



Principles of Business

Term 3 course n°2

**Student work : Globalization impact on textile industry,
discussion and teacher's opinion**

Introduction to management and leadership

BA 1st Year - 24/03/2020

Student work : Globalization impact on textile industry

First of all : presentations from students

Student work : Globalization impact on textile industry

From « L'industrie textile en 1970 » by Micheline VINCENT ;
https://www.persee.fr/doc/estat_0336-1454_1971_num_28_1_2144 ; we learn that :

Consumers spend around 10% of their budget in textile. (page 12)

Natural fibers are replaced by chemical fibers (p13)

Imports in France are rapidly increasing : in 1962 Export : 3 421 millions FRF, Imports : 780 millions FRF, in 1970 Export : 6 382 millions FRF, Imports : 4 183 millions FRF. (FRF = French Franc). (page 15)

There is 445 000 workers in the textile industry (51% women) in 1970, 513 000 in 1965. (page 19)
It was in heavy restructuring at that time.

Student work : Globalization impact on textile industry

From « Chiffres clés 2018-2019 » by UIT (Union des Industries Textiles) ; <http://www.textile.fr/wp-content/uploads/2019/06/chiffrescles20191.pdf> we learn that :

Imports in France in 2018 Export stands at 9,4 billions euros and Imports at 16,9 billions euros .

There is 61 000 workers in the textile industry (48% women) in 2018.

Production is still decreasing in Europe.

There is a 10 year decrease in consumption in France.

Trade is much more international now than in 1970 (in 1970 China was internally destroyed by Mao Tse Tung cultural revolution)

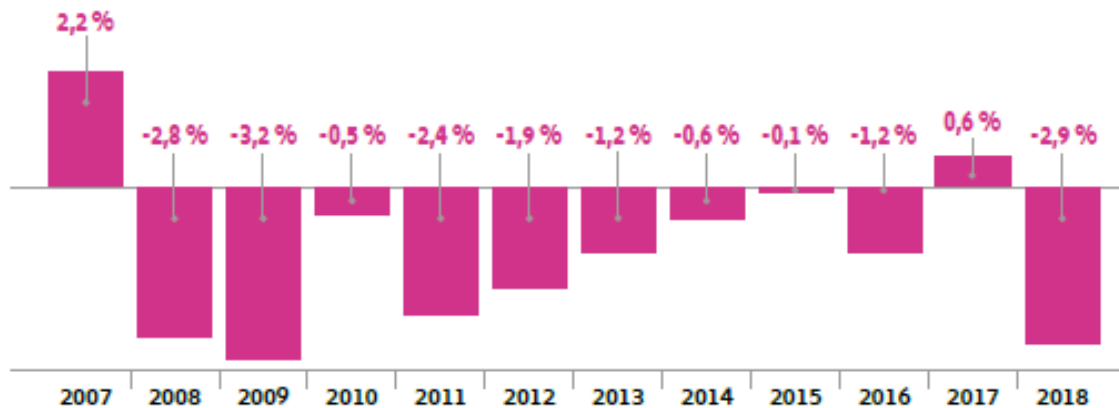
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From « Chiffres clés 2018-2019 » by UIT (Union des Industries Textiles) ; <http://www.textile.fr/wp-content/uploads/2019/06/chiffrescles20191.pdf> we find the following charts:

Fashion and Textile evolution of consumption in France

Dividing 29 300 000 000€ spent in fashion and textile in France by 67 000 000 population we can compute that in average french spend 437€ / year / person.

Évolution de la consommation mode et textile en France
(29,3 milliards d'euros en 2018)

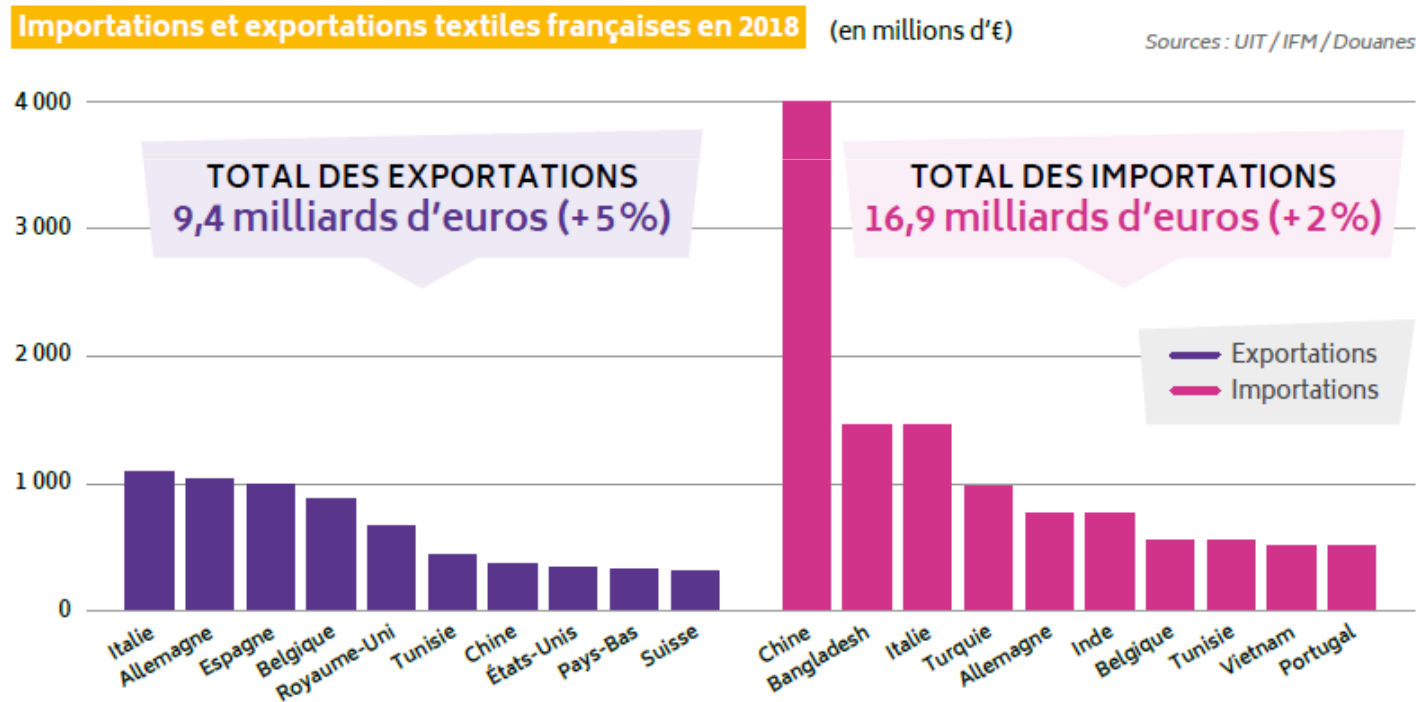


Évolution en valeur et à surface comparable.
Source : Panel distributeurs de l'IFM

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From « Chiffres clés 2018-2019 » by UIT (Union des Industries Textiles) ; <http://www.textile.fr/wp-content/uploads/2019/06/chiffrescles20191.pdf> we find the following charts:

French 2018 textiles import and export



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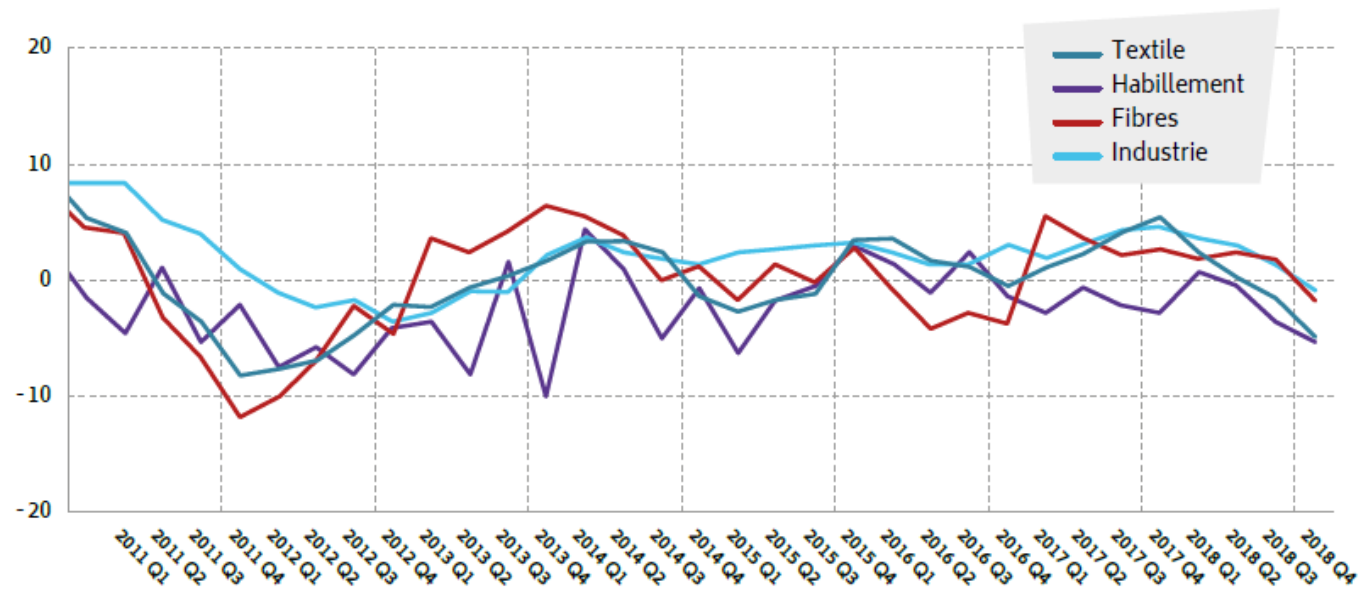
From « Chiffres clés 2018-2019 » by UIT (Union des Industries Textiles) ; <http://www.textile.fr/wp-content/uploads/2019/06/chiffrescles20191.pdf> we find the following charts:

Evolution of european textile and cloths production, in %, by quarter, compared to previous year quarter

Under 0% most of the time : decrease of production

Évolution de la production européenne de textile et d'habillement

(en % par trimestre comparé au même trimestre de l'année précédente)



Alexis Nass - 2020

Source : Euratex

Student work : Globalization impact on textile

Table A.22

Top 10 exporters and importers of textiles, 2018

(Billion dollars and percentage)

	Value	Share in world exports/imports				Annual percentage change			
	2018	2000	2005	2010	2018	2010-18	2016	2017	2018
Exporters									
China (1)	119	10.3	20.2	30.4	37.6	6	-4	5	8
European Union (28)	74	36.4	34.8	26.9	23.5	1	1	5	7
Extra-EU (28) Exports	23	9.8	9.9	8.1	7.2	1	0	5	8
India	18	3.6	4.1	5.1	5.8	4	-6	6	4
United States of America	14	7.0	6.1	4.8	4.4	2	-5	3	1
Turkey	12	2.4	3.5	3.5	3.8	4	0	5	4
Korea, Republic of	10	8.1	5.1	4.3	3.1	-1	-6	-2	0
Chinese Taipei	9	7.6	4.8	3.8	2.9	-1	-7	3	0
Viet Nam (2)	8	0.2	0.4	1.2	2.6	13	9	21	13
Pakistan	8	2.9	3.5	3.1	2.5	0	-7	2	2
Hong Kong, China	7	...	...	...	...	-5	-13	-4	-3
Domestic exports	0	0.8	0.3	0.1	0.0	-13	3	7	3
Re-exports	7	...	...	...	...	-5	-13	-4	-3
Above 10	272	79.2	82.7	83.3	86.3	-	-	-	-
Importers									
European Union (28)	77	34.9	33.6	27.8	23.1	0	1	6	-2
Extra-EU (28) Imports	33	9.8	10.0	10.0	9.7	2	1	5	6
United States of America	30	9.7	10.5	8.7	9.1	3	-3	3	2
China (1)	18	7.8	7.2	6.6	5.3	0	-12	4	3
Viet Nam (2)	18	0.8	1.6	2.6	5.3	12	4	22	10
Bangladesh (2)	11	0.8	1.1	1.7	3.3	12	7	7	17
Japan	9	3.0	2.7	2.7	2.7	3	0	3	6
Hong Kong, China	7	...	...	...	...	-6	-13	-4	-3
Retained imports	...	0.9	0.3	0.1	...	...	...	...	...
Indonesia	7	0.8	0.4	1.6	2.1	6	3	-4	21
Mexico (1),(3)	7	3.5	2.8	1.9	2.0	3	-4	1	4
Turkey	6	1.3	2.1	2.4	1.8	-1	-2	12	-10
Above 10	183	63.4	62.2	56.2	54.6	-	-	-	-

(1) Includes significant shipments through processing zones

(2) Secretariat estimates

(3) Imports are valued f.o.b.

From « WTO Reports World Textile and Apparel Trade” in 2018 by Sheng Lu ;
<http://www.textile.fr/wp-content/uploads/2019/06/chiffrescles20191.pdf> we find the following chart:

Student work : Globalization impact on textile industry

Table A.23

Top 10 exporters and importers of clothing, 2018

(Billion dollars and percentage)

	Value	Share in world exports/imports				Annual percentage change			
	2018	2000	2005	2010	2018	2010-18	2016	2017	2018
Exporters									
China (1)	158	18.2	26.6	36.6	31.3	2	-9	-1	0
European Union (28)	143	28.7	31.0	28.4	28.4	5	4	10	11
Extra-EU (28) Exports	34	6.4	6.7	6.2	6.8	6	0	12	12
Bangladesh (2)	32	2.6	2.5	4.2	6.4	10	8	2	11
Viet Nam (2)	32	0.9	1.7	2.9	6.2	15	5	21	13
India	17	3.0	3.1	3.2	3.3	5	-1	2	-11
Turkey	16	3.3	4.2	3.6	3.1	3	0	0	4
Hong Kong, China	14	...	...	...	...	-7	-15	-8	-4
Domestic exports	0	5.0	2.6	0.1	0.0	-26	-35	-40	-10
Re-exports	14	...	...	...	...	-6	-15	-7	-4
Indonesia	9	2.4	1.8	1.9	1.8	3	-2	10	9
Cambodia (2)	8	0.5	0.8	0.9	1.6	13	12	8	14
United States of America	6	4.4	1.8	1.3	1.2	3	-7	0	5
Above 10	421	69.0	76.1	83.1	83.3	-	-	-	-
Importers									
European Union (28)	204	41.1	47.3	45.2	38.4	2	3	7	3
Extra-EU (28) Imports	106	19.6	23.4	23.9	20.0	2	0	3	7
United States of America	92	33.1	28.7	22.1	17.4	1	-6	0	1
Japan	30	9.7	8.1	7.2	5.7	2	-2	1	8
Hong Kong, China	13	...	...	...	...	-3	-11	-6	2
Retained imports	...	0.9	...	...	...	...	...	...	...
Korea, Republic of	11	0.6	1.0	1.2	2.0	12	1	8	16
Canada (3)	11	1.8	2.1	2.2	2.0	3	-3	5	5
China (1)	8	0.6	0.6	0.7	1.6	16	-2	13	14
Russian Federation (3)	8	0.1	0.3	2.0	1.5	0	3	26	7
Switzerland	8	1.6	1.6	1.4	1.4	5	6	12	13
Australia (3)	7	0.9	1.1	1.3	1.3	5	-3	8	3
Above 10	378	90.3	90.8	83.4	71.3	-	-	-	-

(1) Includes significant shipments through processing zones

(2) Secretariat estimates

(3) Imports are valued f.o.b.

From « WTO Reports World Textile and Apparel Trade » in 2018 by Sheng Lu ;
<http://www.textile.fr/wp-content/uploads/2019/06/chiffrescles20191.pdf> we find the following chart:

Student work : Globalization impact on textile industry

- Synthesis : Textile industry is historically heavily influenced by globalization. Even Ricardo mention textile in his 1817 comparative advantage demonstration.
- Because textile jobs (as industry is general) are low payed, this industry offshored a lot. Most developed economy have now very little textile job, even in France a country famous for fashion.
- There is a decrease in consumption of textile in France, both in relative term (in % of income) and absolute term (€ spent each year).
- Another very heavy tendency is the move from natural fiber (cotton, wool) to chemical fiber. This tendency is not linked to globalization.

Student work : Globalization impact on textile industry

- Some opportunity to counter the tendency ?
- Most people don't care at all and just want cheap price ?



VS



Introduction to management and leadership

How would you define management ?

For this part of the course, I will use <https://courses.lumenlearning.com/boundless-business/chapter/an-introduction-to-management/> ressource.

Introduction to management and leadership

Management's primary function is to get people to work together for the attainment of an organization's goals and objectives.

LEARNING OBJECTIVES : Recognize the difference between **traditional**, **team**, and **servant management**.

KEY TAKEAWAYS

Key Points

Management processes include planning, organizing, directing and controlling.

An important aspect of management's function is the allocation of finite resources.

Resources can be human, financial, technological or natural.

There are different management styles : Traditional, team, and servant.

Key Terms

system: A whole composed of relationships among the members.

resource: Something that one uses to achieve an objective. An examples of a resource could be a raw material or an employee.

Introduction to management and leadership

Management: An Overview

Management is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Since organizations can be viewed as systems, management can also be defined as human action, including design, to facilitate the production of useful outcomes from a system. This view opens the opportunity to manage oneself, a prerequisite to attempting to manage others.

Definition of Management: The Management Process

Management functions include: Planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal.

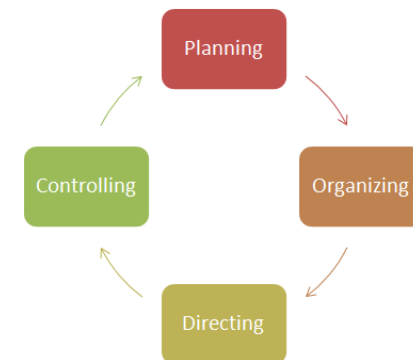
There are several different resource types within management. Resourcing encompasses the deployment and manipulation of :

Human resources

Financial resources

Technological resources

Natural resources



Introduction to management and leadership

Different type of Management Styles

There are different types of management styles, and the management process has changed over recent years. The addition of work teams and servant leadership has changed what is expected from managers, and what managers expect from their employees.

Traditional Management

There is a hierarchy of employees, low level management, mid-level management, and senior management. In traditional management systems, the manager sets out expectations for the employees who need to meet goals, but the manager receives the reward of meeting those goals.

Team Management

In a team management arrangement the manager is a guiding hand to help the members of the team work together to solve problems but doesn't dictate policy and the entire team receives the reward of meeting those goals.

Servant Management

With this approach, the manager helps supply resources the employees need to meet company goals. In servant leadership, the organization recognizes employees as experts in their field and work to help them work efficiently.

No matter which type of management style is used by an organization, the main objective of managers is to help employees reach company goals and maintain company standards and policies.

Introduction to management and leadership

The Need for Management

Management is needed in order to facilitate a coordinated effort toward the accomplishment of an organization's goals.

LEARNING OBJECTIVES

Explain the purpose of management

KEY TAKEAWAYS

Key Points

Management in all business and organizational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively.

Good managers are needed to keep their organizations on track by ensuring that everything that's being done is ethically geared toward providing what customers want.

Good management is needed to inject motivation, creativity, discipline, and enthusiasm into areas in which they either don't exist or they're not necessarily wanted.

People who work for managers must realize that it is their job to make their managers value them.

Key Terms : **entrepreneurship:** The art or science of innovation and risk-taking for profit in business.

Introduction to management and leadership

The Purpose of Management

The purpose of management is to **serve customers**. Yet, if one looks through most management books for a definition of management, 99.9 percent of the time the word customer will not be mentioned. This is astonishing because serving customers in order to obtain a profit is the crux of every business organization. Equally remiss is the fact that most definitions of management neatly filter out service in their descriptions of management.

Good managers constantly streamline their organizations toward **making a sale**. In other words, good managers are needed to keep their organizations on track by ensuring that everything that's being done is ethically geared toward providing what customers want. In this regard, a good manager is responsible for reducing waste and ambiguity, keeping costs down, and motivating others to do the same. In the same vein, good managers regularly take educated risks and exercise good judgement (the basis of entrepreneurship).

These risks include : Trying new things ; Successfully adjusting to constant change ; Developing subordinates (good managers aren't afraid of letting other people shine and, in fact, they encourage it) ; Improving their own skills.

Introduction to management and leadership

The Need for Management

Management in all business and organizational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Since organizations can be viewed as systems, management can also be defined as human action (including design) to facilitate the production of useful outcomes from a system. *Therefore, management is needed in order to facilitate a coordinated effort toward the accomplishment of the organization's goals.*

Since most managers are responsible for more work than one person can normally perform, a good manager delegates and integrates his or her work (or the work of others). A manager does this by acting as a clear channel of communication within the business that he or she serves. Good management is needed to inject motivation, creativity, discipline, and enthusiasm into areas in which they either don't exist or they're not necessarily wanted.

The various functions of management are classified as : **Planning ; Organizing ; Staffing ; Leading/Directing ; Controlling/Monitoring ; Motivation**

Management is also responsible for the formation and implementation of business policies and strategies.

Introduction to management and leadership

Trends in Management

Modern trends in management favor **agile, iterative** processes that focus on innovation, software development, and social impacts.

LEARNING OBJECTIVES

Understand the evolving nature of management perspectives and strategies

KEY TAKEAWAYS

Key Points

Management is a constantly evolving field, with a wide variety of formal and informal approaches and perspectives.

While new management perspectives are emerging everyday in manufacturing, technology, software, and social entrepreneurship, some of the most notable new perspectives are in software development.

Scrum and agile management styles focus primarily on iteration and the capacity to build non-hierarchical work structures that empower growth and innovation without the rigidity of traditional management.

Social entrepreneurship is a recent emergence in management, in which entrepreneurial management styles are being taken to the non-profit and community development sectors.

Key Terms : iteration: The process of repeating a process in pursuit of incremental improvement.

Scrum: A management philosophy predicated upon a feedback-driven iterative evolution of process.

Introduction to management and leadership

Management is a rapidly evolving field. Even now startups all over the world are trying out new, innovative ways of looking at how to align their resources, how to make decisions, and what managerial approaches (or lack of managerial approaches) might yield the best culture for growth. It's an intriguing time for management, and experimentation is constant.

When looking at new management approaches, it's useful to consider the area in which these organizations operate. Software, non-profit, and entrepreneurship are all seeing substantial deviations from standard corporate management approaches.

Software

The two big words in software management over the past decade or two have been **Scrum** and **Agile**. Each of these approaches is a management philosophy equipped for rapid construction, iteration, and implementation.

Scrum has been around since the late 1980s, but not particularly prevalent until the early 21st century. Scrum is defined as a **feedback-driven empirical approach that highlights transparency, inspection, and adaptation**. In terms of values, scrum discards traditional hierarchy and promotes commitment, courage, focus, openness, and respect in a team-oriented, objectives-driven environment.

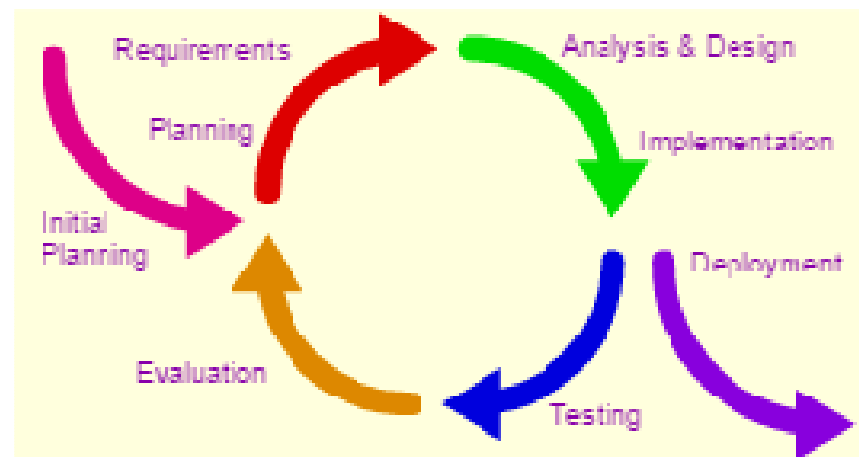
Introduction to management and leadership

In terms of structure, you'll find three groups:

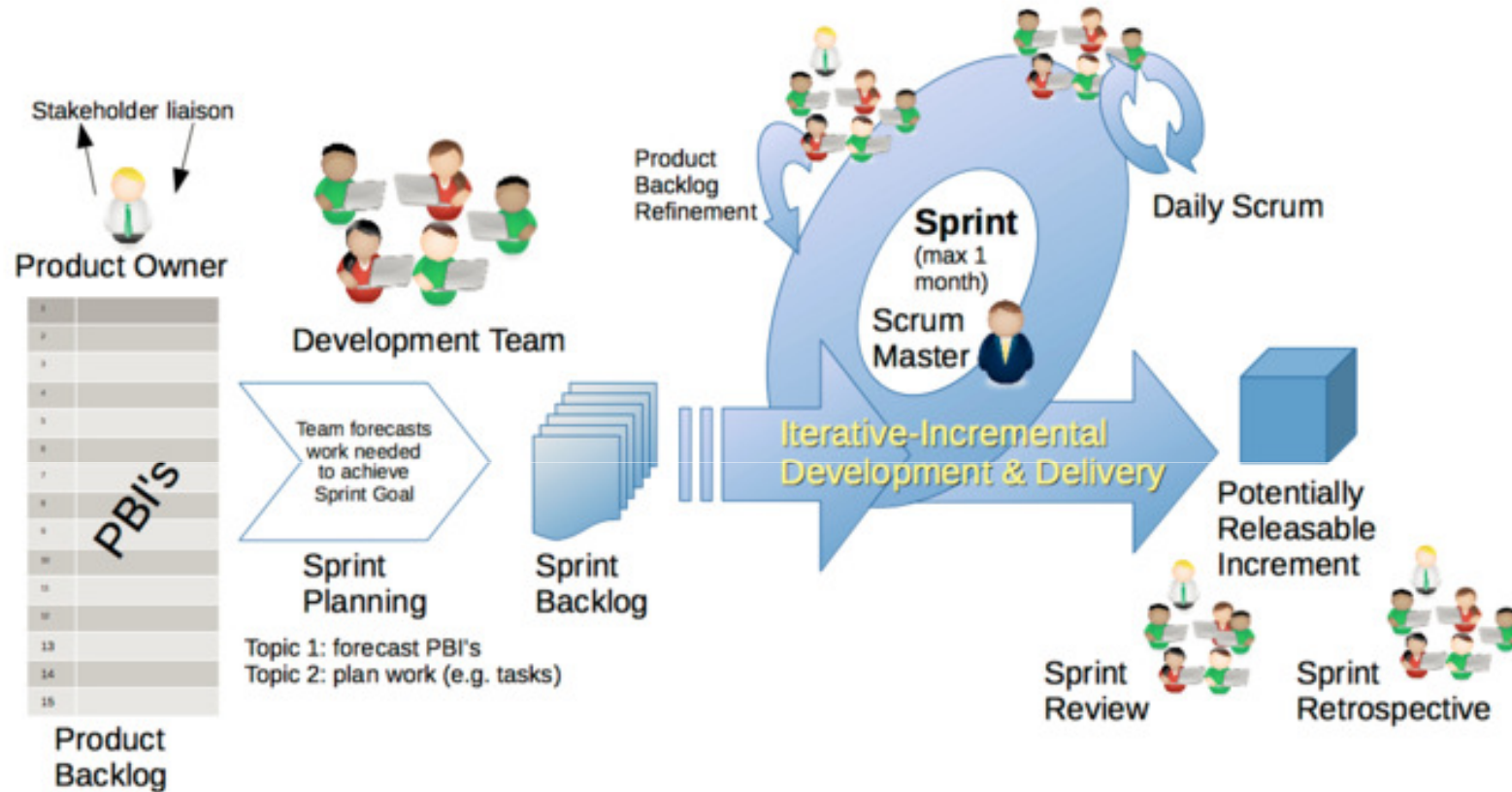
Development Team – This will be your functional specialists, all collaborating on a daily basis to construct a facet (or perhaps the entirety) of a new piece of software. In scrum, this is quite often cross-functional.

Scrum Master – A facilitator, this individual focuses on removing impediments and acting as a buffer between the team and external distractions (usually integration with other teams). The scrum master will also assess progress holistically, and ensure alignment with the scrum mentality.

Product Owner (PO) – The PO focuses on being a voice of the customer and the representation of stakeholders in the team environment. Stakeholders, in this context, represent anyone with an interest in the output of that team (primarily organizational owners and other teams). The PO is not a manager, but instead a bridge between the team and the external environment they operate in.



Introduction to management and leadership



Scrum Framework: This is an excellent illustration of how scrum mentality works. It is intrinsically a horizontal management style, meaning there is no particular managerial presence. The idea is that the process itself is self-sustaining in pursuit of agreed upon objectives via an iterative cycle of production.

Leadership exercises

No clear idea of what a leadership exercise is...

For next course, student need to find out which leader they admire.

You are required to : find 1 to 3 maximum leaders that you admire, and write a few words about why you admire them and describe which desirable leadership characteristics they have.