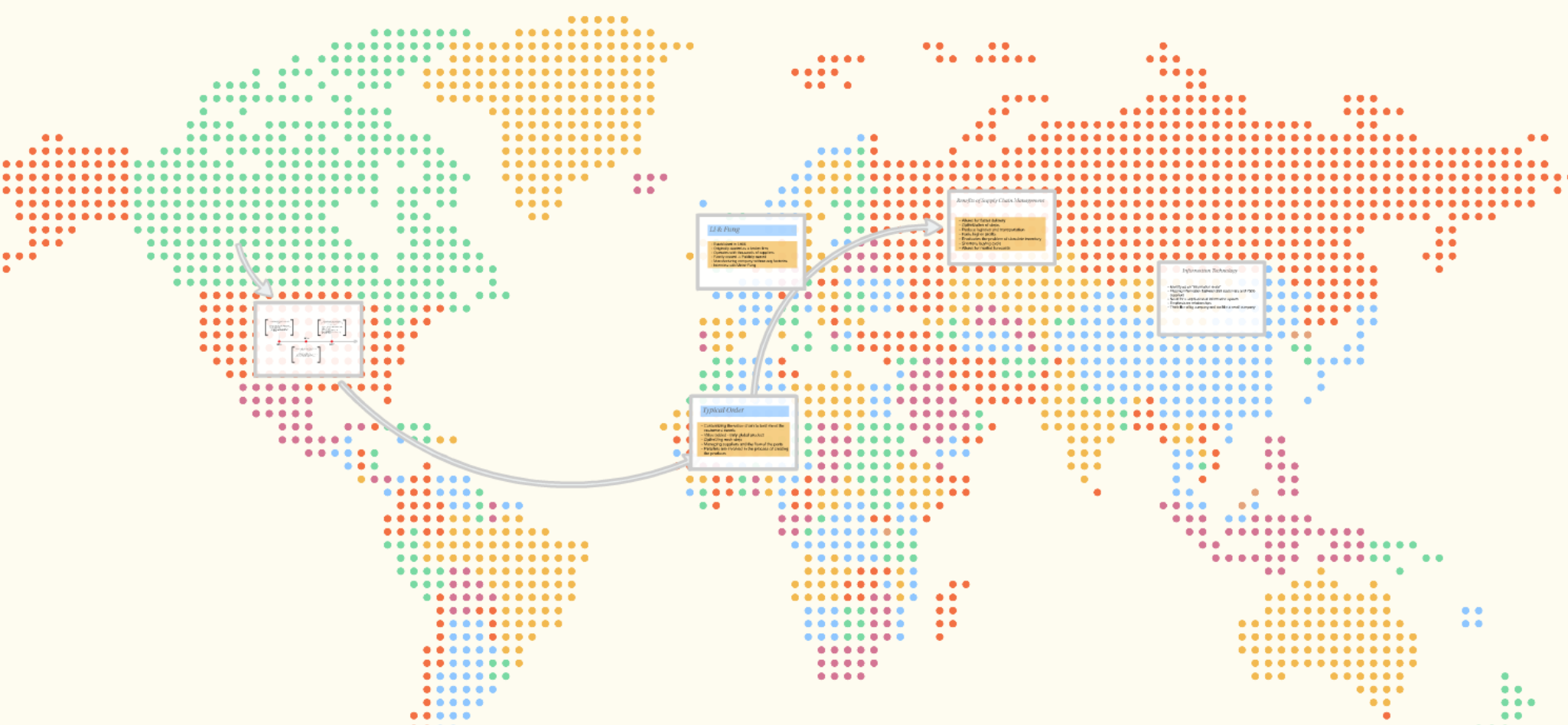


Fast, Global, and Entrepreneurial: Supply Chain Management, Hong Kong Style



Fast, Global, and Entrepreneurial: Supply Chain Management, Hong Kong Style

Li & Fung

- Established in 1906
- Originally started as a broker firm
- Operates with thousands of suppliers
- Family owned -> Publicly owned
- Manufacturing company without any factories
- Interview with Victor Fung

"...his value added was that he spoke English."

- Brokerage firm that brought together buyers and sellers
- Threatened by the growing power of the buyers and factories
- Shift to 'regional sourcing agent'
 - Extend geographic reach
 - Knowledge of the region was value to customers
 - Limited by quotas and governed by world trade
- Assortment packing

1906

1976

"I don't really like that. I like this. Can you do more of this?"

- Enhanced the sourcing agent strategy
- Became manager and deliverer of manufacturing programs
- Expanded supply chain and geographic reach
- Take product concepts and realize them into prototypes

"Managing dispersed production forced us to get smart about dissecting the value chain."

- Hong Kong - expensive and unproductive to manufacture
- Break up the value chain
- "Dispersed manufacturing"
- Hong Kong became a huge service economy
- In 1995, the company doubled its size
- "Borderless manufacturing"
- Moving from small number of large decisions to a large number of small decisions

1997