistan as Crescent Textile Mill in Faisalabad. The mill was among the latest setups in Pakistan at that time. The mill started exporting yarn and fabrics right from the start according to customer specifications mainly to US and European markets. The Crescent Textile Mill now Cretex expands its operations in latest market demanded products and processes. Crescent Textile Mills started new denim and garments operations as a joint venture with Greenwood Mills Incorporated USA as Crescent Greenwood Limited (CGL) in 1994. This was the first ever largest foreign investment in the textile sector in Pakistan. We started our latest operations and production with Greenwood ..." (Supply Chain Manager).</p>	<p>Setup and Start New Production and Manufacturing</p>	<p>Product partnership-JV Implementation of New Machines Customer specifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques</p>
<p>2. "...Crescent group started its operations as Crescent Textile Mills (CTM) in 1950 in Faisalabad. In a short time period, the Crescent Textile Mills progressed as it started exporting majority of its products to USA, Europe, Middle East and Japan as per customer demand. The Crescent Group further expands its operations in textile and set Shams Textile Mills Limited in 1968, which was primarily engaged in manufacturing and trading of high quality yarn. The group further expands its textile operations in denim and garments beside active involvement in other sectors. The new denim set was laid down in 1994 as a joint venture between Crescent Textile Mills and Greenwood Mills incorporated USA as Crescent Greenwood Limited (CGL). We started and grow with them; all our production, processing and techniques are from Greenwood USA..." (Senior Manager Marketing)</p>	<p>Setup and Start New Production and Manufacturing</p>	<p>Product partnership-JV Implementation of New Machines Customer specifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques</p>
<p>3. "...Our operations trace backed to 1950, when a textile mill under Crescent Textile Mill was established. The setup was among the latest in Pakistan at that time. Crescent Textile Mill from the start exported majority of its product to Western markets. In 1994, Crescent Textile Mill started latest denim garments production as a joint venture with Greenwood Mills Incorporated USA as Crescent Greenwood Limited (CGL). This was the largest foreign investment in Pakistani textile sector with 34% ownership of Crescent Textile Mills, 32% ownership of Greenwood Mills incorporated and 24% of general Pakistani Public. The initials practices and techniques all in all were from Greenwood Mills..." (Marketing Head- Levi's Business)</p>	<p>Setup and Start New Production and Manufacturing</p>	<p>Product partnership-JV</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques</p>

<p>4. "...Crescent group started its operations back in early 50s by establishing a textile mill in Faisalabad as Crescent Textile Mills (CTM). It was a modern production facility of his time, CTM started exports to USA, Europe, Middle East and Japan right after its establishment. The mill was among the leading manufacturer and exporter according to the international market demand of that time. The mill is working as Cretex a well-established name in manufacturing and exports of high quality yarn, fabrics and home textiles. The Crescent group expands in diversified businesses over time. It expands its textile operations by establishing a yarn manufacturing facility i.e. Sham Textile Mills in 1968 and a latest vertical setup for denim and garments in 1991. The denim and garments operations started as a joint venture between Crescent Textile Mills and Greenwood Mills incorporated USA as Crescent Greenwood Limited (CGL) in 1994. This was the first largest foreign investment in Pakistani textile sector. The Crescent Greenwood Limited was the first fully vertical integrated plant in Asia includes latest spinning, weaving, cutting, finishing and sewing under one roof..." (Director Marketing)</p>	<p>Setup and Start New Production and Manufacturing Integrated Production</p>	<p>Product partnership-JV Vertical Production Facility Implementation of New Machines Customer specifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques</p>
<p>5. "...Since independence of the Pakistan we started our textile manufacturing operation by establishing a modern textile mill of his time as Crescent Textile Mill in Faisalabad. Majority of our production was exported to Europe, USA and Japan markets as per demand of these regions. We gradually excel our operations in textile beside diversified sectors. In 1994, the foundation of the present company (CBL) was laid down as a joint venture between Greenwood Mills Incorporated USA and Crescent Textile Mills as Crescent Greenwood Limited (CGL). This was largest foreign investment in Pakistani textile history. Under this joint venture CGL was established as a latest composite vertical plant having spinning, weaving, cutting and sewing under one roof to meet latest demand..." (Director Design)</p>	<p>Setup and Start Integrated Production New Production and Manufacturing</p>	<p>Product partnership-JV Vertical Production Facility Implementation of New Machines Customer specifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques Latest Demand</p>
<p>6. "...The crescent group is the largest and most reputed group in Pakistan, started its operation right after the independence of Pakistan in 1947. A modern textile production setup was established in 1950. The setup started exporting majority of products according to USA, Europe, Japan and Middle East markets. The group expands its textile operations in denim and garments to involve in ever growing international market for denim garments. A new company Crescent Greenwood Limited (CGL) was founded as a result of joint venture between Crescent Textile Mills and Greenwood Mills Incorporated USA in 1994..." (Assistant Vice President Production)</p>	<p>Setup and Start New Production and Manufacturing</p>	<p>Product partnership-JV Implementation of New Machines Customer specifications</p>	<p>Improvement in Textile Production Latest Textile Processing Techniques</p>
<p>7. "...We started right after the independence of Pakistan as a Crescent Textile Mill. The operation was one of the latest of his time with respect to machines and infrastructure, as we immediately take charge to exports according to USA, Europe and Japanese markets requirements. We continued nonstop journey towards growth as we passed through several development stages and moderation in textiles and other sectors. In textile, we progressed to the world demanded denim garments through the foundation and erection of latest integrated facility as a joint venture in 1991. This joint venture between Crescent Textile Mills and Greenwood Mills Incorporated, USA as Crescent Greenwood Limited (CGL) was the largest foreign investment in the textile</p>	<p>Setup and Start Integrated Production New Production and Manufacturing</p>	<p>Product partnership-JV Vertical Production Facility Implementation of New Machinery Customer specifications</p>	<p>Improvement in Production Process Latest Demand Supply Chain control</p>

sector in Pakistan. The Crescent Greenwood Limited (CGL) was one of the first single site operations of finished jeans and largest in South Asia to meet latest demand. It has also state of the art machines and equipment backed by water treatment plant and a power generation plant in its premises...” (Deputy Manager R&D)			
8. “... the company started its denim production as a joint venture (Crescent Greenwood Limited) between Crescent Textile and Greenwood Mills USA, in 1994. This was first latest composite apparel setup in Pakistan. The purpose of the CGL was to produce quality garments under one roof to meet international market demand...” (Senior Manager Merchandizing)	Setup and Start Integrated Production New Production and Manufacturing	Product partnership-JV Vertical Production Facility Implementation of Latest Machinery	Improvement in Production Process Latest Demand Supply Chain control
9. “...Crescent Greenwood Limited (CGL) was the first vertical composite production facility in Pakistan that includes Spinning, weaving, processing, water treatment plant and power generation plant under one roof to have control form cotton to carton. The facility is equipped with latest technology, machinery and equipment...” (Supply Chain Manager)	Integrated production Setup and Start	Vertical production Facility Implementation of New Machinery	Supply Chain control
10. “...CGL was the first ever latest composite textile plant in Pakistan. It includes facilities to Spin, Weave, Cut, Wash, Finishing and Sewing. This facility was of its first kind in Pakistan having state of the art effluent water treatment plant and its own power generation plant...” (Marketing Head- Levi’s Business)	Integrated production Setup and Start	Vertical Composite Production Facility Implementation of new machinery	Improvement in Textile Production Supply Chain Control
11. “...this project was the largest foreign investment in the textile sector in Pakistan. The Crescent Greenwood Limited (CGL) was the first fully vertical integrated plant in Pakistan includes facilities to Spin, Weave, and finish, Cut, Wash and Dry Denim under one roof for control and better quality...” (Sr. Manager Marketing)	Integrated Production Setup and Start New Production and Manufacturing	Vertical Production Facility	Supply Chain Control Improving Quality
12. “...this was the first largest foreign investment in Pakistani textile sector. The Crescent Greenwood Limited was the first fully vertical integrated plant in Asia includes spinning, weaving, cutting, finishing and sewing under one roof. This facility was of its first kind in Pakistan with state of the art machinery, effluent water treatment plant and its own power generation plant to meet demand in well controlled environment...” (Director Marketing)	Integrated production Setup and Start	Vertical production Facility Implementation of New Machinery Latest Demand	Supply Chain control Latest Demand Supply Chan Control
13. “...joint venture was the first largest foreign investment in textile industry of Pakistan. Crescent Greenwood Limited (CGL) was the first fully integrated apparel plant in Pakistan that includes latest and state of the art spinning, weaving, washing, cutting and sewing units for denim garments according to the international market demands. The plant was back up by its power generation plant and a water treatment plant which was first of its kind in Asia...” (Assistant Vice President Production)	Setup and Start Integrated production	Vertical production Facility Implementation of New Machinery	Supply Chain control Latest Demand
14. “...the commercial production was started in June 1995. The facility equipped with latest equipment and machinery from spinning to finish products i.e. garment manufacturing ... to cater customer needs under one roof...” (Marketing Head- Levi’s Business)	Setup and Start New Production and manufacturing Integrated Production	Implementation of new machinery Vertical Integrated Facility	Latest Demand Supply Chain control



15. "...we started commercial production for the first time in June 1995. The facility equipped with latest equipment and machinery from spinning to finish products to meet demand with confidence without any headaches..." (Director Marketing)	Setup and Start New Production and Manufacturing	Implementation of new machinery Vertical Integrated Facility	Latest Demand Supply Chain control
16. "... the plant started its first commercial production in 1995 and exported to Italy and USA. At that time, the company was just copying and following what customers demanded with limited involvement in R&D..." (Director Design)	Setup and Start Customer Relations	Emulation and Imitation Customer Specification	Latest Demand International Market Presence
17. "...The first production was out in 1995 with export to Italian and American clients. In the start we were serving Levi's, there was an Italian customer Carrera and two or three American customers like County Seed etc. We were just duplicating and matching what they asked for at that time. This was our business model of that time. Our business was based on two small and three big customers and we were doing business with certain capacity, our model was going successful. At that time LEVIS was doing only three styles (product styles) and 5 washes less than 10 combinations which was very limited business. Then we realized that this is our destiny, are we continue in the same lines or we have to change our self. This was time of boom in international market. ...." (Senior Manager Marketing)	Setup and Start  Customer Relations New Production and Manufacturing	Emulation and Imitation Customer Specification	Latest Demand International Market Presence
18. "...The trial production was started in January 1995 followed by full fledge commercial production in June 1995. For the first 4 to 5 years we were doing for prime customers, at that time we start serving Levi's, there were Italian and American customers like Carrera, County Seed etc. We were just duplicating what they demanded us at that time. This was our initial business model ..." (Assistant Vice President Production)	Customer Relation Setup and Start New Production and Manufacturing	Customer Specification Imitation Emulation	Latest Demand International Market Presence Develop Contact
19. "...I came to know that the company started commercial production in 1995 with export of basic products i.e. denim fabric and garments to American and European customers. In the start the company was doing limited business and follows whatever the client demand without any innovation or R&D..." (Deputy Manager R&D)	Customer Relation Setup and Start	Customer Specification  Imitation Emulation	Latest Demand International Market Presence Develop Contact
20. "... In 1995, it started its production of fabric and basic garments which were exported to European and American customers. At that time CBL was focusing and copying what customer demanded to best match with demand..." (Senior Manager Merchandizing)	Customer Relation Setup and Start	Customer Specification Imitation Emulation	Latest Demand International Market Presence Develop Contact
21. "... in 1996, we started business with Levi's. At that time, Levi's was doing only three styles (product styles) and 5 washes less than 10 combinations which was very limited business. We were following and copying customers whatever they demanded. We realized that this is not our bread and butter; we seriously started thinking about the change in our business model and strategy..." (Marketing Head- Levi's Business)	Customer Relation	Customer Specification Imitation and Emulation	Latest Demand

22. "... In 1998, marketing and sales office was established for the management of sale and marketing strategies. In the same year marketing and sales office was established in Derry, Ireland. The focus of this move was to provide right product at the right time and prices to clients, while creating an expatriate team to manage operations and train local management. ...." (Supply Chain Manager)	Customer Relation Promotional Management	Commercial Office Experts Training	International Market Presence Latest Demand Improving Performance
23. "...In 1998 apparel marketing and operations department was established to manage routine operations and develop marketing and sales strategies. In the same year, Apparel Marketing and Operation office (AMOL) was established in Ireland for marketing and sales in the region and train local management ..." (Sr. Manager Marketing)	Customer Relation Promotional Management	Commercial Office Experts	International Market Presence Improving Performance Develop Contact
24. "...in September 1998, CBL established sales and marketing office i.e. (Apparel marketing and Operations limited). We took a strategic move by opening sales and marketing office in Derry, Northern Ireland. We established this office to increase our sale and marketing activities in Europe and to create an expatriate team in Pakistan to manage the operations and train the local management. ...." (Marketing Head- Levi's Business)	Customer Relation Promotional Management	Commercial Office	International Market Presences Improving Performance Develop Contact
25. "...In 1998 Apparel Marketing and Operations Limited (AMOL) was established to manage sale and marketing in better way. Similarly, in order to access international market, we opened sales and marketing office in Derry, Ireland. The key role of that office was to facilitate sales and marketing activities in the Europe and create an expatriate team in Pakistan to handle daily operations and train local management..." (Director Marketing)	Customer Relation Promotional Management	Commercial Office Experts	International Market Presences Improving Performance Develop Contact
26. "... in 1998 CGL made a strategic move towards expansion of sales and marketing activities. As a result, sales and marketing office was established to manage routine activities and establish new customers and business. This move was immediately followed by establishing a marketing and sales office in Derry, Ireland. The driving force behind this move was to expand its business through offering the right product at the right time and prices. While at the same time creating a team of expatriates that manages operations and train local management..." (Director Design)	Customer Relation Promotional Management	Commercial Office Experts	International Market Presences Develop new contacts Develop new contacts
27. "...In year 1998, a local sales and marketing office (i.e. Apparel Marketing and Operations Limited-AMOL) was established to handle customers and project our products in better way. In the same year, AMOL opened an office in Derry, Ireland. The focus was to expand its sales and marketing activities in Europe and train local personnel through expatriate. ...." (Assistant Vice President Production)	Customer Relation Promotional Management	Commercial Office Experts	International Market Presences Develop new contacts
28. "... A local and an Irish sale and marketing offices (AMOL) were established in 1998, to effectively manage sales and marketing in local and EU markets and to prepare a team that further handle sales and marketing activities..." (Deputy Manager R&D)	Customer Relation Promotional Management	Commercial Office Training	International Market Presences Develop new contacts
29. "... With the passage of time CGL grows both clientage and activities wise. In 1998 CGL established Apparel Marketing and Operation Limited (AMOL) in Pakistan and Ireland to manage its sale and marketing operations locally and across borders..." (Senior Manager Merchandizing)	Customer Relation Promotional Management	Commercial Office	International Market Presences Develop new contacts

30. "...In 2001, the joint venture ended up and we completely owned the company with a name of Crescent Bahuman Ltd, the company set its directions to move on..." (Supply Chain Manager)	Setup and Start New Production and Manufacturing	M&A	Improving Performance
31. "...The joint venture between Greenwood Mills and Crescent group ended in 2001. A new company completely owned by Crescent group i.e. Crescent Bahuman Limited (CBL) was established with new directions and strategies..." (Sr. Manager Marketing)	Setup and Start New Production and Manufacturing	M&A	Improving Performance
32. "...In 2001, a completely new company Crescent Bahuman Limited (CBL) was established because of JV termination with Greenwood Mills. That was the time for "do or die" the company took steps towards change..." (Marketing Head- Levi's Business)	Setup and Start New production and manufacturing	M&A	Improving Performance
33. "...in 2001, the joint venture was terminated. Since then we completely owned the company under the name of Crescent Bahuman Limited (CBL). Since 2003, we formulate a road map for ourselves as we were in do or die situation. We had a strong platform to project ourselves, as we had an edge of latest infrastructure and expertise from our previous joint venture with Greenwood..." (Director Marketing)	Setup and Start New Production and Manufacturing	Implementation of New machinery M&A	Improving Performance
34. "... in year 2001, Crescent Bahuman Limited (CBL) was established as a result of termination of joint venture. 2003 brought a new era of changes; we introduced a range of highly fashion products, start developing new and bigger customers and higher value-added activities. We brought new insights into our manufacturing and processing lines through investment in up gradation and acquisition of state of the art equipment, machines and techniques..." (Director Design)	Setup and Start New Production and Manufacturing	Implementation of New machinery M&A	Improvement in Textile Production Latest Textile Processing Techniques Improving Performance Develop Contact
35. "... In 2001, we became an independent company i.e. Crescent Bahuman Limited as a result of separation from joint venture with Greenwood. That was a time we think and opted for several alternatives and directions. We joined our forces towards a change. In 2003 lots of different changes brought in our system, operations and tactics through acquisition and sourcing of equipment and machines. We introduce a range of high fashion content and products, contacting and adding bigger clients with higher point value. We start and adopting new parameters in our production..." (Assistant Vice President Production)	Setup and Start  New Production and Manufacturing  Customer relations	Implementation of New machinery  M&A	Improvement in Textile Production Latest Textile Processing Techniques Improving Performance Develop Contact
36. "...In 2001, we completely owned the company with a name of Crescent Bahuman Limited (CBL) as the joint venture dissolved with Greenwood. When I joined in 2005, the company was in transition phase of adopting change and improvements in systems, equipment, and operations. I became a part of the newly established design and development center specialized in fabric and washing. Investments in latest machines, testing tools, equipment, R&D, designers and developers brought new insights in CBL operations. It enables us to offer range of high trendy and fashion products, involved in high value-added processing and production that attract and developed business with well-known brands..." (Deputy Manager R&D)	Setup and Start Washing and Laundry New Production and Manufacturing Customer relations Product Innovation	Implementation of New machinery Experts R&D and Reverse engineering M&A	Improvement in Textile Production Latest Textile Processing Techniques Improving Performance Develop New Contacts Improving Product Quality
37. "... A sudden change came when we separated form JV with Greenwood in 2001. As a result, a new company (i.e. Crescent Bahuman Limited) completely owned by us was established. The company started and formulated its own roadmap for change. In 2003, we started implementing	Setup and Start Washing and Laundry	Implementation of New machinery Experts	Improvement in Textile Production

<p>changes through investing in new machines and hardware in order to involve in value-added operations and produce quality products. The results start coming in 2006, when we introduced our own promotional and inspirational collection through involved with designer's, developers and our newly established R&amp;D center i.e. specialized fabric and washing development center. In the same year, we achieved another milestone to launch our brand in local market through a network of exclusive outlets across the country. In 2008, we enriched our portfolio as we started non-denim to meet demand in this segment as well. We sourced Canvas, cut, wash and sew it, as we have latest capabilities of doing so from denim. Since then we also established a small portion of business in this segment. In 2009, Stoneage makes its ground in Dubai. In 2009-2010 CBL made strategic moves to involve in high value-added activities and price product through its global alliances with top European companies..." (Senior Manager Marketing)</p>	<p>New Production and Manufacturing Customer relations Brand Management Promotional Management Product Diversification (non-denim) Innovation</p>	<p>R&amp;D and Reverse engineering Product Partnership-JV Outlet Sourcing Canvas Fabric M&amp;A</p>	<p>Latest Textile Processing Techniques Improving Performance Develop New Contacts Improving Product Quality International Market Presence International Branding and Marketing Latest demand</p>
<p>38. "...in 2003, the company changed a lot; we introduced high fashion products and processes through acquisitions of latest machines and tools that made our way to add bigger clients. ..." (Supply Chain Manager)</p>	<p>New Production and Manufacturing Customer Relation</p>	<p>Implementation of New Machinery</p>	<p>Improvement in textile production Develop new contacts Improving Product Quality</p>
<p>39. "...new beginning came in 2003 and lots of different changes brought in, we introduced different range of products, highly fashion products, added bigger customers and higher value-added activities. We completely started with new parameters into our production and processing through investing in R&amp;D, latest machinery and equipment..." (Senior Manager Marketing)</p>	<p>New Production and Manufacturing Customer Relation</p>	<p>Implementation of new machinery</p>	<p>Improvement in textile production Improving Textile Processing Techniques Develop new contacts</p>
<p>40. "...we brought new insights into our production. In 2006, we added specialized fabric development and washing development center through acquisition, sourcing and heavy investment in latest machinery, equipment, experts and R&amp;D..." (Supply Chain Manager)</p>	<p>New Production and Manufacturing Washing and Laundry Product Innovation</p>	<p>Experts R&amp;D and Reverse engineering Implementation of New Machinery</p>	<p>Improvement in textile production Improving Textile Processing Techniques Ability to Innovate Improving Performance</p>
<p>41. "...in 2003, we made several moves for a new beginning, we formulate, checked and worked on several options to brought changes in our integrated operations. We added new customers through involvement in R&amp;D, adopted value addition in our operations, and introduced innovative products. We brought new insights in our production and operations through investment in up gradation and acquisition of state of the art equipment, machines and techniques..." (Director Marketing)</p>	<p>New Production and Manufacturing Customer Relationship Product Innovation</p>	<p>R&amp;D and Reverse engineering Implementation of New Machinery</p>	<p>Improving Performance Improving Product Quality Develop Contacts Improvement in Textile Production Latest textile Processing Techniques</p>
<p>42. "...since 2003 we changed a lot as we introduced highly fashioned products with higher value and quality. We continuously added bigger clients and brands. We brought totally new insights into our production and processing by sourcing state of the art hardware and machines. In 2006, we started high value added, specialized fabric and washing development center through acquisition, sourcing</p>	<p>Customer Relation New Production and Manufacturing Washing and Laundry Product Innovation</p>	<p>Experts R&amp;D and Reverse engineering Implementation of New Machinery</p>	<p>Improvement in textile production Latest Textile Processing techniques Ability to Innovate</p>

and heavy investments in latest machinery, equipment and experts. Such investments enable us to start our biannual innovative and inspirational collections to present to different clients as a promotional engine....” (Marketing Head- Levi’s Business)	Promotional Management		Develop New Contacts
43. “...In 2006, we started new dynamics by adding specialized fabric development and washing development centers through heavy investments in sophisticated machinery, R&D and experts....” (Senior Manager Marketing)	New Production and Manufacturing Washing and Laundry	Experts R&D and Reverse engineering Implementation of New Machinery	Improvement in textile production Latest Textile Processing techniques
44. “...in 2006, we changed in a real sense as we started specialized fabric production and washing through our newly established R&D center. We continuously acquired, sourced and made heavy investments in modern machinery, equipment, R&D and foreign experts. That was the year we successfully launched our annual inspirational collection...” (Director Marketing)	New Production and Manufacturing Washing and Laundry Promotional Management Product innovation	Implementation of New Machinery Experts R&D and Reverse engineering	Improvement in textile production Latest Textile Processing techniques Ability to Innovate
45. “...2003 was the beginning of changes, but 2006 was the time when a real change came in after all the necessary preparations and investments. In 2006, we established a design center that comprises three main tasks, i.e. innovation and inspiration, product development and transition. We started our two inspirational collections annually i.e. Spring -Summer and Fall-Winter to attract more business. In the same year, we launched our brand Stoneage in local market through outlets in major cities... ” (Director Design)	Brand Management Promotional Management Innovation	R&D and Reverse engineering Outlet Design Center	Branding and Marketing Ability to Innovate International Market Presence Develop new contacts
46. “...In 2006, the change came in a real sense by establishing a R&D center specialized in fabric and washing developments. This center involves in three main tasks i.e. innovation and inspiration, product development and transition. We hired foreign designers and developers to fully utilize our newly established R&D center. In 2006, we were able to start annual collections which we present to customers to promote our innovative products. In the same year, another mile stone was achieved through the launch of our brand (i.e. Stoneage) in the local market with a network of exclusive outlets across the country....” (Assistant Vice President Production)	New Production and Manufacturing Product Innovation Washing and Laundry Promotion Management Branding Management	R&D and Reverse engineering Experts Implementation of New machinery Outlet Design Center	Branding and Marketing Ability to Innovate International Market Presence Develop new contacts
47. “...In 2006, we started inspirational collection twice a year to present our innovative offering to different customers as promotional tool for business development. Similarly, in 2006 we launched brand (i.e. Stoneage) in local market through exclusive outlets in Southern part of Pakistan. The brand is now expanding to other cities and parts of Pakistan as well...” (Deputy Manager R&D)	Promotion Management Branding Management Product Innovation	R&D and Reverse engineering Outlet	Branding and Marketing Ability to Innovate Develop new contacts
48. “.... In 2006, we established a design centers to handle innovation and inspiration, product development and transition that enable us to produce our annual collections. In same year 2006, we started our local brand Stoneage with 5 outlets across the country ...” (Supply Chain Manager)	Brand Management Promotional Management Innovation	R&D and Reverse engineering Outlet Design Center	Branding and Marketing Ability to Innovate

49. "...in 2006, we put hands in branding as we launched our local brand Stoneage through outlets across the country..." (Sr. Manager Marketing)	Brand Management	Outlet	Branding and Marketing
50. In 2006, we launched our local brand "Stoneage" in major cities across the country. We have a network of outlets that handle the sales and marketing..." (Director Marketing)	Brand Management	Outlet	Branding and Marketing
51. "...in 2006, we established a design center that serves our needs i.e. innovation and inspiration, product development and transition for our innovative offerings as per demand. In March 2006, we launched our brand "Stoneage" locally with 5 outlets across the country..." (Marketing Head- Levi's Business)	Product Innovation Brand Management	R&D and Reverse engineering Outlet Design Center	Branding and Marketing Ability to Innovate
52. "...we started our two inspirational collections annually i.e. for Spring-Summer and Fall-Winter through our R&D and design center. This shows our involvement in R&D and innovations with innovative offerings that are fine-tuned with latest market trends..." (Senior Manager Marketing)	Promotional Management Product Innovation	R&D and Reverse engineering Design Center	Ability to Innovate International Market Presence
53. In 2008, we added the non-denim into our product line to accommodate some of our client's non-denim emerging demand. ..." (Supply Chain Manager)	Customer Relation Product Diversification	Customer Specification	Latest Demand
54. "...we also diversified our product range in 2008 to meet some non-denim demand. What we done and doing? we bought canvas and flat fabrics from local reputed firms, we cut it, sew it and wash it, as we have the capability of washing flat fabric i.e. on denim, making the bottoms doing some good washing and aesthetics i.e. Enzyme washing and laser printing. We are there but not a big portion of our business ..." (Senior Manager Marketing)	Customer Relation Product Diversification	Customer Specification Sourcing Canvas Fabric	Latest Demand Develop New Contacts
55. "...In 2008, we make moves toward diversification i.e. added non-denim in our portfolio but it is just a small portion of our business. We include bottoms through processing of canvas outsourced form local market ..." (Marketing Head- Levi's Business)	Customer Relation Product Diversification	Customer Specification Sourcing Canvas Fabric	Latest Demand Develop New Contacts
56. "...In 2008, we tried and succeeded in diversified offerings. We got a small order for non-denim from our client on experimental basis. We source canvas form one of the local supplier and produce the product according to our client specifications and directions, it went well. Since then we add the non-denim in our portfolio, but it is just a small portion of our business. We extend it to other clients as well..." (Director Marketing)	Customer Relation Product Diversification	Customer Specification Sourcing Canvas Fabric Emulation and imitation	Latest Demand Develop New Contacts Enhance capability Improvement in Textile Production
57. "... we keep moving and add non-denim in our product portfolio in 2008. We successfully produced non-denim garments for one of our customer on trial basis. We sourced the canvas fabric locally and complete the order as per customer requirements. Since 2008, we are also doing non-denim as a small portion of our supplies line. We developed new customers in this category as well..." (Director Design)	Customer Relationship Product Diversification	Customer Specification Sourcing Canvas Fabric Imitation and Emulation	Latest Demand Develop new Contacts Develop New Contacts Improvement in Textile Production

58. "... In 2007-2008, we got an opportunity to complete a small order form one of our client in non-denim for bottom on trial basis. We successfully match the specification and meet the order. It was for the first time we done something out of denim. What we done, we sourced canvas fabric form a local producer, processed and sew it. Since then we are doing a small portion of non-denim i.e. bottoms business. This enriched our product portfolio; enabled us to develop clients in this segment..." (Assistant Vice President Production)	Customer Relationship Product Diversification	Customer Specification Sourcing Canvas Fabric Imitation and Emulation	Latest Demand Develop New Contacts Improvement in Textile Production Latest Textile Processing Techniques
59. "...In 2008, we got a success towards diversification i.e. added non-denim bottoms in our portfolio. It was just on test basis order but now we formally engage in it as a small portion of bottom and non-denim business. We are specialized in denim only, so we buy fabric (i.e. Canvas) form local market; process in our integrated facility to meet the demand. The marketing team already developed and developing business in this segment as well..." (Deputy Manager R&D)	Customer Relationship Product Diversification	Customer Specification Sourcing Canvas Fabric Imitation and Emulation	Latest Demand Develop new Contacts
60. "...We expand our brands to Dubai in 2009 by opening an outlet; we are planning to expand to other countries as well..." (supply Chain Manager)	Brand Management	R&D Outlet	International Market Presence Branding and Marketing
61. In 2009, our local brand cross border and enter into Gulf market by opening an exclusive outlet for our brand Stoneage, which now expand to other UAE sates as well. ..." (Sr. Manager Marketing)	Brand Management	R&D Outlet	International Market Presence International Branding and Marketing
62. "...In 2009 Stoneage make its way to international markets by launching its outlet in Dubai which is extend to another outlet in Dubai. From the Stoneage perspective we are planning to expand it to India, UK and some other countries as well. ...." (Marketing Head- Levi's Business)	Brand Management	Outlet	International Branding and Marketing International Market Presence
63. "... in 2009, we launched Stoneage in Dubai by opening an outlet, followed by another outlet in 2010. We are under the processes of expansion; as we are also planning to expand it to Asian and European markets as well..." (Director Marketing)	Brand Management	Outlet	International Branding and Marketing International Market Presence
64. "...in year 2009, we launched Stoneage (i.e. our local brand) in Dubai through an outlet. Which were expanded to another city or branch in 2010. CBL is planning to expand Stoneage to some European and Asian markets..." (Assistant Vice President Production)	Brand Management	Outlet	International Branding and Marketing International Market Presence
65. "...In 2009 Stoneage made its presence in international market by opening an outlet in Dubai followed by opening an outlet in other cities in 2010. The expansion of Stoneage is on move, we are planning to expand it to UK and Asian markets..." (Director Design and R&D)	Brand Management	Outlet	International Branding and Marketing International Market Presence
66. "...In 2009 CBL internationalize Stoneage to opened an outlet in Dubai which expand in 2010, by opening another outlet over there. The Stoneage is under expansion phase; we are planning to expand to EU and Asian markets..." (Deputy Manager R&D)	Brand Management	Outlet	International Branding and Marketing International Market Presence

67. "...in 2009- 2010 we made strategic alliances with best European companies in washing, design, marketing and access to elite brands. These global alliances made our market presence in Europe, America and Middle East through high quality offerings. We have design studio and a center in Turkey and UK to inspire customers in those in markets..." (Assistant Vice President Production)	Design and Pattern Development Washing and Laundry Design and Pattern Development	Market Partnership Product Partnership-JV R&D and Reverse engineering Design Center	International Market Presence Improving Product Quality Develop Contacts Ability to innovate
68. "...In 2009, the company made JV with its Turkish partner Crescent Turk, which helps in designing and supplies of denim fabrics and garments in European markets. In 2010, we made JV with Hellenic Fabrics S.A. called Hellenic Crescent based in UK. This JV increased sales by offering innovative and market leading fabric research and development. In same year, we started global alliance with Italian company in washing and marketing to target European, American and some Middle Eastern markets..." (Supply Chain Manager)	Design and Pattern Development Product Innovation Washing and Laundry Promotional Management	Market Partnership Product partnership-JV R&D Reverse engineering	Improving Performance International Market Presence Latest Demand Latest Processing Techniques Develop Contacts
69. "...we made our presence in different international market segments more effectively through our global alliances with leading European manufacturers and washing house. In 2009, we made a joint venture with Turkish company (i.e. Crescent Turk). The Turkish company is an established name in sourcing denim fabric and fast fashion garment supplier. The venture allows CBL to access Turkish and European markets in no time. This venture has its own design studio, where products are designs according to the European fashion trends. In 2010, we made a joint venture (The Denim Atelier) with Italian company Martelli one of the most reputed names in garment washing and finishing in the world. The objective of this partnership was twofold; first was to market together for new customers and to learn best washing and laundry practices from our partners. Similarly, we made alliance with Greek company Hellenic Fabrics S.A as Hellenic Crescent. Hellenic Fabrics S.A ranks among the leading European denim manufacturers, exporting fabrics to about 30 different countries worldwide. This alliance enables us to increase sale of our innovative product by becoming more vertically integrated. These alliances enable CBL accesses to European, American and Middle East markets with high contents denim products, with more standard minute value for high quality and performance products..." (Senior Manager Marketing)	Washing and Laundry Promotional Management Design and Pattern Development Product Innovation	Product Partnership-JV Marketing Partnership R&D Reverse engineering Learning by doing	International Market Presence Improving Performance Develop New Contacts Improving Product Quality Develop Contacts
70. "...In year 2009-2010 we started global alliances in washing, production, design, sales and marketing. These alliances enabled us to utilize our integrated facility in more strategic way to increase our sale by offering innovative and high quality products, better control over supply chain, develop new and nurtured existing clients in international market i.e. EU, US and Middle East..." (Director Marketing)	Washing and Laundry Promotional Management Design and Pattern Development Product Innovation	Product Partnership-JV Marketing Partnership R&D Reverse engineering	International Market Presence Improving Performance Develop New Contacts Supply Chain Control Improving Product Quality
71. "...in 2009 and 2010 we started three global alliances/ partnerships in washing, production and sale/ marketing with Turkish, Greek and Italian companies to deeply penetrate in European, American and Middle Eastern markets...." (Marketing Head- Levi's Business).	Washing and Laundry Promotional Management	Product Partnership-JV Marketing Partnership	International Market Presence Develop New Contacts



	Product Innovation	R&D Reverse engineering	
72. "... since 2009 we adopted an intensive growth strategy through strategic ties with leading European companies. In 2009, we made a joint venture (i.e. Crescent Turk) with our Turkish fabric business partner. It gives us edge to integrate partner supplies network with our vertical integrated production to facilitate sale in Turkey and Europe. Additionally, Crescent Turk has its own design studio which helps to inspire customer in this part of the world. Similarly, in 2010 we made joint venture (I.e. Hellenic Crescent) with a Greek Hellenic Fabric S.A. This alliance enables us to increase sale and market access of our innovative product by becoming more vertically integrated. The alliance (i.e. the Denim Atelier) with Martelli is amazing. We got hands in experience in world's latest washing and finishing techniques though training and learning on production floor. This alliance enables us to offer best quality and high value product with Martelli inspired washings and finishing at reasonable prices. We also market together to attract elite brands and clients..." (Director Design and R&D)	Promotion Management  Design and Pattern Development  Integrated Production Washing and Laundry Product Innovation	Product Partnership-JV Marketing Partnership Training Learning by doing Vertical Production Facility	International Market Presence Improving Performance Develop New Contacts Improving Product Quality Latest Textile Processing Techniques Improving Product Quality
73. "...In 2009-2010 our global alliances with European leading companies in washing, design, production, sales and marketing enables us to present our ourselves strategically in high value segment of international market ..." (Deputy Manager R&D)	Washing and Laundry Promotional Management Product Innovation	Product Partnership-JV Marketing Partnership	International Market Presence Improving Performance Develop New Contacts Improving Product Quality
74. "...We upgraded, installed latest machines and equipment to increase our production capacity to 15 million garments and 15 million meters of fabrics per annum to fulfill orders.... have flexibility for adding more customers since 2011. Similarly, we established design center at UK for the latest insights, trends in designs and developments ..." (Supply Chain Manager)	New Production and Manufacturing Customer Relation Design and Pattern Development	Implementation of New Machinery R&D and Reverse engineering Design Center	Latest demand Develop new contacts Improvement in Textile Production Ability to innovate
75. "...time to time up gradations and installation of latest machines and equipment's increase our production capacity i.e. 15 million garments and 15 million meters of denim fabrics per annum. This enables us to meet the increasing innovative demand from existing customers and add new clients as per our expansion strategy. ..." (Senior Manager Marketing)	New Production and Manufacturing  Customer Relation	Implementation of new machinery Customer specification	Improving Performance Latest demand Develop new contacts Improvement in Textile Production
76. "...we had done sudden and huge investments in latest machines, equipment, designers, technicians, technology and techniques. All the three areas were done to get edge and attract clients. Same was done in the garments area. ..." (Senior Manager Marketing)	New Production and Manufacturing Customer Relation	Implementation of new machinery Experts	Develop new contacts
77. "...Continuous up-gradations, automation and installation of latest machines increase our production capacity (i.e. up to 15 million garments and 15 million meters of fabrics per annum) to back up our expansion ...." (Marketing Head- Levi's Business)	New Production and Manufacturing	Implementation of new machinery	Develop New Contacts Improvement in Textile Production

<p>78. "...we have design centers at UK and Turkey that develops latest design and style while keep us updated about the going trends in those regions. Continuous and time based up gradations and installation of latest machines and equipment's increase our production capacity for latest demand i.e. 15 million garments and 15 million meters of fabric per annum. We have a global network of sales and marketing offices at USA, UK, Ireland, Germany; Italy and UAE. This helps us remain in close contact with clients and monitor regional fashion trends to shape our seasonal collections..." (Director Marketing)</p>	<p>Design and Pattern Development Promotional Management Industry Trend Customer Relationship</p>	<p>Implementation of New Machinery R&amp;D and Reverse engineering Trade Fairs and Commercial Offices R&amp;D and Reverse engineering Design Center Imitation and Emulation</p>	<p>Ability to innovate Latest Demand Improvement in Textile Production</p>
<p>79. "... we also established a design center at UK and a studio in Turkey in order to exploring new ideas to develop something novel as per the need of customers based in those markets. Similarly, continuous up gradations and installation of latest machines, tools and equipment increases our capabilities and production capacity i.e. 15 million garments and 15 million meters of fabrics per annum. Our global offices help us to remain in close contact with clients to monitor latest fashion happenings. This rich source of information enables us to get insights, react in time and present our innovative collections..." (Director Design and R&amp;D)</p>	<p>Design and Development Promotional Management Industry Trend Customer Relationship</p>	<p>Implementation of new machinery R&amp;D and Reverse engineering Trade Fairs and Commercial Offices Imitation and Emulation Design Center</p>	<p>Ability to innovate Latest Demand Improvement in Textile Production</p>
<p>80. "...We established a design studio in Turkey and a center at UK to get the latest trends in styles and designs happening in Europe....as per demand..." (Deputy Manager R&amp;D)</p>	<p>Design and Pattern Development Industry Trend</p>	<p>R&amp;D and Reverse engineering Design Center Customer Specifications</p>	<p>Latest Demand</p>
<p>81. "... We are composite production unit which make us attractive for customers to have one stop shop with persistent quality and short lead time..." (Supply Chain Manager)</p>	<p>Integrated production</p>	<p>Integrated Production Facility</p>	<p>Supply Chain Control Develop New Contacts</p>
<p>82. "...we grow horizontally form the clientage wise, depending on a single customer is not a clever idea, although we are heavily relying on Levi's for 50% of our business, but we really want to decrease this with respect to budget allocation and direction of business. We are in the process of bringing Levi's to 40-30% of our business. It will make us more rationalize across customers and will create stability of our business. At the same time adding new customers on continuous basis like Esprit ..." (Marketing Head- Levi's Business)</p>	<p>Customer Relation</p>	<p>Customer Specification</p>	<p>Develop new Contacts Improving Performance</p>
<p>83. "...we keep adding new customers and new segments for existing customers. We grow at 15-20 % per annum depends on the season and nature of orders. We are more focused on international clients as they are growing. We have the capabilities and capacities according to our customers' needs and demands. Since 2011, we increase our production and washing capacities by installing state of the art machines and equipment..." (Director Marketing)</p>	<p>Customer Relation New Production and Manufacturing Washing and Laundry</p>	<p>Implementation of New machinery Customer Specification</p>	<p>Latest Demand Improving Performance Enhance Capability</p>

<p>84. "... yes, it is increasing in two ways. We are adding new clients and/or we get more quantity and new projects from our already engaged clients on continuous basis. Our customer/ order base is increasing; we have about 80% business with world's leading and prime clients. Since 2011 we increased our production and operational capabilities by inducing state of the art machines and equipment to meet the increasing demand and have flexibility for adding more customers. Beside the availability of raw materials and high tech vertical operations make us attractive for customers to have one stop shop with persistent quality and short lead time..." (Director Design and R&amp;D)</p>	<p>Customer Relation New Production and Manufacturing Integrated production</p>	<p>Implementation of New machinery Integrated Production Facility</p>	<p>Latest Demand Improving performance Improvement in Textile Production Develop new contacts Supply Chain Control</p>
<p>85. "...since 2011 we increase our production capacities and capabilities to meet the raising demands from our clients under one roof. We have the right technology, mindset and art of converting and transforming inputs into finished products according to the market trends. ...." (Marketing Head-Levi's Business)</p>	<p>New production and manufacturing Integrated production</p>	<p>Experts Implementation of New machinery</p>	<p>Latest Demand Improving performance Improvement in Textile Production Latest Textile Processing Techniques</p>
<p>86. "...we have two portions Levi's and non-Levi's. Where Levi's is exclusively for Levi's products and in the non- Levi's we handle other customers. Our customer base is continuously increasing with some seasonal exceptions. We are investing in equipment and machines to increase our production capacity and capabilities. We set a new strategy for marketing to garb more customers like Esprit, Scotch &amp; Soda etc. We have strategic alliance with Martelli world's leading name in washing and finishing. This JV enables us to offer high quality finishing and washings in our garments. Our clients are growing due to our expertise in denim and latest vertical integrated production through state of the art machinery..." (Assistant Vice President Production) <a href="http://webstore-all.scotch-soda.com/">http://webstore-all.scotch-soda.com/</a></p>	<p>Customer Relation New Production and Manufacturing Promotion Management Washing and Laundry s Integrated Production</p>	<p>Implementation of New machinery Product Partnership-JV Market Partnership Integrated Production Facility</p>	<p>Latest Demand Improving Performance Improvement in Textile Production Develop new contacts Improving Product Quality</p>
<p>87. "...Our business consists of two segments i.e. Levi's and non-Levi's. In the Levi's we are exclusively dealing Levi's-Worldwide, while in non-Levi's we are producing for rest of customers (i.e. long-term partner and or seasonal customers). For Levi's we were producing basic styles and tags, with the passage of time they give us their prime styles and vintage clothes i.e. Orange and Red Tab etc. In the non-Levi's we are working with Adidas, Mustang, Diesel, Cubus, Dressman, GAP, Blend etc. and continuously adding new orders and styles. Similarly, we are getting orders form seasonal clients as well. It is all due to our expertise in R&amp;D and innovation, high quality production and integrated infrastructure. We have rich sources of quality manpower, expertise, related industry and availability of best cotton for denim in this part of the world..." (Deputy Manager R&amp;D)</p>	<p>Customer Relation New Production and Manufacturing Integrated Production</p>	<p>Implementation of New machinery Vertical Production Facility</p>	<p>Latest Demand Improving performance Develop New Contacts</p>

<p>88. "...CBL has two main types of clients (i.e. long-term sourcing partners and seasonal). Both keep changing their orders on seasonal and market fashion needs i.e. Spring summer, Fall Winter and in between. From March to July we have certain styles say 20 styles, similarly from July onwards we have new styles and requirements from different clients. Some customers have two while other have three seasons in one year; they keep changing their style, fabric, finishing, washing and other specifications. Overall the number of our foreign clients or the number of existing customer's order increased form the last five years. I will say it is all due to our integrated production facility and expertise in Denim through R&amp;D and innovative operations according to international standards since 1995..." (Senior Manager Merchandizing)</p>	<p>Customer Relation New Production and Manufacturing Integrated Production</p>	<p>R&amp;D and Reverse engineering Vertical Production Facility</p>	<p>Latest Demand Improving performance Compliance with Regulations</p>
<p>89. "...Every customer has its own needs and demands according to its market. In some cases, we referred to the nominated sources of the customers. The customers nominated different materials and suppliers from where we have to pick those materials. Different brands have different nomination sources which are scattered around the world. Generally, customers nominated special types of cotton, garment accessories like buttons, zips, vendor marks, price tags and special printings etc. In Chemicals, they do not have many nominations, but they have different standards and certifications that your chemical should meet and up to specific standard. We select chemical suppliers who comply with standards. Working and sourcing with supplies from these nominated sources open innovative ways to develop contacts and enhance our search for best suppliers..." (Supply Chain Manager)</p>	<p>Customer Relation International and Regional Standards</p>	<p>Customer Specifications</p>	<p>Latest Demand Compliance with Standards Develop new contacts</p>
<p>90. "...Customers are different from each other, similar their orders are different from in specifications and requirements. Even a similar client working in different region(s) and market(s) has different requirements and specification according to its target market/ segment. For Example, Levi's our main sourcing partner has somehow different requirements in different regions and segments. It is also fact that some clients have same requirements for different regions i.e. Levi's started a global initiative, under which their products are nearly looking the same across the globe. Normally customers give full directions about the types and nature of fabrics, finishing, washing, chemicals, dyeing, stitching etc., which we should have to match. Some customers are dealing and making their own segments in their product range and prefer extra treatment to enhance the functionality of garments for example Coolmax, Nano- technological treated garment, anti-bacterial and fungal etc. Some clients and brands also nominated agents, cutter and garments maker to send fabrics and garment consignments to different location. Similarly, some brands give directions for procurement of special raw materials form specific suppliers. Such contacts give us complete scenario of important agents for any business developments ..." (Senior Manager Marketing)</p>	<p>Customer Relation International and regional standards</p>	<p>Customer specification</p>	<p>Latest Demand Compliance with standards Develop new contacts</p>
<p>91. "...when I see the global picture, different regions and couturiers have different needs" we usually divide them in three main regions; American which have different taste and appetite for fashion and look, Europe, Which is never the less the same in fashion and requirements and then we have Asia Pacific market that cover from India, Korea, China, Hong Kong, Japan, and Australia.....garments are standardize in its construction but every customer has his own needs and requirements according to its target market and regional fashion needs..." (Marketing Head- Levi's Business)</p>	<p>Customer Relation</p>	<p>Customer specification</p>	<p>Latest Demand</p>

<p>92. "... first things they look is the plant, machinery, capacity and capabilities, they mostly check for factory compliance with respect to labor (wages on time), environment (water treatment plant) and other ethical standards. They check and evaluate the company from every aspect well before any further business developments. This is the first assessment from customer, if you pass then the development starts.... every customer and client has his own specialized needs according to his market demands i.e. price, quality, delivery, use and handling of raw materials..." (Director Marketing)</p>	Customer Relation	Customer specification	Latest Demand Compliance with Regulations
<p>93. "... I will say that there are two main categories for requirement i.e. pre-business and post business deal. In my experience, almost 99% customers' requirements are same before putting any order, they mainly looking for compliance with standards, infrastructure and R&amp;D. Once they satisfied from there then they look for quality, price and lead time according to their specific market needs...Generally CBL and most producers in the world do not play with the fit of the customers. Let say that there is a Norwegian brand, the Norwegian body shape of a woman and man, or the average shape or structure of the body is best understood by them than anybody else. So, what we do here, we take the fit, which mean the measurement chart and the generic styling of the garments from that clients whoever that client may be, we add some tweaks to that, whenever we make the presentation of the garments, we add the aesthetics ..." (Director Design and R&amp;D)</p>	Customer Relation International and Regional Standards	Customer Specification Certification Imitation and Emulation	Latest Demand Compliance with Regulations Ability to Innovate Improving Performance
<p>94. "...first, the clients visit us to check the plant, infrastructure, machinery and facilities. Clients also go for social and ethical certification and compliance. If they satisfied with our facilities and infrastructure. Then they come on the business terms and conditions which mainly focus on cost, quality, supply and future action in case of any dispute. When it comes to the production floor then every customer has his own specific needs and demands according to his target market. It varies from customers to customers..." (Assistant Vice President Production)</p>	Customer Relation International and Regional Standards	Customer Specification Certification Imitation and Emulation	Latest Demand Compliance with Regulations
<p>95. "...Our customers are widely spread in different markets around the world. Everyone has his own specific requirements, specifications and standards according to international and their regional specific needs. Price, quality and quick services are influential factors that most customers required. Even a single customer working with different market segments has different needs and requirements. Any customer interested in starting business with us for the first time, are very concerned with the compliances and standards regarding different CSR and ethical issues. If they satisfied from there, they go for further business developments..." (Deputy Manager R&amp;D)</p>	Customer Relation Industry Trends International and Regional Standards	Customer Specification Certification Imitation and Emulation	Latest Demand Compliance with Regulations
<p>96. "...whenever a buyer placing orders for the first time he always visiting and checking the company for his full satisfaction and it is very important for him to do so. Mostly buyers prefer integrated production facilities, as they want one stop shop products with consistent quality comply with international standards and uninterrupted delivery. Those buyers also committed with the stores and customers, if he does not sure about the company's strengths i.e. R&amp;D, production capacity and capability, technology and infrastructure, how he will provide quality offerings to others. To start business and go for any further developments for the first time, customers always look and check</p>	Customer Relation Industry Trends Integrated production	Customer Specification Certification Integrated Production Facility	Latest Demand Compliance with Regulations Develop new Contacts Supply Chain Control

<p>the compliance and infrastructure. Some customers have concern with political and security conditions. Other considers our client's profile which we served or are serving. Once they satisfied with such issues they go further and start business. They have other requirements related to quality, price, delivery, service and other business terms and conditions according to their market needs..." (Senior Manager Merchandizing)</p>			
<p>97. "...no one compromise on standards, if you do, you are out of scene. Our customers are market leaders in initiating different standards and ethics. Being a supplier to them you should be more vigilant and proactive. We are certified and most compliance plant in this region from every perspective. Our operations, dealings, customer profile and certifications are the proof our standards. We look business beyond profit making as our top management is extremely concern about CSR and ethics. It creates good will and satisfaction for us. We got certifications and training from world leading consultants as we, are certified company having compliance on; Levi's® (PE's, noise monitoring, hazardous waste disposal &amp; WWTP). Montreal Protocol Treaty (Refrigerant replacement), NEQS (air emissions &amp; liquid effluents), IFC-International Funding Corporation (air emissions, ambient noise, fire safety monitoring, liquid effluent), World Bank (air emissions, noise, effluents, work environment), Environment Excellence Award 2010-11 – Country wide, CSR Excellence Award 2010-2011- Country Wide, ISO-9001, ISO-14001, OEKO-TEX 100, SA-8000, OHSAS 18001, AEEA 2010, WRAP..." (Director Design and R&amp;D)</p>	<p>Customer Relation International and Regional standards</p>	<p>Customer specification Certificate Training EO Interest</p>	<p>Compliance with standards Latest Demand Enhance positive image of Firm Develop Contacts</p>
<p>98. "... every customer has different needs and requirements...our customers are strictly working and complying with international and regional standards from every aspect..." (Supply Chain Manager)</p>	<p>Customer Relation</p>	<p>Customer Specifications</p>	<p>Compliance with Standards</p>
<p>99. "...our clientage profile consists of world's leading brands and sourcing partners. They conduct business in a very responsible way. Some of them are the leaders and initiators to established and enforcing standards. When it comes to sourcing they only do business with partners who conduct business in their way with respect to environmental and ethical code of conduct. They are the enforcers of all international and regional standards on various issues which are subject to change with time. We are complying with all standards required by our sourcing partners from the last 17 years. We are certified company and provide certification on demand. We are among the BCI partner from Pakistan..." (Senior Manager Marketing)</p>	<p>Customer Relation International and regional standards</p>	<p>Customer specification Certificate</p>	<p>Compliance with Standards Latest Demand</p>
<p>100. "...Customers from different regions and markets have different requirements to comply with their regional and international standards. Additionally, some customers have their own initiated ethical, social policies and standards, which we have to comply with...." (Marketing Head- Levi's Business)</p>	<p>Customer Relation International and regional standards</p>	<p>Customer specification Certificate</p>	<p>Compliance with Standards Latest Demand</p>

<p>101. "...Similarly, beside international standards every customer has his own, regional requirements which we both (i.e. our clients and we as a producer) should comply with. We are among most compliance plant in this part of the world. Since our inception, we are very active in CSR, as we have effluent water treatment plant since 1995. We are certified company having compliance on; Levi's® (PE's, noise monitoring, hazardous waste disposal &amp; WWTP). Montreal Protocol Treaty (Refrigerant replacement), NEQS (air emissions &amp; liquid effluents), IFC-International Funding Corporation (air emissions, ambient noise, fire safety monitoring, liquid effluent), World Bank (air emissions, noise, effluents, work environment), Environment Excellence Award 2010-11 – Country wide, CSR Excellence Award 2010-2011- Country Wide, ISO-9001, ISO-14001, OEKO-TEX 100, SA-8000, OHSAS 18001, AEEA 2010, WRAP. We got these certifications through training form leading consultants and auditors to best serve our stakeholders beyond business. These certifications reflect our responsible behavior that create positive image for us. ..." (Director Marketing)</p>	<p>Customer Relation International and Regional Standards</p>	<p>Customer specification Certificate Training</p>	<p>Compliance with Standards Latest Demand Enhance positive image of Firm</p>
<p>102. "...beside infrastructural, product specs and international requirements, every customer has its own initiated and or regional standards and requirements in raw materials, use of chemicals, processing and products handling. We are certified company from every aspect of production and business as per demanded standards. We got certifications form top consultants and bodies to ensure full compliance in our actions. This shows our commitment to environment, CSR and betterment for stakeholders. Such activities earn fame and create trust among our stakeholders..." (Assistant Vice President Production)</p>	<p>Customer Relation International and regional standards</p>	<p>Customer specification Certificate Training</p>	<p>Compliance with standards Latest Demand Enhance positive image of Firm</p>
<p>103. "...Every client and brand is concern and strictly complies with international standards. If they have doubt about any issue they stop working and never proceed. Beside international standards our sourcing partners also require from their suppliers to follow their initiated standards. We are the most compliance plant in this region and are always ready to get any new certificate on demand. We got certification through training and continuous audit form leading consultants in different areas. This shows our respect for related stakeholders and our way of business in a responsible manner..." (Senior Manager Merchandizing)</p>	<p>Customer Relation International and regional standards</p>	<p>Customer specification Certificate Training</p>	<p>Compliance with standards Latest Demand Enhance positive image of Firm</p>
<p>104. "...the textile and apparel industry is changing very fast. There are changes in designs, styles, functionality, application and technology. These changes are initiated by leading brands, manufacturer of machinery through innovative products, processes and applications according to market needs. These changes make the industry on the move. Similarly, the suppliers are also making innovative products and inputs accordingly which we further use in our processing and production. Changes occur at every level of the industry. Most of innovations are carried out at the international level. The local industry acquired or purchase license or patents (whatever in machines, processes or products) in order to use in production and processes to meet demand ..." (Supply Chain Manager)</p>	<p>Industry Trend Customer Relationship Product Innovation</p>	<p>Customer Specification License</p>	<p>Demand Improvement in textile Production Improving Performance Latest Textile Processing Techniques</p>

<p>105. "...things are changing very rapidly, every day something new is happening in the market. I will say that there are changes from cotton to carton according to customer's specific demands and latest market trends. ...." (Marketing Head- Levi's Business)</p>	<p>Industry Trend Customer Relation</p>	<p>Customer Specification</p>	<p>Latest Demand</p>
<p>106. "... we changed by adopting advanced systems (i.e. ordering procedure, standard minutes' value in production and shipment) and latest production, processing techniques and equipment. Mostly clients are searching for efficiencies to cut costs for example everyone is using online ordering system, where they issue orders on our name, we fill their orders, give supply schedules and update their order status on daily basis. We installed PITS and RFID systems for online production tracking to enhance visibility and clarity in our systems. Unlikely, in the past customers order in small batches with variations (i.e. small quantity and large variation). This is more challenging from production point of view. Similarly, some customers demand for very special details in fabrics and finishing as they adopted more advance processes in their products which are uncommon in denim. For example, our main sourcing partner(s) adopted latest production and processing for sustainability. We had done a project (Water Less Jeans) with our contract partner to saved water in production and processing (i.e. washing) of Jeans up to 40% to reduce its impact on the world's water resources. ...." (Marketing Head- Levi's Business)</p>	<p>Industry Trend Customer Relation New production and Manufacturing Washing and Laundry International and Regional Standards</p>	<p>Customer Specification Implementation of New machinery /System Learning by doing Product Partnership</p>	<p>Latest Demand Improving Performance Improvement in textile Production Latest textile Processing Techniques Compliance with Regulations</p>
<p>107. "...Textile industry is largest receptive of changes due to fashion and new clothes trends. Every day there is something new, changes happening in ordering procedures, product specifications, systems, technology and alternative use of textile products etc. Beside specification and technology our main clients and sourcing partners have well established IT systems and infrastructure; they are improving on continuous basis. In order to handle daily operation effectively, we are using SAP, Oracle and other system like PITS and RFID in production, tracking and shipment. Now it is becoming a more system oriented thing. We updated our order and production status, shipment procedures and processes system based as per standards. Online data tracking system is more important now. It is evolving with the use of technology. On the other hand, client's orders in small batches with more verities for very short time depend on market trends. So, we are more agile in our operations than before using technology..." (Director Marketing)</p>	<p>Industry Trend Customer Relation New production and Manufacturing</p>	<p>Customer Specification Implementation of New machinery/ System</p>	<p>Latest Demand Improving Performance Improvement in textile Production</p>
<p>108. "...will say that change is multidimensional and static in apparel. It starts form cotton seed to recycling of used denim. It is hard to focus on one aspect of change. Change occurred over night in production, processing, technology, CSR, application, usability and systems. Market is extremely demanding and fast moving in fashion trend. To cope with such changes, we are agile and proactive in our tactics and offerings otherwise, we will be only spectator. We strategically go back and forth to get what you need in short possible time within available resources. We are wisely investing in men, machines and R&amp;D. We pay for license and patents to different companies like DU PONT, INVESTA etc. for their noble and innovative techniques to get them timely in our operations..." (Director Design and R&amp;D)</p>	<p>Industry Trend Customer Relation New production and Manufacturing Industry Trend Product Innovation</p>	<p>Customer Specification Implementation of New Machinery / System Experts License Imitation and Emulation</p>	<p>Latest Demand Improving Performance Improvement in Textile Production Latest textile Techniques.</p>



<p>109. "... changes occurred form "Cotton to Carton". Apparel industry is very dynamic, and denim itself is changing a lot due to high fashion contents and demand. There are countless things, you name it, that changed and continuously changing ...there are innovations and advances in CSR, use of alternative materials, production, processing, practices for sustainability. Our clients and sourcing partners initiated changes as they are the leaders and trend setters in the industry. Similarly, suppliers of chemicals and raw materials continuously presenting innovate materials and processes that change rule of the game. Every day is a new day and something new is coming in the market. In order to go with the wave of change we pay for license and patents for latest innovations and processes to use in our products. ..." (Senior Manager Marketing)</p>	<p>Industry Trend</p>	<p>Customer Specifications Emulation Imitation License</p>	<p>Latest Demand Improvement in Textile Production Improving Performance Latest Textile Processing Techniques Ability to Innovate</p>
<p>110. "...the industry in general is very dynamic... will relate the change with two aspects i.e. real change and adaptation, where initiations/ innovations are the real changes while adaptations are quick response to those real changes. Mostly initiation/changes i.e. innovations and R&amp;D in design, styles, fashion and machinery occurs in international markets which are Western dominated with some Eastern exceptions. We are adopting those changes in our production and processing due to demand and exports. The quick you respond the more you better off. The local industry is dynamic in responding to the changes through adaptations. We purchase license and pay for the patents to different firms for using their latest innovations and technologies. ..." (Senior Manager Marketing)</p>	<p>Industry Trend</p>	<p>Customer Specifications Emulation Imitation License</p>	<p>Latest Demand Improvement in Textile Production Improving Performance Ability to Innovate</p>
<p>111. "...textile and garments industry is most affected by the changes due to seasonality, fad and fashion. There is continuous flux in designs, styles, fabric functionality, washing techniques and application of technology. Innovation in this industry can be seen as a western phenomenon with some Eastern or local exceptions. Although, we are innovative in product designs, patterns, styles and construction of fabrics etc., but mostly innovations and R&amp;D in design, styles, fashion and machinery occurs in international markets by big players. We are adopting and acquiring those changes in our operation as a response to market demand. The quick you respond the more you benefited. We purchase license, copy rights and pay for the patents to different firms for using their technologies and innovative processes to hands high quality offering. The local industry is active in responding to the changes through different arrangements. We have good infrastructures and knowhow of the textile in this part of the world being an agricultural economy. Despite the well-established and good infrastructure, it is sad to say that we are just adapter because of the traditional practices. Overall, we didn't take any initiatives towards high value aspects with some exceptions at individual firm or entrepreneurial levels. Overall this is alarming sign for the local industry to compete at the international stage..." (Marketing Head- Levi's Business)</p>	<p>Industry Trend</p>	<p>Customer Specifications Emulation Imitation License</p>	<p>Latest Demand Improvement in Textile Production Improving Performance Improving Product Quality</p>

<p>112. "...Apparel and garment industry is changing very rapidly as I told you before. The denim is no more a work wear, it has acquired near mythological status. There are many fade that come with an expiry date but it's the blue jean that has stood the test of time. Things are rapidly changing in this industry with respect to fad and fashion, design, technology, CSR and innovation in fiber and fabric i.e. technical, medical, industrial textile etc. In order to stay in the race, we are adopting latest hardware, techniques, trends and innovations as soon as they are commercialized and available in market through license, copyrights acquisition and other arrangements. This is all because of local industry's conventional practices despite mature infrastructure. Convectional lines do not guarantee competitive edge in international markets..." (Director Marketing)</p>	<p>Industry Trend</p>	<p>Customer Specifications Emulation Imitation License</p>	<p>Latest Demand Improvement in Textile Production Improving Performance Ability to Innovate</p>
<p>113. "...our business is mainly consisting of two parts i.e. Levi's and non-Levi's. Actually, our prime client Levi's is very well organized and does the business in the same way. They have a formal and systematic procedure for each and every aspect. For every parameter, they have value and standards that change over time. About 70% requirements are common despite difference in customer's specifications. So, we must work according to customers' demands and priorities to match with their requirements in best possible way. Most changes in ordering procedure are system and IT i.e. online tracking system form cotton field to reverse supply of products. Lots of things keep changing with respect to aesthetics and appearance i.e. stitching, coating, washing and finishes. From the functionality aspect, it changed a lot with the passage of time. Customers introducing and demand for functional aspects in their orders i.e. antimicrobial, water repellent, heat retarded, Coolmax, heat absorbent etc. The changes occurred rapidly over time. We never imagine the use of textile in other sectors and industry apart from home and apparel such as packaging, industrial, medical, environmental, agriculture, construction, transportation, sports etc. Similarly, technology, machines and knowhow become obsolete with changes. These changes are so wide that it is impossible for us to capture all the aspects. We are trying to be response to these changes as we are improving our technological and knowledge base through investment and sourcing latest machines, equipment and experts. We pay for license and patents to get innovative practices in our offerings according to world demanded standards ..." (Assistant Vice President Production)</p>	<p>Customer Relation Industry Trends</p>	<p>Customer Specification Experts Implementation of New machinery License</p>	<p>Latest Demand Improvement in Textile Production Improving Performance Improving Product Quality</p>
<p>114. "... Recent ordering system, feedback and communication are system and IT based. The nature of orders itself changed a lot as there is no consistency in orders any more, there is trend that people see different things for short run. Customers need verities on their table in small batches and more variety. Some customers go for technical and advance finishing in their orders for their specific marker segment, which is abnormal in denim..." (Deputy Manager R&amp;D)</p>	<p>Industry Trend</p>	<p>Implementation of New Machinery Customer Specification</p>	<p>Improving Performance Latest Demand</p>
<p>115. "...Nowadays the whole ordering procedure is system and IT based. Mostly customers send us electronic orders, they have their own website and software, they place purchase order (PO) on their websites, they give us access to certain areas with a specific login name and password, we login and check the PO issued on our name with all details and specifications. Some buyer sends PO through</p>	<p>Industry Trend Customer Relation</p>	<p>Implementation of New Machinery Customer Specification</p>	<p>Improving Performance</p>

<p>emails it is a proper documented procedure. There are also terms and conditions for payments and delivery. We prefer letter of credit (LC) for the first time, after building trust we accept other modes i.e. TT etc. as well. Similarly, we updated their order status online on daily basis, all communications; feedbacks are system orientated as we exchange information through latest I.T packages and software. We updated our ordering system by installing and investing in PITS and RFID for online production and tracking to improve our operations. Moreover, recent orders consist of small batches and more variety with very unique specs. I will say that recent orders are bit complex to handle from production, merchandizing and economies of scale point of view...” (Senior Manager Merchandizing)</p>			
<p>116. “...our customers are international brands; they set and follow trends in the market. Customer taste and market trend is dynamic in nature, if we don’t respond in time we would have our survival problem. To reactive to changes we continuously invest in machines, R&amp;D, equipment, testing tools and experts. Similarly, we are paying for license and patents for adaptation of other’s innovation in our processing and production according to international standards. Local industry has expertise in cotton, conventional and generic textile from centuries; they change with respect to up-gradation and competitions among producers. Unfortunately, this up gradation is on individual than local industry level. Still this individual up-gradation makes the local industry i.e. supplier very dynamic in competing and getting the international orders...” (Deputy Manager R&amp;D)</p>	<p>Industry Trend</p>	<p>Customer Specification Experts Implementation of New machinery License</p>	<p>Latest Demand Improvement in textile production Improving Performance Improving Product Quality</p>
<p>117. “... our customers have to comply with various international and regional standards in their products, as a supplier we have to comply and follow those standards. Our suppliers from whom we source our supplies should comply with those standards what our customer demanded. For example, some of our customers are members of BCI, in order to meet their demand and comply with international standards we are member of BCI and should have acquire cotton from those fields or suppliers who are growing cotton according to BCI philosophy...” (Supply Chain Manager)</p>	<p>Customer Relation International and Regional Standards</p>	<p>Customer specification Certifications</p>	<p>Comply with international standards Latest Demand</p>
<p>118. “...working with different clients is an amazing way of learning for us. We are purchasing variety of inputs, chemicals and raw materials; there is always something new, i.e. new ways and challenges that enhance our doings. From the supply chain perspective, it is important to have information about latest techniques, equipment, processes, inputs and happenings in recent orders. Such information enhances our search for potential, alternate suppliers and inputs at best prices in agile manner...” (Supply Chain Manager)</p>	<p>Customer Relation Industry trends</p>	<p>Customer specification External Ties</p>	<p>Develop new contacts</p>
<p>119. “...we improved and are improving on regular basis. For example, previously we were importing special type of corrugated cotton from Belgium, Turkey and Dubai which was very expansive due to unavailability of required quality in local market (i.e. not producing in Pakistan). We brought that cotton and challenge our own spinning unit and local vendors. We provide them specification, they work on that for some time, submitted several samples and finally matched with our specifications. We approved it from our quality and R&amp;D teams and further from respective client, after some changes. Now we are locally producing that yarn in a cost-effective way.... similarly, we made improvements in our inventory management; production schedules and planning. We don’t want</p>	<p>Product Innovation</p>	<p>Product Partnership R&amp;D and Reverse engineering Emulation and Imitation Experts</p>	<p>Ability to innovate Improving Performance (COST) Latest Textile Processing Techniques Latest textile Production</p>

<p>any inventory to be delivered in the plant whenever the production is far away. Our main goal is to avoid stock and inventory in our warehouses. We plan and forecast our production schedule, which we send to vendors according to our production plans. We are using the JIT philosophy. For the quality, availability and prices we keep searching and touching new suppliers on continues basis...” (Supply Chain Manager).</p>			
<p>120.“...we get unusual orders on regular intervals. Most customers in this industry want one stop shop i.e. buy everything from one source. But it is very hard to accommodate every aspect and order. The acceptance of such unique orders depends on the nature of order and type of customer. If order is from sourcing partner or from our prime customer then we discuss it, see the future prospects we accommodate it .... we evaluate it from every aspect with a team consisting people from PPC, PD, R&amp;D and production. We decide whether we are capable or need extra arrangements to be capable of doing such order, we make necessary arrangements...” (Sr. Manager Marketing)</p>	<p>Product Innovation Customer Relation</p>	<p>R&amp;D and Reverse engineering Implementation of new Machinery Experts</p>	<p>Latest Demand Ability to innovate Develop Contacts</p>
<p>121.“...we have a very open, true and transparent relationship with our customers. We have the philosophy of not hiding anything form our customers and stakeholders. We are the most compliance plant in this region. Our system, procedure and actions are quite clear to everyone. We never divulge any customer, R&amp;D, business information and secrets. I mentioned before that we are contract manufacturer and we are working from the last 18 years with our partners, which is a proof of our good relationship with customers ...” (Marketing Head- Levi’s Business)</p>	<p>Customer Relation</p>	<p>Trade secrets protection</p>	<p>Positive Image for Firm Compliance with Standards</p>
<p>122.“...We have nice working and business engagement with our customers. We take care of our customers from every aspect and try to keep them overtime. Some of the bestselling garment of key accounts are produced in CBL and been in CBL from the last 10-15 years. We have a good working understating of resolving issues with open and honest way. We value customers and keep their business secrets with full trust and confidence. ....” (Director Design and R&amp;D)</p>	<p>Customer Relation</p>	<p>Trade secrets protection</p>	<p>Compliance with Standards</p>
<p>123.“... Every customer whether small or all time, seasonal or long-term are important for us. We consider our clients as partners; we try our level best to match their specifications. Sometime issues arise in quality, price, specs matching and delivery schedules etc. We take them with open heart discuss it among our respective departments and with customer. We always try to find ways to resolve such issues in order to engage customers for longevity of business. We give discounts, replace the order on priority basis and use alternative mode of transportation in case of delays. We are working with world class brands from the last 17 years and still it is going and growing. There are also some cases that customer left us, two of them left for not meeting their delivery schedules while others stop working due to their state policies and duties. We never hide any information from our customers and share customer business and trade secrets with others. ...” (Assistant Vice President Production)</p>	<p>Customer Relation Conflict Resolution</p>	<p>Trade secrets protection Customer Specification Negotiations and discounts</p>	<p>Compliance with Standards Positive Image Develop Contacts</p>

<p>124. "...you know that we are vertical integrated production plant, our main customers are marketing and merchandising departments. We are indirectly working with foreign customers. I know that we have good relationship with them that is why they are working on long-term basis; we have customers form the last 17 years and are still working us. The development of a customer is very hard and tedious processes, once we develop a certain client we retain him at every cost for the continuously of business and understating its system. We are working with world famous brands on both contract and seasonal arrangements. In case of any issue we discuss it very openly with respective client for better solutions. We never disclose R&amp;D and customer trade secrets with others..." (Deputy Manager R&amp;D)</p>	<p>Customer Relation Conflict Resolution</p>	<p>Negotiations and discount Customer Specification Trade secrets protection</p>	<p>Compliance with Standards Positive Image/ Longevity in Business Develop Contacts</p>
<p>125. "... such orders are vital for our learning and competence building through practically experiencing things in real production setting. These orders shake us form both equipment- machinery and expertise. We had done projects with our prime customers for example we done an innovative project on "water less jeans" where we consumed 40% less water in our production and processing. This also helps us to save energy and heat costs in our production and processing. Such projects enable us to build our capabilities, competencies and innovative techniques. It gives full confidence and capable us of doing such projects by our own. We also get insights from such projects to produce quality products and annual collection for future business..." (Senior Manager Marketing)</p>	<p>Product Innovation Customer Relations Promotional Management</p>	<p>Product Partnership Learning by doing Implementation of New Machinery Experts Customer specification</p>	<p>Ability to innovate Improvement in Textile Production Improving Performance Develop new contacts Latest textile Processing techniques Improving Product Quality</p>
<p>126. "... we are receiving unique and unusual orders on continuous basis. Mostly, clients prefer one stop shop in order to minimize transaction cost, maintain quality and use already established relationship with certain supplier...we only accommodate our prime clients for such orders. ...a team consists of personnel from marketing, R&amp;D, P&amp;D, Production, Quality and Processing evaluate order from each and every aspect. We also check the future continuity of business for such order. ...we also request for long lead time due to necessary arrangements, test and trail process..." (Marketing Head-Levi's Business)</p>	<p>Customer Relations</p>	<p>Customer specification Learning by doing Experts</p>	<p>Ability to innovate Develop New Contacts</p>
<p>127. "... we handle unique and unusual orders from time to time. We do specific and unique designs and styles require by clients. In most cases, we accommodate our major clients/ sourcing partners. First, we evaluate such order from different aspects form based on our expertise and technological base. If there is issue which we cannot handle in an efficient way we discuss it with the clients to make necessary changes according to our capabilities. If not then we analyses that what is missing and how to deal with such unique order. We consult our foreign R&amp;D, P&amp;D teams and developers. If necessary we upgrade our system, machine or make some investment if the order runs for long and create business for us..." (Director Marketing)</p>	<p>Customer Relations Product Innovation</p>	<p>Customer specification R&amp;D Experts Implementation of New Machinery</p>	<p>Ability to innovate Develop New Contacts Latest Demand</p>

<p>128. "...we love to have unique and unusual orders from learning, experiencing new things, processes, use of latest inputs, technology and happenings in different parts of the world. Before going for any unique order, we have a formal procedure for that. A team consist of different departments decide whether we accept a specific order or not. If yes, how we will meet that, can we do it with the existing resources or we need up gradation/ investments. If the customer is major one then we go for that. There are several stages of trial and error and continuous processes of edition in the original product for approval of the sample. I still remember there was one Turkish customer who gives us very unusual order we called it "JUNGLE" back in 2005. We had bitter experience from that order, because of the very special and different yearn; we tried and produced 20,000 meter fabrics of that order, which we stopped afterward. That was an experience and on ground lesson for us that any order or product which does not suit you, you should did not accept it. We are learning continuously from different customer's orders. ..." (Assistant Vice President Production)</p>	<p>Customer Relations Product Innovation</p>	<p>Customer specification R&amp;D and Reverse engineering Experts Implementation of New Machinery Learning by doing External Ties</p>	<p>Ability to innovate Develop New Contacts Latest Demand Improving Performance</p>
<p>129. "...It is very interesting things for us, we really wish to have it, develop it, and execute it. We get totally new or latest features and handy experience from such orders on production floor. We have a very structure procedure for it, the order is discussed in a team consist of experts from different departments. We evaluate the order and check the possibilities and ways for execution. If we feel confidence to meet it we go further otherwise we ask for changes according to our capabilities. If the customer is major clients and have the possibility to carry out the order in future we even go for investments in equipment and machines. Upon need we consult foreign designers and developers for further help..." (Deputy Manager R&amp;D)</p>	<p>Customer Relations Product Innovation</p>	<p>Customer specification R&amp;D and Reverse engineering Experts Implementation of New Machinery Learning by doing</p>	<p>Ability to innovate Latest Demand Develop Contacts</p>
<p>130. "...we get customer order/ request which are not really for CBL, but what we do, it depend on the value that we assert on that customers. It depends what type of customer he is for CBL? If it is a long-term partner, we entertain that order even if it is not for CBL, by somehow, we reengineer it, change it to fits our system. We do not turn away anything just like that. Especially if it is a valuable partner, first we understand it, engage our local and foreign experts for better understanding and execution, reengineer it, give them some suggestion for modifications that suit our production facility and infrastructure without making large investment ..." (Director Design and R&amp;D)</p>	<p>Customer Relations Product Innovation</p>	<p>Customer specification R&amp;D &amp; Reverse engineering Experts</p>	<p>Ability to innovate Develop New Contacts Latest Demand</p>
<p>131. "... We never say no to customers, from our side we engage customer at our best, but there are things on which we have no control and impossible for us to continue, in such situation we straight forward refuse it but depend on the type of customer. We get unique orders which we never handle before; we always take challenges and go through. Before taking such orders, we consult with all concern departments. We take the sample and check the possibility of production with every department, and then we have a meeting where we decide to accept or reject such order. If we need further help in design or construction we consult our British and Italian experts. If there is need for equipment and machinery we invest, but depends on the continuity of business. If all department agree we ask for a limited quantity for one season depends on the styling. Once it goes through successfully in one season then we ask the customer to move further and increase the quantity. We done unique</p>	<p>Customer Relations Product Innovation</p>	<p>Customer specification R&amp;D &amp; Reverse engineering Experts Implementation of New Machinery</p>	<p>Ability to innovate Develop New Contacts Latest Demand</p>

and innovative projects with our sourcing partners, so far we did not come across with a situation where we did not meet the orders, but only for main customers...” (Senior Manager Merchandizing)			
132. “... Yes, we do reverse engineering all the time. Innovation is something that we present to industry or buying sector of this industry. Reverse engineering is something that happening also on daily basis, whenever a product comes in or whenever we design a product, to make it more production friendly, to get better economic sense out of that product to earn maximum returns it has to be engineered, it has to be understood, shall we do the right before the reflector left before the right to be able to make it run down the line smoothly, to maintain lead times to deliver on times to active FOB, sure things have to be engineered constantly. Things from PD can be move to production in certain way, the production may have to tweak or engineered a little bit to make it even more production friendly. It’s a normal thing in our industry...” (Director R&D)	Innovation	R&D and Reverse engineering	Improving Performance
133. “... such orders are very important from learning and capabilities enhancement. I mentioned before that we mostly accommodate our prime clients. Our major clients are market leaders and their unique/ new orders are trend setter in industry. In handling, unique / new orders we get hands in experience on production floor, acquire tactics, expertise, equipment and testing tools to handle it. Such orders move us with the pace of change and shows future perspectives ...” (Director Marketing)	Customer Relations	Customer specification Learning by doing Implementation of New Machinery External Ties	Ability to innovate Improving Performance Develop new contacts
134. “... we get new insights, hand in experience in treatment of unusual orders. Such orders push us to get necessary tools capabilities and expertise to meet the unique aspect(s) of the orders. Completing such order enables us to find new alternatives in our operations i.e. improvisation to handle such orders with full confidence in future. We also get innovative ideas for our annual collections...” (Marketing Head- Levi’s Business)	Product Innovation Customer Relations Promotional Management	Learning by doing Implementation of New Machinery Experts Customer specification Emulation and Imitation	Ability to innovate Improvement in Textile Production Latest Textile Processing Techniques Improving Performance Develop new contacts
135. “...the most important impact of these orders is to add new products in our portfolio and hand on expertise from the design center to the production floor. It touches each and every unit of CBL with learning and experiencing new and improved things...” (Director Design and R&D)	Product Innovation Customer Relations	Learning by doing Implementation of New Machinery Customer specification Emulation and Imitation External Ties	Ability to innovate Improving Performance Improvement in Textile Production Latest Textile Processing Techniques
136. “...it is very important for us from experiencing unusual/ latest things. For example, we completed some unique projects for our sourcing partner that increases our competence and expertise in production of latest processes. We are the first in this region to involve in such innovative processes and products; it enhanced our capabilities to extend our production in new directions...” (Director Design and R&D)	Product Innovation Customer Relations	Learning by doing Customer specification Emulation and Imitation	Ability to innovate Improving Performance Improvement in Textile Production Latest Textile Processing Techniques

<p>137. "... it is essential from the learning and knowledge point of view. You learn a lot from such orders, due to totally new aspects and specs in designing, production, processing and overall handling of order. I will say that it is a combination of learning, anyone handling it get something. It is also a fact that initially it is challenging, but as time passes we get hands on it. It enables us to use our expertise in more meaningful ways for our future developments..." (Assistant Vice President Production)</p>	Customer Relations	Learning by doing Customer Specification Emulation and Imitation	Ability to innovate Improving Performance
<p>138. "...unusual orders are important from learning and hands in experiencing new and emergent aspects on production floor. It enhances market knowledge and information regarding new resources..." (Senior Manager Merchandizing)</p>	Customer Relations	Learning by doing Customer Specification Emulation and Imitation External Ties	Ability to innovate Enhance Capability Improving Performance
<p>139. "...we get advises and help from our sourcing partners whenever a new product or unique project comes in. We never get any production training. They give us complete direction of specs and compliance about their products. We get testing, quality and waste control protocols through workshops and seminars from different customers at different locations to improve quality and performance..." (Sr. Manager Marketing)</p>	Product Innovation Customer Relations New Production and Manufacturing	Customer Specifications Training/Workshop	Improvement in Textile Production Latest Textile Processing Techniques Compliance with standards
<p>140. "...yes, we received training and help from different customers over a period of time. By the training, I mean whatever changes happens in a certain company, let's, say the testing protocol, the company has updated its testing protocols, then what they do, they train us regarding those specific protocols in certain place i.e. either in Pakistan or other locations i.e. Sri-Lanka etc...." (Director Marketing)</p>	New Production and manufacturing Customer Relations	Customer Specifications Training/Workshop	Improvement in Textile Production Latest Textile Processing Techniques
<p>141. "...we received advises and directions from our clients whenever a new or unique product is coming. We got a lot from Levi's in handling their unique orders. For example, recently we completed a project with them by using 40-50% less water in washing and finishing. Levi's directions enable us to successfully complete the project with full confidence. We improved based on Levi's advises to save time and energy in our operations. Similarly, some of our clients (i.e. Levi's and H&amp;M etc.) stop sand blasting for finishing because of worker's health problems. We done the same in handling their products and very soon we will completely stop such hazardous processes in our operations. Such initiatives and advises create awareness and source of learning and improving in a responsible way ..." (Director Marketing)</p>	New Production and Manufacturing Washing and Laundry Product Innovation	Customer Specification Learning by doing Product Partnership	Improving performance Latest textile Processing Techniques Compliance with regulations
<p>142. "...we received guide line from time to time about the manufacturing specifications. There are always manufacturing specifications of what kind of stitching they required, what kind of seam details they required, do they require this kind of stitch or that kind of stitch. We also received guidelines of compliance from garment finishing point of view, so we always upgrading our chemicals, eco-tech, carbon free risen and dyes, REACH, WRAP, Norwegian standards etc. different standards you have to achieve. We got latest washing and laundry techniques through training and visit from our alliance partner Martelli. Recently, we done a project with Levi Strauss for water less jeans, they guide us in a detailed manner. We started about 40% reduction in amount of water that we were consuming in garment production and finishing. Similarly, we are among the</p>	New Production and Manufacturing Washing and Laundry International and Regional Standards Innovation	Customer Specification Learning by doing Certification Training Product Partnership-JV	Improving performance Latest textile Processing Techniques Compliance with regulations



<p>supplier and manufacturer of BCI from Pakistan, as our clients are leaders in initiating BCI initiatives worldwide. We stopped hazardous practices in our operations like sand blasting on some of our clients advises on their products...” (Director Design and R&amp;D)</p>			
<p>143. “... We got training from our partners, last year a team of washing and laundry experts form Martelli (i.e. our partner) came here for 1 week. They taught our team how to make a nice fabric washing, how to save the chemicals cost, how to do a nice ample introduce and hand work on the jeans. These techniques were shared here by their team. Then our team went to Italy to visit their production site to see and practice on different machines, washing in different water and environment where the PH and temperature is different from Pakistan, so we correlated the expertise on one machine to another and washing in totally two different setups and washing environments. We learned and observed from their atmosphere and they do the same from us. We learned a lot and observed what is happening in market demand washes. So, we exchange visits back and forth up to 15-18 weeks on each other’s sites in Italy and Pakistan...” (Senior Manager Marketing)</p>	<p>Washing and Laundry Industry Trends</p>	<p>Training Product Partnership-JV Experts Learning by doing</p>	<p>Improving Performance Latest textile Processing Techniques Improving Product Quality</p>
<p>144. “... whenever a new customer or a new order enters, they provide full details about quality, check, manuals and specific requirements related to that order. In garments and apparel customers give us specific training from time for example Adidas trained our planning, production and quality people about the latest techniques to handle their orders and improve quality. Similarly, Levi’s prevent us from using the sand blasting on their jeans for finishing purposes. Similarly, we run a project for Levi’s i.e. ‘water less jeans’ where they guide us and advise us about different techniques and processes to use almost 40% less water in production. Last year we had 6 experts from Martelli to train our washing and laundry team here at CBL. In fabric, we do not get such training, we hired Italian and British consultants and learned from them...” (Assistant Vice President Production)</p>	<p>Customer Relation Washing and laundry Industry Trends</p>	<p>Customer Specification Experts Training</p>	<p>Improving Performance improvement in Tex tile Production Latest Textile Processing Techniques Compliance with Regulations</p>
<p>145. “...they never teach us how to produce specific products, they send us full specifications from design, testing, processing and production. Yes of course they conduct compliance training workshops and seminars regarding how to control the quality, reduce wastes, improving washing and laundry techniques. But they never tell us how to produce. Actually, they mainly focus on quality, how to control the check and improve the quality. Some customers are the partners of BCI, they guide us to involve and become supplier of BCI initiatives otherwise we will lose them. Other starts “water less jeans” initiates and stop sand blasting in their jeans for finishing purposes so they give us guidance in those areas... they set in the market engaged with suppliers and clients around the world, on the top they are the leaders in R&amp;D and brandings so they have more exposure than us. They know international market than anyone else. The advises and guidelines are extremely valuable...” (Deputy Manager R&amp;D)</p>	<p>Customer Relation Industry Trends International and Regional Standards Innovation New Production and Manufacturing</p>	<p>Customer Specification Training/ workshop Certification Technical Advises</p>	<p>Improving Performance Improvement in Textile Production Compliance with Standards Ability to Innovate</p>
<p>146. “... In routine, we get training from our main sourcing partners/customers for their new or updated systems, software through workshops and seminars. But technically we do not get anything for our department. About 80% way of working is common with different customers; work process is more</p>	<p>Customer Relation Industry Trends</p>	<p>Customer Specification Training/ workshop Technical Advises</p>	<p>Improving Performance Improvement in Textile Production</p>

<p>of less the same. Mostly product planning and control (PPC), quality control/ audit departments are subject to such training. In general, the customer gives us complete directions whenever they launch a new product or make changes in their running orders. For example, our major client advises and guide us to produce denim through an innovative way (i.e. reduce the use of water by 40%), stop sandblasting for finishing and produce Nano-technological treated fiber. We successfully completed such projects with the help of our client. They give us details and technical knowledge for their demands; we invest in acquisition of men, machines and upgrade our capabilities to meet such demand ...” (Senior Manager Merchandizing)</p>	<p>New Production and Manufacturing International and Regional Standards Innovation</p>	<p>Certification Experts Implementation of New Machinery/Technology</p>	<p>Ability to Innovate Latest Demand</p>
<p>147. “...our main sourcing partners stop us from using sand blasting on their products for finishing due to potential threat of lungs disease for workers. Similarly, we did a project with Levi’s to reduce the use of water by 40-50% in washing and finishing process and at the same time save energy. Engaging in such projects are best source of learning and improving...” (Sr. Manager Marketing)</p>	<p>New Production and Manufacturing Washing and Laundry Product Innovation</p>	<p>Customer Specification Product Partnership</p>	<p>Improvement in textile production Improving performance Latest textile Processing</p>
<p>148. “...mostly we leaned on ground lesson on the production floor, from the system of our company or from the feedback of the customers. We started making our own ways of working. Sometimes we get a complete direction form the customers about the specifications and details when a new product is coming in the market or when they are going for a unique treatment or process ... you are driven the way your customer wants to drive...” (Marketing Head- Levi’s Business)</p>	<p>Customer Relationship Product Innovation</p>	<p>Learning by doing Customer Specification</p>	<p>Latest Demand Ability to Innovate</p>
<p>149. “...working with diverse customers form different regions and orders give us new insights and hands on experience. We always trying alternative ways in production and processing to enhance our production standards minute values. We extend these experiences and learning in future operations i.e. of production processes, our inspirational collections and in R&amp;D...” (Marketing Head- Levi’s Business)</p>	<p>Customer Relationship Product Innovation Promotional Collection</p>	<p>Learning by doing R&amp;D and Reverse engineering Customer Specification Imitation</p>	<p>Latest Demand Ability to Innovate Improving Performance</p>
<p>150. “...we are producing private brands and labels for different customers and sourcing partners with different specifications, styles and designs. Working with diverse customer’s order connects us to a rich source of market information and trends. Every order has something new for us or we improve our own practices by producing it in an alternative way...” (Senior Manager Marketing)</p>	<p>Industry Trend Customer Relation</p>	<p>Customer Specification Learning by doing Emulation and Imitation R&amp;D and Reverse engineering</p>	<p>Latest demand Improvement in Textile Production</p>
<p>151. “...we are working since 1995 in this industry. We have waste experience of dealing clients on their different projects, orders and products. Every customer is different in spec, needs and behavior as per region. Working with diverse customers over two decades connects us to rich source of learning and experiencing various aspects of products, technology and market. We learned, earned, lost and improved based on our successes and failures...” (Director Marketing)</p>	<p>Industry Trend Customer Relation</p>	<p>Customer Specification Learning by doing</p>	<p>Latest demand Improvement in Textile Production</p>
<p>152. “...we are continuously visiting our clients, doing comparative shopping form anywhere, participating in expos (i.e. DPV in France) for information and getting ideas. We are extending these ideas and learning to our inspirational collections to participate in international expos and future market operations...” (Senior Manager Marketing)</p>	<p>Industry Trend Promotional Management</p>	<p>Trade Fairs and Commercial Offices Emulation and Imitation</p>	<p>Develop New contacts International Market Presence Improvement in \textile Predication</p>

<p>153. "...working with international brands is a main source of getting latest insights and happenings in markets. We are also in touch with latest and ongoing trends in markets through our global sales and marketing teams setting in different regions. Similarly, our marketing and technical officials continuously visiting foreign clients and markets buy best brands for deep insights. Our foreign designers and developers also keep us inform about latest trends in design and styles. Our R&amp;D and product development teams in fabrics and garments develop inspirational collections to <i>show case</i> our innovative design, styles and products to attract and engage foreign clients..." (Deputy Manager R&amp;D)</p>	<p>Industry Trend Promotional Management New Production and Manufacturing Product Innovation</p>	<p>Trade Fairs and Commercial Offices Emulation and Imitation Experts</p>	<p>Develop New contacts International Market Presence Ability to Innovate</p>
<p>154. "...Working with different clients is the main source and connection to market knowledge. Generally, an order of garment consists of different tasks that are performed by different units, being an integrated facility there is something for us i.e. for every unit from spinning to shipment. Production and designs of diverse orders is the best way to know, learn and get practical experience in performing different operations. It brought new experiences, alternative ways of doing in our operation through our R&amp;D and product development department. Similarly, our international offices located in different parts of the world connect us with latest trends in designs, styles and fashion..." (Senior Manager Merchandizing)</p>	<p>Customer Relations Design and Pattern Development Industry Trends</p>	<p>Customer Specification Emulation and Imitation R&amp;D and Reverse engineering Commercial Offices</p>	<p>Improving Performance Latest Demand</p>
<p>155. "...we always mention inherited problems in the order/product, design, stitching or finishing etc., and communicate well before and during production. Majority of orders are improved, as we suggest the alternative ways to make the production processes easy, cost effective and improve aesthetic. Mostly problems arise in fabric production and stitching. Such advises crate image of being technical sound supplier..." (Marketing Head- Levi's Business)</p>	<p>Customer Relation</p>	<p>Technical Advises</p>	<p>Positive Image for the Firm Improving Performance</p>
<p>156. "...we do it on continuous basis, we do comparative shopping, we go out in the industry buy and review some best brands of the world while go out for shopping may be in San Francisco, New York, Milan, Hong Kong, Dubai, UK. We do comparative shopping on regular basis by myself, bosses, marketing teams or anyone go outside and see something which inspired them, they believe that it should be something that we should be doing sure we bring it here. Similarly, we attend and participate in Expos like DPV, Engraved in France etc. help us to observe new happening in the markets. Our global offices keep us updated about latest happenings in different regions. We don't replicate exactly the same thing. We take the main feature of a specific product and use it. From one garment that we bought in our comparative shopping, we may have to create 10 new articles by using certain valuable features. We used these ideas in our inspirational collections on regular basis to attract clients..." (Director Design and R&amp;D)</p>	<p>Promotional Management Industry Trend New Production and Manufacturing</p>	<p>Trade Fairs and Commercial Offices Emulation and Imitation</p>	<p>Develop New contacts International Market Presence Ability to Innovate Improvement in Textile Production</p>

<p>157. "...after receiving new, updating or customer changing its existing styles or orders. First, we evaluate it from every aspect, we test it and produce sample. We almost advise changes to every customer during sample production. If we feel something abnormal which can be problematic for customers or for us, we inform customers immediately through proper channels. Even if there are problem when the full fledge production start, we stop the production and inform the clients immediately. We always advise our clients for best alternatives and cost-effective options. Such arrangements create customer confidence and trust of being working with capable supplier..." (Director Marketing)</p>	Customer Relation	Technical Advises	Positive Image for the Firm Improving Performance
<p>158. "...Yes, we do that, most of the time there is no such issue in design as I mentioned that we do not change the design at all. We add tweaks to customer designs, suggest the client's alternative way of doing things that are production friendly, cost effective and enhance the aesthetics. Such effects make the garment more attractive and create values that are appreciated by clients..." (Director Design and R&amp;D)</p>	Customer Relation	Technical Advises	Positive Image for the Firm Improving Performance
<p>159. "...In apparel about every order is change in one or another way. As we get order we evaluate it and start sample as per specifications. We suggest changes in order to make it suitable and easy for production. In due processes or even in the full fledge production stage if we notice something that will affect clients after launching the product in market we stop it, inform them immediately with possible alternatives. This avoids problems in production and creates goodwill for us in customer mind that they are working with technically sound supplier. It also makes our life easy..." (Assistant Vice President Production)</p>	Customer Relation	Technical Advises	Positive Image for the Firm Improving Performance
<p>160. "... R&amp;D is playing a very important role here; it is our main responsibility to point out such issues well in time, as it has significant impact on the business. First, we evaluate the order from every aspect, and after our green signal, we produce prototype for approval. In due process, we count both positive and negative aspect of the product through a series of tests and checks. If we find something problematic we inform the customer and advise him for necessary changes. Such arrangement is very helpful to reduce headaches on the production floor and valued by clients. Even in production we definitely stop the production and inform the customer through proper channel in no time that this is the problem and set back in your order and you will be absolutely embarrassed in the market. We also suggest the alternatives of that problem..." (Deputy Manager R&amp;D)</p>	Customer Relation	Technical Advises	Positive Image for the Firm Improving Performance
<p>161. "...it is our responsibility to point out such issues, advise customers and suggest changes in their orders as we find something abnormal. In the sampling and pre-production phase, we note them and convey to concern customer in no time. Our production and R&amp;D department suggest changes based on their experience and expertise for best alternatives, for example in stitching we advise the customer to make the stitching in that manner it will be cost effective and will look nice than that of original sample. Sometime customers approve and sometimes they ignore. It makes the production easier and faster with implications on aesthetic and quality as well. Such advises and suggestions are valued by our customers..." (Senior Manager Merchandizing)</p>	Customer Relation	Technical Advises	Positive Image for the Firm Improving Performance

<p>162. "...In 2006 after all installations of highly sophisticated machine, equipment, techniques, professional and changes over all setup and infrastructures. We hired two experts and designers Venche Adoora from Italy and Idreesh Munshi from UK. For the first time in 2006 we went for hunting and trapping the customers. We started two collections every year that was the first year we started our own collection. We did all our own research and developments, we made more than 50 fabrics every season, so new line of fabric came in, we introduce almost 250 fabrics through our own R&amp;D and P&amp;D to attract clients..." (Senior Manager Marketing)</p>	<p>New production and Manufacturing Promotional Management Product Innovation</p>	<p>Implementation of new machinery Experts R&amp;D and Reverse engineering</p>	<p>Develop new contacts Latest Demand International Market Presence Ability to Innovate</p>
<p>163. "...we are producing under contract agreements for some of the world leading brands. So, we are doing it as our core business. Additionally, we started selling under our own local brand in 2006 through outlets, which we expanded to UAE and are expanding to UK and India. Similarly, we heavily invested in R&amp;D, machines, experts and textile processing, which enables us to produce trendy products and our annual collection, using as a source of promotional tool. At the moment, we have about 250 fabrics in our fabric archive which we developed by our own. We started global alliances in 2009- 2010 with three major European textile firms in washing, sales and marketing to enhance our capabilities to better serve our clients..." (Marketing Head- Levi's Business)</p>	<p>Customer Relation Promotional Management Brand Management New Production and Manufacturing Product Innovations</p>	<p>Customer specifications Implementation of new Machinery Product partnership-JV Market Partnership Implementation of new machinery Outlet</p>	<p>International Market presence International Branding Enhancing Capability Latest Demand Improving Performance Improvement in textile production</p>
<p>164. "...since 2008 we started the non-denim products for some of our customers. In 2009, we opened an outlet in UAE for our brand Stoneage that expanded to other cities in UAE. We are also planning to expand our brand Stoneage to other Asian and European market as well. We made couple of strategic alliances with Italian, Turkish and Greek companies in washing and finishing, designs, product diversifications and marketing to penetrate in international markets with high value products at high price range..." (Director Marketing)</p>	<p>Brand Management New Production and Manufacturing Washing and Laundry Design and Pattern Development Product Diversification</p>	<p>Outlet Market partnership Product Partnership-JV</p>	<p>International Market Presence Improvement in textile production Latest textile Processing Techniques Improving Performance</p>
<p>165. "...I will explain it with respect to customer's services engagement rather than market. We are contract and private label manufacturer and supplier to world leading brands. Beside their guided products (in style and specification only) we add aesthetics to their products. We developed our own fabrics and styles in garments for inspirational collections the customer does on spot shopping. We <b>also</b> sell under own brand in local and Middle East markets through exclusive outlets. We also provide design and pattern development services from idea in client head to full implementation i.e. physical product within five to six weeks through our vertical integrated production facility..." (Director Design)</p>	<p>Promotion Management Customer Relations Design and Pattern Development Brand Management</p>	<p>Customer Specification R&amp;D and Reverse engineering Vertical Production Facility Outlet</p>	<p>Improving Performance International Branding and Marketing Supply Chain Control Commercial Services</p>

<p>166. "...since our inception, we are fully vertical integrated production facility. We started implementing changes in 2003 but 2006 was the year when we really changed our systems and operations towards high end product and value-added activities through R&amp;D and design center. We moved up and down in value chain by creating more value in our offerings. Since 2006 we started producing our own annual inspirational collection to inspire and attract clients through innovative and trend setter products. Same year Stoneage was launched and expanded to Dubai through exclusive outlets in 2009. In 2008, we started producing non-denim bottoms that enrich our product range. We are providing product development, pattern development <b>and washing</b> services to elite brands through our vertical production setup. We are growing and changing with pace of time..." (Assistant Vice President Production)</p>	<p>Integrated Production New production and Manufacturing Promotion Management Brand Management Design and pattern Development Product Diversification</p>	<p>Implementation of New Machinery R&amp;D and Reverse engineering Outlet Experts Vertical Production Facility</p>	<p>International Market Presence Develop New Contacts International Branding and Marketing Improvement in textile production Latest textile Processing Techniques Improving Performance Commercial Services</p>
<p>167. "...If we look back since 2006 we made changes in every aspect of our operations i.e. from spinning to delivery of finished product that enables us to have multidimensional engagements in different markets. In 2006, we started our annual inspirational collections you can see the logos and names in the gallery to show our R&amp;D and innovative products. We have 250 active fabrics in our archive. We launched our own local brand i.e. "Stoneage" through exclusive outlets which is now valuable in Gulf. In 2008, we started the non-denim i.e. garments and bottoms for some customers although our main area of specialty is denim. We signed strategic alliances with Italian, Turkish and Greek companies in washing, finishing, designs, sales and marketing to develop business in high quality and value products and services. It is interesting to note that apart from production and manufacturing we also providing commercial design and pattern development services to top brands..." (Deputy Manager R&amp;D)</p>	<p>Integrated Production New production and Manufacturing Promotional Management Brand Management Product Diversification Design and pattern Development</p>	<p>Implementation of New Machinery Product Partnership-JV Market Partnership R&amp;D and Reverse engineering Outlet Customer Specifications</p>	<p>International Market Presence International Branding and Marketing Improvement in textile production Latest textile Processing Techniques Improving Performance Commercial Service</p>
<p>168. "...In the start, we were just manufacturing and imitating whatever the customer demanded. We were doing some basic styles for three major and two other customers. We have contract manufacturing agreement with prime customers like Levi's from almost 16 years. .... from simple to complex products line was driven into this company. It was not only a desire to move forwards, it was a painful process of preparations, we engaged with foreign designers who innovative and design our fabrics, invested heavily in R&amp;D, latest machinery and processing the fabrics. For example, Dixon coating machines. ..." (Senior Manager Marketing)</p>	<p>Customer Relations New production and Manufacturing Product Innovation</p>	<p>Implementation of new machinery Experts R&amp;D and Reverse engineering</p>	<p>Develop new contacts Latest Demand Improvement in Textile Production Latest Textile Processing Techniques Ability to Innovate</p>

<p>169. "...Before we were more rigid and producing basic products, now we are more systems oriented as we changed a lot since 2003. Today we are more flexible and well aware of the lasted trends in fashions and demand for systems and technology. We are well prepared to work with complex customers and handle their complex orders and products through our involvement in R&amp;D and designing. Form the business point of view we are well in place to work with higher end product. We are more <b>strategized</b> and rationalized with the needs of the business as of today. We are more flexible and capable to produce for any small brand or for big clients we accommodate both with full confidence. There is 180 turn in our infrastructure, system, thinking, strategy and management style. We are now more selective in our business to get into high value segment..." (Marketing Head- Levi's Business)</p>	<p>Customer Relations New production and Manufacturing Product Innovation Industry Trend</p>	<p>Implementation of new machinery Experts R&amp;D and Reverse engineering Market Partnership Product Partnership-JV</p>	<p>Develop new contacts Latest Demand Improvement in Textile Production Latest textile processing Techniques Ability to innovate Improving Product Quality</p>
<p>170. "...previously we were limited to certain clients and operations. But things changed very rapidly since 2003-2006, now we are more open and receptive to changes. We improved our infrastructure, systems processes, established specialized fabrics and washing R&amp;D center and hired foreign consultants. We started our own inspirational collections and brands that crossed borders in 2009. We made rational choices and strategic decisions to stick with R&amp;D and innovation than that of producing and imitating low quality and price products. We established sale and marketing network through offices in US, Europe and Middle East to directly reach to our customers. We went for high quality and innovative offering by targeting elite brands and high price segments through R&amp;D and global alliances..." (Director Marketing)</p>	<p>Customer Relations New production and Manufacturing Product Innovation Brand Management</p>	<p>Implementation of new machinery Experts R&amp;D and Reverse engineering Outlet Trade Fairs and Commercial Office Product Partnership-JV Market Partnership</p>	<p>Develop new contacts Latest Demand Improvement in Textile Production Latest textile processing Techniques Ability to innovate Improving Performance International Market Presence</p>
<p>171. "...When I came here in 2006 the type of product that was being producing here was very different. It was something that most of the world could do and this region was already doing in huge quantities. The whole purpose of bringing me here was to innovate and inspired the customers. And I believed that we have been successful to do with my team. This building also came right after my joining the company. The development center down stair is new and now this department itself has about 70 people, our product development (PD) sowing section employees 200 people, so the changes that happened from product point of view is ongoing on daily basis. From the machinery point of view, it is ongoing not daily, but at least annually we have improvement in equipment to be more up-to-date with the market, to able to provide different product to the market, to be one of those companies that people recognize as forward moving organization. For this purpose, we are sourcing machinery, pay for licenses, chemical research and consulting expert in a very wise way. Most of the time I am in touch with good chemical suppliers anything that they create new or novel out in the market obviously, I am getting my feedback. We start developing in similar directions as we are adopting novel processes and finishes in our products through license. We start playing with similar products to create our own agenda, our own collections and inspirations..." (Director Design)</p>	<p>New Production and Manufacturing Product Innovation Design and Pattern Development Industry Trends Promotional Management Innovation</p>	<p>Experts Implementation of New Machinery R&amp;D and Reverse engineering License Product Partnership (i.e. with suppliers)</p>	<p>Latest Demand Ability to Innovate Improving Performance</p>

<p>172. "... We started in 1995, at that time we had only one count and two shades- qualities. Then next year we converted to 4 qualities and we grow slowly. Since 2003 and onward we had big jump we came into lycra, before we were dying two plus four qualities. Since 2003 we started dying 12 qualities per week, almost 50 qualities per month. Before we had two wafts for two yarns, but now we have around 253 yarns in different denim. Annually we are doing 4 collections two each season. Which attracting different customers and orders. If you really want to stick to international market, you have to be proactive i.e. innovative according to market dynamics. For this purpose, we acquired machines like Merchising highly sophisticated machines from Italy and Spain. It gives very special finishing to the fabric, then we saw there is an innovation of over dying, we add new part to our machines i.e. Padder to upgrade it for effective dying. We noticed that Lycra is using more and will be more in future then we invested in machines like Stanter. Then a time came when new trends introduce in coating and finishing we went for foam coating system which is lasted advancement in coating. Then latest trends came in fabric cleaning, we heavy invested in Senging machines. We are planning to invest in knife coating as well due to demand. From time to time you have to change yourself accordingly. Similarly, in chemicals and dyes there are innovations, now there is demand for other colors (i.e. black, beige, mixture of black and blue etc.) than indigo (i.e. blue). We established our specialized fabric development and washing center, backed by foreign designers and developers. Additionally, our marketing and developers' constantly visiting different regional markets and exhibitions around the world to bring new ideas and developments. We started an innovative project for Levi's for technical textile. We invested in expansive processes but unfortunately that was not continued by Levi's. It will continue by Levi's in future. We worked on water replant, fire resistance and others finishes in garments. But now it is increasing because of the demand. For Levi's we did a project of "Water Less Jeans" we reduced our water consumption up to 40%, by using unique washing and laundry processes. Now we are working with thermo light and Coolmax in our garments and fabrics. Things are continuously changing. For such development, you should be more vigilant and proactive. These are the brands introduced by the Invista, they are the innovators of these fibers, they have JV with different companies like Levi's. We pay them license fee for using their innovative processes in our products. These are new trends which we see, and we are fully prepared for that..." (Assistant Vice President Production)</p>	<p>New Production and Manufacturing Washing and Laundry Industry Trend Customer Relation</p>	<p>Experts Implementation of New machinery R&amp;D and Reverse engineering License Customer Specifications</p>	<p>Develop new contacts Latest Demand Improvement in Textile Production Latest textile processing Techniques Ability to innovate Improving Performance</p>
<p>173. "... we improved our research by acquiring and sourcing latest equipment, machines, testing tools and experts. We established a separate specialized fabric and washing development center that help us to started latest finishes and washes to produce high quality products to meet higher end demands. Similarly, we improved our infrastructure and systems as per international standards in production, order handling, feedback to and from clients, tracking products and CSR. We are working on standard minute value to improve production time and reduce lead time to market in our integrated operations..." (Deputy Manager R&amp;D)</p>	<p>Design and pattern Development Washing and Landry International Regional Standards Integrated Production</p>	<p>Implementation of New Machinery Experts R&amp;D and Reverse engineering Integrated Production Facility</p>	<p>Improving Product Quality Latest Demand Improving Performance Supply Chain Control Comply with Standards</p>



<p>174. "...I made some changes based on my dealing and experience with customer's dealings from Bangkok, Turkey, Sri Lanka, and Bangladesh. See these departments Merchandizing, Product Planning and Control (PPC) and Supply Chain were located in different buildings and had communication gaps. I suggest that we should bring them in the same place for a clear and effective communication. The management agrees so they brought them close. We also change the fabric sourcing; we are buying fabric for different customers by different merchandizers which were not a good practice in industry. I suggested that we need to have a centralized fabric department. Instead of sourcing fabric by individual merchandizer it is now source by a team of merchandizers under a centralized system. Through this practice, we have more clarity in our system and effectively plan our production. Moreover, it enhances our product planning and control (PPC) in case of any delay or problem arises in fabric sourcing, the PPC go for alternative or next order schedule, it save time in production. Similarly, I made a team of 4 members, where one is team leader, and one team handling 4 customers. Same for other groups. It is very easy to control and work efficiently in small teams. You can increase the number of customers this department has the capability to handle any number of customers. It is my common observation that system works instead of people. If you have good system you can do whatever you want, now we have a good system, if in future the number of customer increase we will just increase the people without disturbing or restructuring the system, as we already established our system..." (Senior Manager Merchandizing)</p>	<p>Setup and Start Innovation</p>	<p>Reverse engineering</p>	<p>Improving Performance</p>
<p>175. "...arm our integrated production facility with high quality supplies for innovative and high value-added offering (Design, Products and services) to be a role model in business world-----delays might happen sometimes we bring the materials into the plants which are reject by our internal quality department, then it goes out of the plan. We shift to plan B bring the alternate product and materials on the production floor..." (Supply Chain Manager).</p>	<p>Integrated Production</p>	<p>Integrated Production Facility Product partnership</p>	<p>Improving quality Ability to innovate Meet Demand (supply schedule)</p>
<p>176. "...We are using both internal and external sources at our best to get market information and knowledge. We are not dependent on source. We have state of the art R&amp;D and design center for fabrics and garments which carry out three main functions: Innovation and Inspiration..., Product Development..., and Transition... We hired Italian and British designers and developers that keep us updating about latest market developments. Similarly, our JV partners, global sales and marketing offices and design centers in UK and Turkey inform us about latest and emerging trends in global markets. ..." (Senior Manager Marketing)</p>	<p>Industry Trends Product Innovation Industry Trends</p>	<p>Experts Trade Fairs and Commercial Offices R&amp;D and Reverse engineering Design Center</p>	<p>Latest Demand Ability to Innovate</p>
<p>177. "...since 2009 we offered full service from cotton to carton i.e. product design, pattern development to finished products and door step delivery through our latest vertical integrated production facility. Our integrated production enables us to control demanded quality at every production stage and reduces lead time. ..." (Senior Manager Marketing)</p>	<p>Integrated Production Design and Pattern Development</p>	<p>Integrated production facility</p>	<p>Improving product Quality Supply Chain Control</p>
<p>178. "...The next step was to washing developments, as we had a great idea and psyches behind that how we trap these customers. We made an agreement with Martelli on two fronts. Martelli is the world's best fashion washing house based in Italy. The first was to learn the best washing, laundry and</p>	<p>Washing and Laundry Product Innovation</p>	<p>Product Partnership-JV Market Partnership</p>	<p>Develop new Contacts Latest textile Processing Techniques</p>

finishing practices and second was to market together for new customers. ...” (Sr. Manager Marketing)			
179.“...Pattern development- the solvate and fit of the garment, we are very strong in that as well, we have latest equipment and expertise with Gerber cutting, we are making all the ethno-marking system for pattern making we can digitize. If you bring any style we can make a pattern, digitize it and feed to the system, grad it for different sizes and make the product as per demand. We have all these in-house capabilities to feed our clients. ... if you give a specs that I need the product according these details and specifications, again we have no problems in designing and production of products with any specifications and attributes.... we have the competencies in denim fabric developments, beside our own R&D teams we have Italian and British designers, we can handle any sort of product design to production. ...” (Senior Manager Marketing)	Design and Pattern Developments  Innovation	Implementation of new machinery Experts Customer Specifications R&D and Reverse engineering	Latest Demand Ability to Innovate Commercial Services Improvement in Textile Production Enhance Positive Image of Firm
180.“...we have style development; we can develop denim fabrics, make jeans with different constructions, fittings and styles. Similarly, we have wash development as I mentioned that we got very sophisticated washing and laundry machinery and techniques form Italy. Especially I would mention that we are providing developments services to Levi’s, D&G, H&M, S. Oliver, Pierre Cardin, American Eagle and other elite brands, they are paying us for that. It is a design center for them, they come with sketch in their mind and take the full design of product, so they use this design somewhere else, we are commercial service providers of R&D and Development activities...” (Senior Manager Marketing).	Design and Pattern Development/Style and wash Development Washing and Laundry	R&D and Reverse engineering Implementation of New Machinery Customer Specification Emulation and Imitation	Improving Performance Commercial Services Ability to innovate Latest Textile Processing Techniques
181.“... there are certain issues on which customers have conflict with us. Conflict in a sense that sometimes we don’t agree on a specific point. Generally, customer specifications regarding product are subject to change and improve on mutual discussions and advises, but price, lead time and delivery schedules are the main issues. Sometime, the delivery is delay from the schedule i.e. one to two weeks. Some customers understand and cooperate while other doesn’t as they are also customer of other customer. In that case, we ship the consignment through air instated of sea or give them 5-7% discount to accommodate their losses incurred by late delivery. Similarly, in specifications we advise customers with suggestions i.e. to use alternative way to be cost effective and make it more production friendly. If there are serious issues regarding product quality or deviations from customer’s specs we go for negotiations to sort out the matter in best possible way. Such arrangements reflect our good practices and care for clients to create good image among our clients and continuity of business...” (Senior Manager Marketing)	Conflict resolution Customer Relationship	Negotiation and Discount Customer Specification Technical Advises	Positive Image Develop Contacts

<p>182. "... working with a customer is like a marriage, you always have tuff time, you always have deadlock and absolutely you have solutions. There are always lots of things going on, in majority of cases we discuss, open up and share the problems with customers. It is a fact that when you share problems with customers they become part of your problem and come to a consensus. There are also incidents when the deadlock is going long that eventually turn down. Main challenges are price and delivery, all the discussion and deadlock are always around these two points in our business. In such circumstance, we offer discounts on the price or we send the shipment through air instead of sea to accommodate customer. Such arrangements are important to stay in the business and crate good projection for us..." (Marketing Head- Levi's Business)</p>	<p>Conflict resolution Customer Relationship</p>	<p>Negotiation and Discount</p>	<p>Positive Image/ Longevity of business Develop Contacts</p>
<p>183. "...if you look on our product nexus we have to do and produce a lot of varieties and qualities. Some are basic, generic other are technical and complex, and some are mixture. Definitely you will never have a smooth relationship in this industry as such you are thinking. So, we have up and down and this is the part of our daily production routine. Mostly issues arise form price and delivery, in case of any problem we discuss with concern client in a very open way and try to take every possible solution. Sometime things are out of control, still we don't lose any opportunity to resolve, sometimes we pay penalty in shape of discounts or use alternative shipping mode etc. Our major customers and contract partners working with us form the last 17 years and still they are working with us, is a proof of our good customer relationship. ...we always retain our customers at every cost for continuity of business and exports, as they are our business partners..." (Director Marketing)</p>	<p>Conflict resolution Customer Relation</p>	<p>Negotiation and Discount</p>	<p>Positive Image/ Longevity of business Develop Contacts</p>
<p>184. "... Yes, such thing happened and has reasons to be happened. No one is perfect to work with zero defects. Garment manufacturing is a tedious job as you have to take care of hundreds of details and if you miss one then you face challenges i.e. late shipment, color mismatch, quality issues etc. Sometimes we have supply issues, in that case we ask for 10 days' extension sometime customer accepts, but sometimes they disagree and ask for 3-7% discount etc. or we send them consignment through air instead of sea or roads. In case of any serious issues we negotiate with open heart and compensate customer at every cost, as he has also commitment in market. It creates good image and ensure continuity of business for us..." (Senior Manager Merchandizing)</p>	<p>Conflict resolution Customer Relation</p>	<p>Negotiation and Discount</p>	<p>Positive Image/ Longevity of business</p>
<p>185. "...our company strategy, entrepreneurial interest and readiness to change are motivating factors that enhances our ability to adopt new modes and operations. Similarly, strategic approaches towards design, production, sales, marketing, customers' engagements and global alliances enhance our ability to be in high quality and high price point segment that make us different from other suppliers and producers in this region..." (Marketing Head- Levi's Business)</p>	<p>Customer Relation Innovation</p>	<p>Experts Product Partnership-JV Market Partnership Implementation of new machinery CEO Interest</p>	<p>Improving Performance Improving Quality Ability to Innovate</p>

<p>186. "...Different Internal and external factors affect us (i.e. enhanced our capability to move down in value chain). It was a painful process of preparations and chain of activities which we acquired over years through various special partnerships, acquisition of latest machinery, processes and experts. It was a process of investments, negotiations, preparations and trial and errors, we made it but it was not that easy. Our top executives vision, special interest and company proactive strategy were driving factors towards progress and change..." (Senior Manager Marketing)</p>	<p>Innovation</p>	<p>Experts Product Partnership-JV Market Partnership Implementation of new machinery CEO Interest Learning by doing</p>	<p>Improving Performance Ability to Innovate</p>
<p>187. "...this is all about the CEO/owner drive which is phenomenal. They take special interest in every matter from daily working routine at plant to signing contract. They brought totally new culture, system and people into this company. Backed by entrepreneurial boost and our open business philosophy make it easy for us to adopt change on continuous basis. In order to capture the high point segment, we continuously change, improved our systems and infrastructure to best serve the needs of our customers..." (Director Marketing)</p>	<p>Innovation</p>	<p>CEO Interest Product Partnership-JV Market Partnership Implementation of new machinery Experts</p>	<p>Improving Performance Ability to Innovate</p>
<p>188. "... To me it is all about to be proactive in meeting any uprising demand. Beside company strategy push form owners are the main drives for changes..." (Assistant Vice President Production)</p>	<p>Innovation</p>	<p>CEO Interest</p>	<p>Improving Performance Latest Demand</p>
<p>189. "...to be innovative and excellent in our offerings. Additionally, open organization atmosphere and encouragement from top management are motivating factors for change and innovation..." (Deputy Manager R&amp;D)</p>	<p>Innovation</p>	<p>CEO Interest</p>	<p>Improving Performance</p>
<p>190. "...our infrastructure, organization structure, R&amp;D and manpower are among the best in this region which drive us to meet any changes in demand. Additionally, the owners are very vigilant and have keen interest to improve this company form every aspect, their support and in time actions are admirable. That is why this company is growing and changing very fast. There are also issues that are uncontrollable for example abrupt changes in technology, demand and knowhow. Our internal political, economic and security conditions are main issues that affect us badly. Similarly, energy shutdowns, inflation and rise in wages and input prices make hurdles for us to be more competitive in prices than our neighboring competitors. Additionally, international political and trade policies (i.e. taxes, duties, nationalism, regionalism etc.) are always there to restrict your operations..." (Senior Manager Merchandizing)</p>	<p>Innovation</p>	<p>R&amp;D Reverse engineering  CEO Interest</p>	<p>Improving Performance Ability to Innovate</p>
<p>191. "...journey enables us to produce our collection, and what we did was instead of imitation, duplication and copying others while wasting our time, energy and resources, we went for we went for innovative and high value product through our own R&amp;D and P&amp;D... for quality in our offerings..." (Senior Manager Marketing)</p>	<p>Promotional Management Innovation</p>	<p>R&amp;D and Reverse engineering</p>	<p>Ability to Innovate Improving Product Quality</p>
<p>192. "... We have global presence through our sale and marketing offices and alliances partners, they are feeding us with latest information and give us feedback from various parts of the world, on the top our marketing and production teams are continuously attending trade shows and expos to get new insights from different locations. We also do net searching and other techniques to get new ideas and concepts for our future business and dealings..." (Sr. Manager Marketing)</p>	<p>Industry Trends</p>	<p>Trade Shows and Commercial Office Product Partnership-JV Imitation &amp; Emulation</p>	<p>Develop New Contacts Improving Performance</p>

<p>193. "...we have an established global network of sales and marketing offices at USA, UK, Ireland, Germany, Italy and UAE. Our global offices help us to remain in direct and close contact with clients and monitor regional fashion trends to shape our seasonal collections..." (Director Marketing)</p>	<p>Industry Trends Customer Relations</p>	<p>Trade Shows and Commercial Office</p>	<p>Develop New Contacts Latest Demand</p>
<p>194. "...we are private brand and label manufacturer and exporters to world class brands in 4 continents. Working with world class brands and clients is rich and continuous source of business and learning of latest techniques, knowhow, technology, processes and trends in international market. Fulfilling a mixture of innovative orders is best way of learning by doing which help us to explore new and alternative ideas, processes, and technologies. Similarly, our R&amp;D and marketing teams travelling around the world, visiting clients in different regions, buy best brands, participating in international expos and fairs to get ideas about the latest trends. Our international offices keep us with the rhythm of market by providing information related to design, fashion, styles and functionality of product in specific regions. We extend our production practices and annual collections based on these information and trends. Our state of the art R&amp;D and design center for fabrics and garments enhance our abilities to innovate and develop in a real production setting as per international demand. Similarly, our foreign experts keep us update for latest developments on daily basis. Additionally, our global partners and design centers in UK and Turkey inform us about latest and emerging trends in global markets..." (Assistant Vice President Production)</p>	<p>Industry Trends Customer Relations Promotion Management Innovate</p>	<p>Trade Shows and Commercial Office R&amp;D and Reverse engineering Design Center Customer Specifications Learning by doing Experts Product Partnership-JV Market Partnership External Ties</p>	<p>Develop New Contacts Latest Demand Improving Performance Ability to Innovate</p>
<p>195. "... we consolidated collected ideas into our collections and products. We are participating, presenting our products rather than just attending the trade shows (i.e. Denim by Premiere Vision (DPV) and Evenger in France twice a year etc. For fall 2013 we are going to participating in DPV. We are in the processes of developing a special collection for it to show case our innovative product to get business for upcoming season..." (Senior Manager Marketing)</p>	<p>Industry Trends Promotional Management</p>	<p>R&amp;D and Reverse engineering</p>	<p>Develop New Contacts Ability to Innovate</p>
<p>196. "...alliance with Martelli was to go to different companies like REPLY, which is a very reputed company, we offered them all three things (i.e. Services). We can stich use our own fabrics and make the garments and then Martelli can wash those garments. If we go for the washing, Martelli has different washing units at different places. In Italy it is quite expansive, in Romania it is bit expansive, but if we wash it here at CBL it is still Martelli inspired wash in well control of Martelli standards at lower cost than Italy and Romania. We offer a premium wash here at CBL. All these offers were send to Diesel, Scotch and soda, Energy, Reply and 60 and we done some good business with them. In this way, the innovation (innovation in business) through partnering idea was successful. In the past, we were only doing the basics, now we are making and prepared everything and offer for the higher and quality conscious segments of the market. It is matter where you are pitching the ball and making revenue. For example, if you are in the lower price segment with ordinary products and offerings, then you are facing more competition from low cost producers especially form Bangladesh and China. Staying in basic product and low cost segment(s) you only defend yourself instead of attacking others. But if you are producing high quality and price pin point</p>	<p>New Production and Manufacturing Product Innovation Washing and Laundry</p>	<p>Market Partnership Product Partnership-JV</p>	<p>Enhance Capability Improving Performance Develop New Contacts Improving Quality Improve Textile Production Latest Textile Processing Techniques</p>

product at a bit lower rate than you are on the safe side (i.e. competition with Turkish) ...” (Senior Manager Marketing)			
197. “...we are not threat to anybody i.e. stealing clients’ ideas, business secrets; we are not going in that direction. Since we are serving them with our inspirational collections which are compatible or in some cases stronger than their R&D. I mentioned that customers come here and select from our collection and even some of them buy on the spot. So, these threats are not there, as they know we are innovative and making by our own. Since their R&D is safe and our supply chain is not that effective to challenge our clients. I don’t think there will be any threat. They should only be concerned with their R&D and business secrets, and we are providing them full security, as we have strict code of conduct in such matters, that is why they are working with us from the last 17 years...” (Senior Manager Marketing)	Customer Relationship Product Innovation	R&D and Reverse engineering Trade secrets protection	Positive Image of Firm Ability to innovate Compliance with Regulations
198. “...we learned and learning about latest practices and techniques regarding production, washing, finishing, CSR to improve our whole composite system and make the things more visible. It is impossible to do it alone, as we had different ties and arrangements to get the job done...” (Senior Manager Marketing)	New production and Manufacturing Washing and Laundry International Standards Intergraded Production	Experts Market Partnerships Product Partnerships-JV Training Certifications Implementation of New Machinery Learning by doing External Ties	Improvement in Textile Production Latest Textile Processing Techniques International Market Presence Compliance with Regulations International Market Presence
199. “...Everyone knows that we are running and expanding our side project (Stoneage) since 2006. There is no issue with that as they have their own separate team and its retail stores which not only sale innovate Stoneage in denim but a related fashion product line. Our directions are very clear to everyone and I don’t think there will be any threat to any client (i.e. stealing their ideas, business secrets etc.). We have strict code of conduct and policy to not divulge any customer’s business secrets and R&D. Similarly, I mentioned before that in apparel industry first you produce and present something (i.e. our annual collection) new to retain and attract clients on regular intervals. The customer chooses to form our innovative collection, so there is no question of such moral hazards any more. Yes, it’s true that we get ideas from anywhere for our annual collections...” (Marketing Head- Levi’s Business)	Customer Relationship Promotional Management	R&D and Reverse engineering Trade secrets protection External Ties Imitation	Ability to innovate Compliance with Regulations Develop new contacts
200. “... We made improvement in our production and processing (i.e. sewing and cutting processes) by using Standard Minute Value to make it efficient. Similarly, we are using PITS and RFID system for online production tracking to make the things more visible. These systems help us to find out the problem in our production and investigate the root causes for future avoidance...” (Senior Manager Marketing)	New Production and Manufacturing	Implementation of new Machinery / processes	Improving Performance

201. "...we clearly highlighted to our main sourcing partners that is just our own small project and this is not 100% Denim related. Denim is just 10% of our sale under Stoneage; we also sell T/Shirts, Denim shirts, shoes and much more under this brand name. There is no such issue especially with our customers R&D, business secrets from our brand..." (Director Marketing)	Customer Relationship Brand Management	R&D and Reverse engineering Trade secrets protection	International Branding & Marketing Develop new contacts Latest Demand
202. "...Yes, it has very positive effect on our relations with international clients, it creates goodwill and a sense of trustworthiness among our customers. Such arrangements are sources of customer attraction and signaling for potential one..." (Director Design)	Customer Relationship	R&D and Reverse engineering	Develop new contacts Enhance Positive Image of Firm
203. "... we are doing our business in a proper way, everyone knows what we are doing and how we are doing. To me it has reverse effect as; it will attract more clients and business for us as it done so for, due to our involvement in innovative and value-added practices, processes and offerings as per demand..." (Assistant Vice President Production)	Customer Relationship	R&D and Reverse engineering	Develop new contacts Latest Demand
204. "... from R&D perspective it has significant impact on our existing and or potential clients. It attracts more orders from existing and potential customers. It enables us to manufacture and supplies innovative product and services. Moreover, we guaranteed full secrecy of any customer's R&D and innovations as per our ethical standards..." (Deputy Manager R&D)	Customer Relationship	R&D and Reverse engineering Trade secrets protection	Develop new contacts Comply with Regulations
205. "...the wonderful experience that we have learned is out of LEVIS. We served them over years, learned their unique systems, product developments, various developmental cycles and their way of making sure that the product is sustainable. Sustainable in a sense that it is not a threat to the ultimate consumers and related stakeholders... we applied them practically in our routine operations and for other customers to be benefited from it..." (Marketing Head- Levi's Business)	Customer Relations International and Regional Standards	Customer Specification Imitation and Emulation Learning by doing	Improving Performance Compliance with Regulations Improvement in Textile Production Latest Textile Processing Techniques
206. "...Yes, it has, it enhances our clients and orders poll, as we are providing latest and high quality products and services through our own R&D and latest integrated facility. It works as a signal to attract potential and keep existing customers..." (Senior Manager Merchandizing)	Customer Relationship	R&D and Reverse engineering	Develop new contacts Latest Demand
207. "...the big drive today is regarding sustainability. Two years ago, I challenged my/CBL chemical suppliers and said ok we need the same kind of product which we are buying today, but they must be active to the same level in lesser water. Then we made a change, for example if we were using 10 liters of water per kilo for a certain process then we started 6 liters per kilo for the same process. So immediately we start reducing 40% of water we were consuming in garment finishing. Then we realized that by doing this we also saving energy, as we do not have to heat same volume of water to a certain temperature for wet finishing. Then we challenge the suppliers for lower temperature, most of the production and process are run 40 degrees. We raise the issue why we run them at 40 degree, when the temperature in this region rises to 50 degree in summer, the unbarred water temperature is 30 plus, so we cannot have developed things in the winter months in cold water and then expect to produce it summer at 40 degree. We set a limit that we will do all the developments at 40 degree. So, at the production stage water either needs 5 degrees of heat or may not need any	Washing and Laundry Product Innovation Industry Trends	R&D and Reverse engineering  Learning by doing  Product partnership-JV (Supplier relations)	Improving Performance Latest Textile Processing techniques Ability to Innovate Compliance with Regulations

heat depends on outside condition. This also saving us energy and our Carbon foot prints is improving...” (Director Design)			
208. “... to me Pakistan is the next Turkey from when it comes to the denim, so denim was so great for so many years because of innovation, inspiration, product makes capabilities and abilities, that same energy is building up today in Pakistan. The cotton is perfect just for denim. The resources are here because we have indigo dying ranges over the country, cotton, technologies capabilities, machinery mindsets, Pakistan and CBL is invested in foreign inputs, designers, consultants to upgrade abilities and technologies, so we are not that far behind from the rest of the world when it comes to this...” (Director Design)	Innovation	Experts Implementation of New Machines/technologies	Latest Demand Improving Performance
209. “...Specially Levi’s concept of never out of stock is very unique” for example they book fabrics and related stuff which are generic on tentative forecast they issue the PO today. We start cutting the next day, follow by production, processing and we ship the product within 21-28 days. This is only possible through composite production setup and has a good forecast well in advance. Based upon their store selling every week they generate SKU and based upon they issue PO on next Monday, this is a fast moving trend this is extremely good model to learn. We copy this best practice and proposed others to follow and get benefited. There are some customers whose developments are very premium processes we learned from them and started in our operations for better quality and performance...” (Marketing Head- Levi’s Business)	Customer Relation Integrated production Industry Trends Product Innovation	Customer Specification Vertical production Facility Learning by doing Imitation and Emulation	Improving Performance Improving Product Quality Supply Chain Control
210. “...working as a supplier to world’s leading brands and sourcing partners enhance our learning, it compels us to put hands in innovative processes and production to perform better. Beside innovative productions over years we also get involved in services such as pattern development, full service pack (i.e. from idea to product shipment) washing development and style developments. I believe CBL is a unique plant in Pakistan which provides commercial services of washing and style developments through its R&D, designers and mechanical arsenal to world’s leading brands and clients. We are providers of style development service to Levi’s, D&G, H&M, S. Oliver, Pierre Cardin, American Eagle and others. CBL is a design center for them; we are providers of design and developments services to them. They come with sketch in their mind and take the full design of product, so they use this design somewhere else...” (Marketing Head- Levi’s Business)	Customer Relation Product Innovation Design and Patterns Developments/ Style & Wash Developments Washing and Laundry	Product Partnership-JV R&D and Reverse engineering Implementation of New Machinery Experts	Improving Performance Commercial Services
211. “...working with a pool of clients from around the world over a period of two decades enhanced our system, knowledge and experience. Besides the manufacturing of world class brands and labels we are now offering a complete design services (i.e. pattern developments, design, styles and product development) to any client through our vertical production facility. We are a design center for them, as we are commercial R&D and development services providers. It means that we are going in the right direction in terms of developments. But it does not mean that we should stay satisfaction/staining. Every day is new day and new improvement whatever new things we think about out of box we develop that could be hit or flaw but it depends...” (Director Marketing)	Customer Relation Product Innovation Design and Patterns Developments	Product Partnership-JV R&D & Reverse engineering Implementation of New Machinery Vertical Production Facility	Improving Performance Commercial Services



212. "...we started producing our own inspirational collection that enables us to, participate and present our products in mega trade expos such as Denim by Premiere Vision (DPV) and Engraved- Paris. Such participation enables us to show case our innovative products to inspire both existing and potential customers..." (Marketing Head- Levi's Business)	Promotional Management Customer Relation	Commercial office and Trade Fairs	Develop new contacts
213. "...Crescent Bahuman Limited is a value driven company with aspirations to establish itself as a well renowned brand. Founded in 1995, CBL is recognized as the first fully integrated denim plant in Pakistan..." ( <a href="http://www.crescentbahuman.com">www.crescentbahuman.com</a> )	Setup and Start Integrated Production	Vertical Integrated Facility	Improving Performance
214. "... our core business consists of exporting high quality fabric and Jeanswear to the European, US, Australian and Asian Pacific regions. Using high-tech equipment and modern techniques. Our company is able to coop with the latest trends without compromising on quality. This equips us to preferred choice of world's top denim brands..." ( <a href="http://www.crescentbahuman.com">www.crescentbahuman.com</a> )	Industry Trends	Implementation of New Machinery	Improving product Quality Develop new Contacts International Market Presence
215. "...Crescent Bahuman - South East Asia's largest and Pakistan's first vertically integrated plant. Where "Cotton to Carton" operations translate into seamless processing of raw cotton into finished superior quality jeans wear..." ( <a href="https://www.facebook.com/CrescentBahumanLtd?fref=ts">https://www.facebook.com/CrescentBahumanLtd?fref=ts</a> )	Integrated Production	Vertical Integrated Facility	Supply Chain Control
216. "... our R&D team collect information from our global offices and attend business fairs to understand new trends. They are always on their toes to get first-hand information on latest fashion by visiting customers, researching markets and meeting with denim world's top professionals by getting their insights. All this helps to make CBL's collection and move with market changes over time...CBL is facilitating its customers to pick and choose styles and washes and just launch new products as all the pre-work done at our design center which ultimately gives strong base to our customers..." (Senior Manager Marketing)	Industry Trend Promotional Management	Trade Fairs and Commercial Office Experts R&D and Reverse engineering Imitation and Emulation	Develop New Contacts
217. "...CBL's R&D team is always busy in getting and implementing new and innovative ideas. Our development process is driven by addressing the global market trends and producing fabrics which address the global market trends and producing fabrics which encompass wash flexibility and performance. We research with industry experts, attending fabric fairs worldwide and include all influences which are important to our customers..." ( <a href="http://www.crescentbahuman.com">www.crescentbahuman.com</a> )	Industry Trend	Experts Commercial Office and Trade Fairs Imitation and Emulation	Latest Demand
218. "...Stoneage is a brand identified by its progressive, cutting edge borderline funk that has been inspired by the growing need for an urban youth trend movement. We design with an edgy creativity while focusing on modern lines and sleek fits. <u>Stoneage &amp; Crescent Bahuman as Exclusivity and Accredited Style</u> Stoneage is a part of Crescent Bahuman Ltd, one of the country's leading denim exporters boasting a clientele as versatile as Levi's, Mustang, Bensherman and Xpress Ltd. In less than two years (the first branch opened its doors in March 2006), Stoneage has become the leader in how denim trends are dictated in Lahore and Karachi (where we have four outlets) and we are further venturing into Islamabad, Multan, Sialkot and Faisalabad. Stoneage is a one-of-its-kind brand as it has recruited the very best denim design talent in the country to lead the way in creating for the discerning masses, thus ensuring quality, exclusivity and accredited style..." ( <a href="https://www.facebook.com/CrescentBahuman">https://www.facebook.com/CrescentBahuman</a> )	Branding Management	Outlet Experts	Branding and Marketing

<p>219. "...Stoneage will soon launch itself on a new level of international platform by branching out in all major bustling centers across the globe. The retail market is also undergoing dynamic changes. We are at the right moment in our expansion stage and confident that we will be able to reach out." Besides the Flagship store in Dubai Festival City the company has another outlet in Dubai Mall..."  <a href="https://www.facebook.com/photo.php?fbid=494481057277286&amp;set=a.494480557277336.115389.279960962062631&amp;type=1&amp;theater">https://www.facebook.com/photo.php?fbid=494481057277286&amp;set=a.494480557277336.115389.279960962062631&amp;type=1&amp;theater</a></p>	Branding Management	Outlet	Branding and Marketing
<p>220. "...Impeccable denim designs and cozy jeans have been trademark of leading Pakisatni fashion brand "Stoneage" that have been creating hip pieces of inspirational denims and jeans both for men and women aspiring them through iconic media campaigns. Pakistani fashion label STONEAGE is part of Crescent Bahuman Ltd that is Pakistan's leading denim exporter driving its clients from across various renowned labels. Since its first branch inaugurated in 2006, Pakistan's fashion label Stoneage has been ranked as number one venturing through Lahore, Karachi, Islamabad, Rawalpindi, Multan, Sialkot and Faisalabad recruiting best denim designs for youth and is further venturing into Dubai, London, India and the Middle East embracing latest trends there..."  <a href="http://www.fashioncentral.pk/pakistani/designers/40-stoneage/about/">http://www.fashioncentral.pk/pakistani/designers/40-stoneage/about/</a></p>	Branding Management	Outlet	International Branding and Marketing
<p>221. "... We have another design center at UK, which is also a source of inspiration and promotion to the customers based in that marketplace..." (Senior Manager Marketing)</p>	Industry Trend Product Innovation	R&D and Reverse engineering Design Center	Latest Demand
<p>222. "...Innovation is an imperative feature of CBL that is the major source of inspiration for its customer. We have an inclusive design center that comprises of fabric, garment and pattern developers who are constantly exploring innovative ideas to develop something novel and innovative..." (Company Presentation)</p>	Product Innovation Pattern and Design Development	R&D and Reverse engineering Design Center	Ability to innovate
<p>223. "...with the state of the art hardware, we exhibit an excellent transformation of technology and art into reality. There is hardly any technique that we lack. We are not only learning every day but leading the excellence with one of the best industrialized engineered textile setup. ..." (www.crescentbahuman.com)</p>	New Production and Manufacturing Washing and Laundry	Implementation of New machinery	Improving Performance Improving Product Quality
<p>224. "... CBL is proud to have some of the world's most respected denim professional as partners. Together with our partners. We offer our customers a truly bespoke service focusing on cutting edge innovation, a range of price points, efficiency and a "one stop shop" approach.... our alliance member is Crescent Turk located in Turkey..." (www.crescentbahuman.com)</p>	New Production and Manufacturing Washing and Laundry	Product Partnership-JV Marketing Partnership	Improving Product Quality Improving Performance
<p>225. "...Crescent Bahuman started denim fabrics business with the partners of Crescent Turk in 2002 and relationship matured into a joint venture in 2009. Crescent Turk was formed to take advantage of core strengths of the partners in Turkey, being an established name in denim fabric sourcing and fast fashion garment suppliers and in Pakistan being the biggest vertical vertically integrated denim garment producer. The venture was a natural growth and proved right in the emerging business dynamics of recent years..." (http://www.crescentturk.com)</p>	Integrated Production Customer Relation	Product partnership-JV	Develop New Contacts

<p>226. "...Hellenic Fabrics S.A announces the establishment of a joint venture company, together with Crescent Bahuman LTD, as part of a strategic alliance between the two companies. The newly formed company is called Hellenic Crescent and is based in the U.K.... aims at increasing its sales by becoming more vertically integrated ...offered market leading and innovative fabric research and development, and/or the ability to take advantage of the convenience and value of full package product..."  (<a href="http://www.fibre2fashion.com/news/garment-company-news/newsdetails.aspx?news_id=84099">www.fibre2fashion.com/news/garment-company-news/newsdetails.aspx?news_id=84099</a>)</p>	<p>Integrated Production</p>	<p>Market Partnership  Integrated Production  Facility</p>	<p>Improving Performance  Supply Chain Control</p>
<p>227. "...CBL's marketing presence is strong across the world, with offices and showrooms in Europe, America and Middle East. This helps us remain in close contacts with our esteemed clientele and as well as monitor regional fashion trends. Our experience in multiple regions of the world helps us shape and define our seasonal collections to better suit our customers ever changing desires...."  (<a href="http://www.crescentbahuman.com">www.crescentbahuman.com</a>)</p>	<p>Promotional  Management  Industry Trend</p>	<p>Trade Fairs and  Commercial Office  outlet</p>	<p>Latest Demand</p>
<p>228. "...CBL complies with the following quality, Environment and social standards: ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, WRAP, SA-8000, C-TPAT, GOTS/OE, NEQS, World Bank Standards OEKO TEX, TOE/COC (Social and Environmental Standards) for different customers (<a href="http://crescentbahuman.com/certificate.swf">http://crescentbahuman.com/certificate.swf</a>)</p>	<p>International Standards</p>	<p>Certification</p>	<p>Compliance with  Regulations</p>