

When the supply chain reinvents itself on its own.

by Mark Esposito*



It has been some time now that the race towards better management of the supply chain pervades and exacerbates competition, in order to be able to obtain the largest portfolio of suppliers possible, both international and economic. This was and, in part, is still the direct result of the globalization phenomenon that mainly represented an adventure in colonial expansion more than in a cultural one. Ever since the eastern world opened its frontiers (represented by both a closer East, such as countries of the ex-Soviet Union, or a farther one, such as China, by now a “branch” of the most important western corporations), the true genome of globalization was mainly what was saved on production and labor costs, even if many continue to believe that we have actually become a true global village.

Lee’s article, which instead adopted a vision of the long term corporation, helps us reflect on the current complex and paradoxical context, debating on why it is necessary to rescale the supply chain from a “centrifugal” perspective to a more “centripetal” one, using two terms from physics that help us understand the dynamics of that which should occur. Lee suggests to reflect both on the direction of the efforts that a company must undertake, as well as on the question of sustainability that has, by now, become a true emergency (aside from being a perfect cliché, if not actually an alibi), responsible for having destabilized the principles of economics and trade on which companies based their growth from the beginning of the 1980’s till today. Yet, why was sustainability the cause of this complicated web? Up until 1987, when the Bruntland commission defined sustainability as “the capacity to manage economic, social, and environmental aspects in harmony and with respect for future generations”, the race to try to understand what this really meant was without precedence. The definition did not trace, nor did it suggest, any type of pragmatic action capable of assisting firms in beginning a true process of sustainability. With the passing of time and the increase of public awareness on topics of social and environmental responsibility, companies found themselves acting in a reactive manner, forced only to do something *apparent*, in order to try to survive in the market of *apparently* responsible companies, also known as “Green Companies”.

Under this perspective, through companies such as Esquel and Posco, Lee suggests that the reflection on the supply chain could generate a broader and more elaborate definition of “sustained business”, beyond the imperatives of logistic efficiency. Furthermore, Lee invites us to consider a collaborative modus operandi, tied to the interaction among rivals and among similar companies, and not only these, like a measure of efficiency, much more rooted in the dynamics of the territory and which economists have defined over decades as the miracle of clusters.

The same Michael Porter recently insisted on a new polarity in strategic management, related not only to the plan of forces of competition, but also to a definition of competitive advantage obtained as a result of the union between economic value and social value. In short, the commandments adapted to a view of a more deft, efficient, and organic business, to the detriment of a more expansive view. Where others are only wary of costs, Lee identifies “champion” companies capable of discerning opportunities. Even in our situation in Italy there are, moreover, companies that have been preaching sustainability for many years, with less media hype and, without a doubt, more authenticity. Just think of the Eataly phenomenon, ambassadors of a slow food concept that is not only tied to our tradition of being a country gifted with culinary geniality, but is also an example of a company, which principally asserts itself for a supply chain that has, by now, become a value integrated in the philosophy of this company. Eataly is one of those examples that, even if not capable of defining sustainability, it put it into practice and made it a pivotal of its own business model. Today, small and medium sized firms already exist that, such as Eataly, can become an exemplary case and represent a true ecosystem based on the modesty of those who seek and implement harmony with the environment, with social issues, and with the economy, although without seeking to achieve undue “political” advantages.

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