

ITT Fellows tackling global competitiveness issue

By Devin Steele

RALEIGH, NC — Each year, student Fellows at the Institute of Textile Technology conduct master thesis research not only in technical areas, but also in non-traditional areas as well.

This year, three students of the Class of 2005 are heavily involved in theses specifically focused on economic competitiveness. These students — Lynsey Cesca, Hope Nowell and Michael Jones — are working diligently to research and write their theses and are working closely together to integrate their findings into an industry report and present them, as a group, to the Institute's Technical Advisory Committee (TAC).

With the Institute now being aligned with NC State University and being located on the Centennial Campus with NCSU's College of Textiles, the three have been able to pull together perhaps more in-depth research than would have been possible at the Institute alone, according to Dr. W. Gilbert O'Neal, the Institute's president.

"Economic competitiveness is an area where we had limited resources in Charlottesville," he said. "By coming to Raleigh it's opened up all kinds of possibilities, both within the College of Textiles, in their management department, as well as being able to go to other areas on the campus — business and economics and so on."

Institute students also are able to tap into a wealth of other resources at NC State, from state-of-the-art facilities to professors, he added.

"Because of NC State and the Institute working together we were able to have a much better experience than I think the average graduate student does because the Institute has its resources and NC State has even more resources," Cesca said.

The requirements for Institute Fellows also are steeper than those of typical NC State graduate students, Jones added, pointing out that first-year Institute students are obligated to take five classes per semester as opposed to the typical three.

"Being a part of NC State has helped tremendously," Nowell added. "The profes-

sors here have such a large network of contacts. I feel more prepared going into the work force with the diversity of classes that we've had to take."

With cost savings being realized by moving to

not only throughout the South's textile and apparel manufacturing regions, but to Miami and New York — not to mention Hong Kong and China, where they spent seven days in January. In mainland China,



(L-R) Reece Allen, Hope Nowell, ITT President Gilbert O'Neal, Lynsey Cesca and Michael Jones meet to discuss the theses on global competitiveness being researched and written by Nowell, Cesca and Jones. Allen, a first-year ITT student, plans to expand the topic in his thesis next year.

Photo by Devin Steele

Raleigh and sharing resources and facilities, the Institute has more money to support its research programs, O'Neal added.

Such support has given the three Fellows opportunities they may not have had previously, he said. For instance, their research has taken them

they toured a manufacturing facility owned by an Institute graduate.

"One of our committee chairs, Nancy Cassill, felt like we really needed to see the pulse of what was going on in Hong Kong and China," Cesca said. "Seeing the manufacturing facil-

ity definitely put a different perspective on what we had heard about them.”

Research objectives

The three students, who will defend their theses to the TAC this week, interviewed 33 executives from 18 companies for their theses. They talked with U.S. manufacturers with production facilities here and abroad, as well as U.S. retailers and sourcing agents.

With a focus on the bed/bath and bottomweights market, their goals included trying to better understand the competitive environment for U.S. textile manufacturers and better grasp retailers’ sourcing strategies, in hopes of helping U.S. companies compete in a global market.

Some of their work evolved around “playing field issues,” such as trade policy, environmental regulations, federal subsidies, employment benefits plans, etc., according to Jones.

“We looked at the difference in using a Western Hemisphere strategy versus going to Asia and how U.S. companies can best use the close proximity of the Latin American and Central American countries to improve their competitiveness to take advantage of those proximities,” said Jones, whose thesis is “Factors Affecting Government/Trade Disparities Among Nations.”

Nowell, meanwhile, has three research objectives with her thesis, “Economic Competitiveness in the Global Supply Chain: Examination of Supply Chain

Configurations.”

“The first one being determining why U.S. manufacturers are losing market share in the areas being sourced by U.S. retailers,” she said. “I’m trying to get a perspective from U.S. retailers as to why they’re leaving U.S. manufacturers out of the loop and what they’re lacking in comparison to offshore manufacturers.”

Her second objective is to determine the supply-chain structures of each company examined, with the third being exploring performance measures, mainly the vendor selection criteria that U.S. retailers are using when choosing a supplier.

“Who’s doing a better job in terms of measuring their own performance and the performance of their vendors in comparison to what U.S. retailers are using,” she explained, “and to see if that communication is being streamlined across the entire supply chain, to determine who is working together better to meet the needs of the U.S. retailer.”

Cesca’s thesis, “Economic Competitiveness in the Global Textile Supply Chain: Examination of Logistical Cost Structures,” delves of course into logistics costs across the supply chain and how the different types of companies are utilizing these logistics costs to create competitive advantage.

“So, partially, it was determining all the different types of logistics chains that are used by different manufacturers, the retailers, the sourcing agents and on top of that looking at where the U.S. manufacturer can fit

in,” she said. “And then determining what competitive advantages can be a result of these optimizations.”

Findings

One of the most eye-opening revelations coming out of the research is that U.S. retailers do desire to use U.S. manufacturers, Jones said.

“They believe that U.S. manufacturers have an important role that they do fill, because of quickness to market, with their location being so close to their distribution centers and market, as far as replenishments and things like that go.

“But there just seems to be a communications barrier between the two.”

Nowell found that, generally, fashion goods are being produced in Asia and basic goods are being made in the Western Hemisphere.

“A lot of people say that one way to keep U.S. manufacturers in business is to partner maybe with companies, the apparel manufacturers, in say, Central America, to offer full-package sourcing,” she said. “Most retailers want to source full package, but most of your full-package providers are in Asia and there aren’t many full-package options in the Western Hemisphere right now.”

Adding to that, Cesca pointed out that Asian manufacturers have a better fabric supply chain than those in this hemisphere.

“They have the ability to create fabric, whereas companies in the Western Hemisphere rely heavily on the U.S. to ship their fabric

for cut-and-sew operations,” she said. “And that’s hindering the Western Hemisphere from succeeding because it adds on so much more cost in transport back and forth.

“Proximity does not remain an issue because (Asian companies) have the ability for one shipment of goods coming over to the U.S.”

“Notwithstanding the shipping issue, though,” O’Neal interjected, “all of this falls back to what Michael was saying in terms of communication and responsiveness to the market. And those communication lines just haven’t been established very well between the suppliers and the apparel manufacturers and the retailers. And that’s where much of the focus has to be going forward for the industry.”

Next year, now-first-year Fellow Reece Allen will follow up on the upperclassmen’s research, focusing on niche market strategies with his thesis.

Expanded education

To enhance their education, Institute Fellows also are required to attend a seminar a week. This may be a presentation from a guest speaker, or it may be a workshop on communications given by an NC State professor from the Dept. of Humanities and Social Sciences.

“The fact that we have meetings and sit down with people like Roger Milliken or Allen Gant comes and speaks to a class gives you a lot of valuable face time with executives,” Cesca said.

Because Fellows are required to give four presentations to the TAC during

their graduate school careers makes communications seminars particularly useful, Jones added.

Other members of the Class of 2005 are Shawn Hutchinson, Kevin Hyde, Jaime Piszczek and Rebecca Berger.

First-year students, in addition to Reece, include Stephannia Williams, Lisa Hartman, Belen Perez, Chris Lauer, David Eskew, Beth Anderson, Paige Kennerly, Riley Jo Carrigg and Melinda Satcher. (STN)

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