



LEVEL 7 ASSESSMENT SPECIFICATION

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HKBM7013

Strategic Management

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1 Introduction

This report will start with the introduction of the Giordano Company including some of its history background then their current operations and the positioning of the company in the apparel industry. We will go through the company's vision and mission, and based on the existing situation of the pandemic plus our foreseeing to the future to do evaluation. We will provide recommendations for both corporate and business level strategies for Giordano suggestion and identify how strategies can be implemented.

1.1 Company Background

Giordano Group is a well-known fast fashion brand in Hong Kong since 1981. They started as a manufacturer and today they are one of the international retailer of men's, women's and children's apparel, choosing simplicity in design and quality in substance. The company sells their products under multi-brands of "Giordano", "Giordano Concepts", "Giordano Ladies" and other brands, which targeted young consumers such as: "Giordano Junior" and "BSX".

The Group started their first retail store in Hong Kong in 1983 and began to expand its market by distributing Giordano merchandise in China, Taiwan through a joint venture and selling basic apparel items, such as: T-shirts, comfortable denims and trousers to serve casual wear needs for middle class with chain store format. In 1985, they had their first overseas retail outlet in Singapore, the Southeast Asia. Till now they have over 2,094 stores (as of June 30, 2021) in more than 30 countries which including Hong Kong, Macau, Taiwan, China, South Korea, the Southeast Asia, the Middle East, Australia, Canada, Russia, Japan, Pakistan, Mongolia, India, Georgia, France, Zambia, South Africa and etc.; and the company still involved in the manufacturer and retail of apparel and accessories (Annual Report, 2020).

In 1991, Giordano listed on the Hong Kong Stock Exchange (HKEX code: 0709.hk), with the continue develop and growing, Giordano Brands are providing high quality, value-for-money and exceeding customer service experience. In addition, in 2021, it has been a challenge to all fields and The Group believes the pandemic has created opportunities for them in the digitization operations. They had diversified the business to online channel by using local dominant third-party platforms in Hong Kong. Following the business improvement in

Mainland China, they will also putting focus on online platforms and franchise markets as development focus. As of June 30, 2021, The Group operate 2,094 stores and over 5,900 employees at more than 30 countries while continuing to develop and grow Giordano Brands with quality, value and customer service (Annual Report, 2020).

1.2 Company Vision, Mission and Values

Over the past, Giordano strategy relied retail outlets across Asian countries as their company's positioning and focus with high quality service of GMS, "Giordano Means Service" since in the 1989 and due to the change towards global market using different brand name and positioning in high-end markets, and not to confuse their consumers therefore they had started promoting the brand awareness when starting in new market, focusing customer's key and main factor for differentiation is customer care.

Now, the company has formulated a customized customer service strategy, focusing the value-for-money concept on world-class standards, looking for outsourcing to keep low costs, and doing more market research to research designs and fabrics suitable for target customers. Helping their brands from Asia to the Middle East and India, Australia, Eastern Europe, and then to North America, and to achieve "thinking one step ahead for customer needs" and "providing tailor-made services", such as: allowing consumers to return and exchange the products after purchasing which met their "Q-KISS" values for corporate, superior service and outstanding quality (Annual Report, 2020).

Giordano's success is based on their focus on five different corporate business values of quality, knowledge, innovation, simplicity and service. They provide simple and timeless fashion, and development clothing for anyone regardless of ethnicity, nationality or culture, with the value of "World without Strangers", making them the best and largest world brand in the fast fashion retail industry. Today, as a "simplicity" lifestyle choice, their business model is to ensure simple and efficient processes and create value for customers. The Group will continue and strive to provide "the Best and the Biggest World Brand in Apparel Retailing" to make people "Feel Good" and "Look Great" (Annual Report, 2020).

The above factors ensure that Giordano maintains its competitive advantage, can face the daily challenges of multi-market and multi-brand strategy in the retail world. The simple fun about Giordano's styling is always revolves around basic, relevant and functional, looks very relaxing, and goods can be easily mixed together to match any occasion, mood or place.

1.3 Industrial Overview and Impact

The group sales had improved in most of the regions during the second half of the year. In 2020, sales decreased 35.7% (2019: 44.4%) to HK\$3,122 million (2019: HK\$4,852m) with a gross margin of 55.6% (2019: 58.7%) due to the suffered of COVID-19 lockdown restrictions. Online platform had a growth of 22.1% with total sales HK\$326 million in revenue and contributed 10.5% (2019: 5.5%) to the Group (Annual Report, 2020).

Hence, the expansion outside of Mainland China online sales registered a 123.5 % increase and constituted 23.3 % of consolidated online sales (2019: 12.7%). In further, the Group is doing international business expansion, especially in a talk of the developing markets such as: various African countries because they had a great success in Kenya and Mauritius (Annual Report, 2020).

Other competitors with similar smaller business size including production line, headquarter and listed in Hong Kong, expansion in overseas, such as: Bossini, Baleno, etc. Baleno, in 2020 has a sales decreased 20% to HK\$2,484 million (2019: HK\$3,073m) with a gross margin of 47.5% (2019: 50.1%) (Texwinca, 2020) and Bossini has a sales decreased 27% to HK\$ 1,092 million (2019: HK\$1,488m) with a gross margin of 49% (2019: 52%) (Bossini, 2020). Both competitors compare with Giordano, they had similar business model and their 2020 business trends are similar due to pandemic and lockdowns.

1.4 Competitors Vision, Mission and Values

Baleno recognize human resources are important and their success are depended on the commitment, enthusiasm and energy of staff around the world. And they commit to develop a positive and respective working environment which can collaborate and co-operate with their employees. Their values of “VISITS” is: to provide Value for money with quality clothes and comfortable shopping environment to customers, Innovative, simplicity, Trust and Respect, and top priority Service to customer (Texwinca, 2020).

The core values for Bossini are customer oriented, innovate to excel, execute for success, work with passion and live the 7 habits which enhance to have a positive and optimistic life attitude to “Be happy”. The group not only offering apparel products but they also commit to make customers happy, to ensure every shopping trip at Bossini is a pleasant and joyful experience to customers. Hence, their vision is to be the most preferred every day wear brand and their mission is to create appealing, competitive and quality every day wear for happy living (Bossini, 2020).

Comparing with Giordano, the above both companies are quite similar to Giordano now. They provide value for money, to have quality clothes and good customer services, be simplicity and looking for simple living, commit to make customer feel good and be happy, but the only difference compare with Giordano was to be the Best and the Biggest World Brand in Apparel Retailing. Both business size are smaller than Giordano and Baleno are mainly doing franchise business with network more than 4,000 location in Asia (Baleno, 2021).

2 Analysis the Hong Kong casual wear industry

The overview of Hong Kong’s total export value of clothing dropped 34% to HK\$64 billion in 2020. Domestic exports, from a low base, surged 242% year-on-year. Re-exports, making up nearly 100% of total exports, slumped 34% to HK\$63 billion; re-exports of mainland origin, accounting for 76% of re-exports, shrank by 41% to HK\$48 billion in 2020 (info.gov.hk,2021a).

2.1 Industry Macro-economic

The change on COVID-19, protests had harm Hong Kong to catch mainland tourists on customer base and global economic conditions will likely take time to recover and domestic demand is expected to improve in the period ahead (info.gov.hk, 2021b). Overall, we don't buy new clothes, and when we're working at home, we tend to slob and led as "Zoom suit" which only look professional from the waist up on your video call (SCMP,2021). And sales will remind slow growth as less pressure to wear something new every day and online will be a trend in parallel with retails.

In recent years, traditional markets, like US, the EU and Japan, have given clothing exporters from developing countries, such as: ASEAN and Bangladesh from sourcing cheap materials, running up production in low-cost and transporting around the world. And this turns Hong Kong and mainland manufacturers less competitive. Further, Hong Kong turn itself a global sourcing hub in Asia, to attract trading houses and major retailers (HKTDC, 2021).

Trade issues and tariffs will not be a worse factor to Giordano as their businesses are mainly around Asia not America. However, the cause of COVID-19 will be the biggest hit which may continue awhile as border restrictions or suffering the mandatory quarantine and most of the countries are waiting for border re-open for travellers. On the other hand, the production costs are expensive as China economy are recovering from pandemic and the demand for raw materials endure difficult time. This factor will encourage Giordano to start doing business on offline platform to reduce costs and continue the business under pandemic. Although, they need to put investment to up-date their IT infrastructure, but still can run it under new normal hard lockdown for a short time.

To further develop Hong Kong and moving upstream on higher value-added activities such as sales and marketing, quality control, research, and R&D development. Hong Kong is now focusing on manufacturing technology and product requirements. They are drawing inferences from data and response fast-changing on fashion trends. In parallel to smart factory digital transformation, using advanced production technologies such as digital and laser printing, 3D knitting, semi-automated sewing and robotics to produce just-in-time and on-demand items in small batches.

Hence, the tariff and investment barriers between countries also create a new market space for Hong Kong under the coronavirus outbreak and geopolitical uncertainty, but it also created an opportunity for US and EU union to restructure their supply chains. And Hong Kong can be confident to its human capital and research capability and extend its textiles and apparel industrial to be more diversify the economy away from relying on finance and property development (Tang, 2021).

PEST Analysis

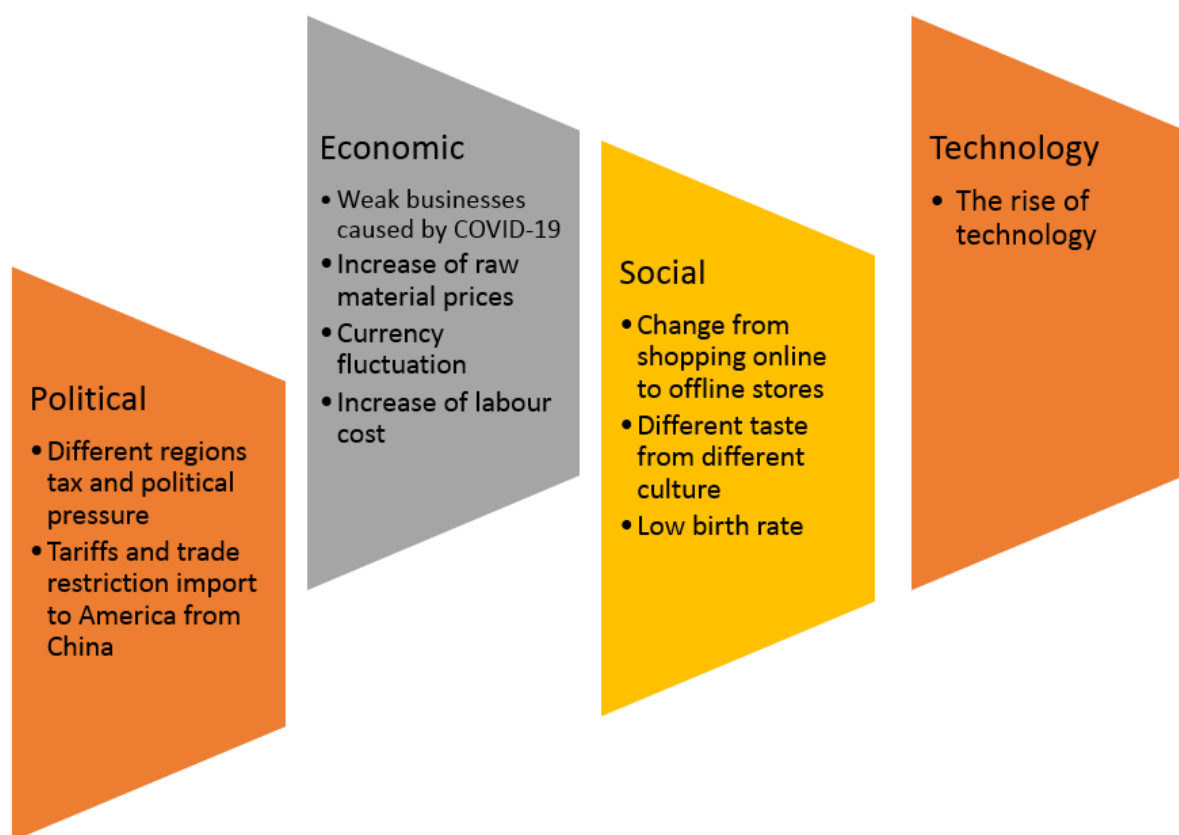


Figure 1 – PEST analysis, (Creately, 2021)
Sources: Compiled by the Author.

2.2 Concluding important in terms of opportunities and threats

This section is to find out the opportunities and threats for Giordano, to let the organization to contribute positive towards the growth and prevent from their actualization of an activity from external factors based on the Hong Kong casual wear industry.

Giordano is moving to its e-commerce capabilities to capture the opportunities from the growing on online shopping. The sales from online business had grew up by 21.6% and contributed 10.1% to Group sales (2020: 9.8%), and non-Mainland China platforms was unexpected with an increase of 41.9%. Also, the franchised stores in Africa nearly double YOY and this makes Giordano to plan developing the markets in parallel to Middle East and some developing economies in Asia. (Annual Report, 2020).

External Opportunities and Threats Chart



Figure 2 – External Opportunities and Threats Chart, (Creately, 2021)
Sources: Compiled by the Author.

Hence, the US and the Mainland trade conflicts has hurting the Chinese products business, and Hong Kong's special status might have a risk. However, till now we are still taking the advantages with a free economy to the US.

For threats, the coronavirus outbreak in particular to border control with no tourists from Mainland China had impacted our retail markets and this leads the Group to control its cost and negotiate with landlords and seeking more favorable terms from suppliers. Never the less, the lockdown and other measures had also affected the supply chain in terms of production and

delivery due to manufacturing and logistic costs are high after coronavirus. The prices since end of July, 2021 from China to The United States had scaled up to 20,000 per 40ft which strain the supply chains. (Khasawneh, 2021). Container rates had impact on global trades to all manufactured goods, including clothes, medicines and processed food products due to high demand and containers on hold or shortages.

The external business environment will remain unpredictable. Many of the retail stores had shut down their stores, like Adidas and Gap their flag stores in Central. And Topshop and Esprit, brands that had either shut down or exited to Hong Kong market due to the rely on Mainland Chinese and tourists for sales in Hong Kong (Mingtiandi, 2020).

3 How value chain works under Giordano during the pandemic environment

In this section, we will focus on Giordano's value chain and to identify its primary and support activities and to evaluate the efficiency of each point. It is to understand their system of interrelated functions and to access for each activities or sub-activities for improvement which related to cost, time and effort per required.

The value chain analysis is to help organization to understand the relationships their different points and by that they are welly aligned to their corporate values, company mission and vision. It also helps to identify factors may create or hinder cost efficiency for their business model.

3.1 Primary Activities

Inbound Operations

The Group has always well support by their supplier and during 2020 Giordano has a single supplier with 42% and the rest of top five covers with 68%. This shows the long-term relationship may have a lower pricing for bulk purchase, less communication, easy to manage and they are ensured to provide consistent products in high quality also (Annual Report, 2020).

Logistics

Giordano remain "Zero STORAGE" for inventory control and this is their core value. The purpose is to prevent overstock, to improve their margins and profitability for recovery. As a result for the year ended December 31, 2020, the inventory remained healthy with inventory turnover days 115 days (Annual Report, 2020). In parallel, as the COVID-19 pandemic affected to all business and to bring down the inventory balance, Giordano had a mild price discount to prevent overstocking.

Operations

For operations, to ensure the business operations are environmentally friendly "Going Green at Work", to reduce waste and emissions from all aspects of their business activities, from production at suppliers side through their business operations since 2008 in active to energy-saving in all shops lights, temperature control in air-conditioning and aligning with Hong Kong governmental policy of reducing "carbon footprint", and also to consider the protect ecological resources and to drive environmental protection based on the 5Rs principle - to Replace, Reduce, Reuse, Recover and Recycle. Further, the output had created a saving and production to create profits (Annual Report, 2020).

Sales & Marketing and Services

Giordano "To Make People FEEL GOOD and LOOK GREAT", during to the COVID-19 pandemic they had produced a series of home sports specials and uploaded to those video-streaming platform for customers and members of public to watch and enjoy as most people have to spent time at home under distance control and another total of six episodes of hiking special for residents who choose hiking as relaxing activities. These activities such as advertising and brand-building, which may seek the increase visibility, reach a marketing audience, and communicate to make consumer purchase a product or service.

For services, they ensure every shop staff's offers excellent customer service and conduct performance evaluations frequently at the store level, as well as for frontline staff by mystery shoppers and this has been recognized service-related awards over the years.

3.2 Support Activities

Procurement and Purchasing

Giordano supply chain management is based on customers' needs, and better coordination and sharing information may help supplies, manufacturing, warehousing, and distribute better planning and through information sharing. With more effective integration of resources and cost reduction to products or services. The Group will comply with quality, performance, and labour standards.

As at December 31, 2020, Giordano has a total of 126 suppliers which located worldwide and over 88.9% are located in China and Southeast Asia, and others in Europe (7.1%) and rest of the world (4%). Suppliers are accessed as "Qualified Supplier List" and mainly close to production facilities and headquarters (Annual Report, 2020).

Human Resource Management (HRM)

To increase employee's human capital and present value for company's future income, providing functions such as hiring talents, training, building and maintain organizational culture; and maintaining positive employee relationships for better environment to work.

Giordano had put lots of effort through technology, provide training on "e-learning", including live sales training, product knowledge group, etc. and encourage employees to suggest needs through survey. Providing proper self-learning scheme for employees to do career development. Also, they encourage staff to develop their skills and personal growth which may benefit work performance and future career development, therefore they had "Study Allowance Scheme" for staff to take external work-related training courses and "Management Academic Assistance Scheme" for applicants wish to pursue in higher educated (Annual Report, 2020).

They also enhance friendly practices for staff to have Flexi-Time Arrangement at Work. To enjoy and succeed at work and at home, retaining high-quality staff and allowing them to create a working environment which may balance their needs for families since 2016 in Hong Kong. Also, during the COVID-19 the company has encouraged staff to work from home, to reduce the need for going out, reduce the risk of infection and protect their health.

Technology Development

Activities related to research and development, IT management and cyber security that build and maintain an organization's use of technology and Giordano is aiming to work with its supplier by using technology. The technology can optimize the process, improve workmanship and for suppliers they can improve production efficiency and product quality, and to upgrade their capabilities in responding to exist markets challenging and enhance their competitiveness. This can maintain both parties to be more stable and benefit the corporate.

For cyber security, Giordano had engaged a service provider to launch an e-learning course for cyber security attacks. Most of the attacks are from emails, and after the course the percentage of click on phishing emails has reduce from 20% (1st round) to 1% (2nd round) which is far below the average of the retail industry (Annual Report, 2020). To prevent and guard against hacker, the IT department has always reminded colleagues should not open links and files in emails at will. If the Company suffers losses due to careless computer user, the colleagues are likely to be liable.

Company Infrastructure

The success of Giordano is to work closely with suppliers, to have similar values and principles together, and intend to purchase from those who meet “Core Ethical Sourcing Requirements”. And this requirement is to ensure and provide its workers with a safe and healthy working environment in accordance with local laws and laws, and to comply with the Group's standards on labor, health and safety, and environmental practices. In 2020, the board of directors will comply with and maintain high standards of corporate governance within a reasonable and pragmatic framework. Its principles are transparency, accountability, increasing the interests of all stakeholders and maximizing shareholder value. The board of directors has formulated, reviewed and updated policies, including reviewing the effectiveness of the Group's risk management and internal control systems (Annual Report, 2020).

In overall, the pandemic crisis has accelerated the transformation and the value chain of Giordano had considered large portion on technology in long term. The importance of technology to Giordano is to help to maximize product quality and reduce the production costs. It is helpful to apply to manufacturing process to make decision, quality control and assurance

as everything can be transparent. The group can do update on top, linking with suppliers and to understand their supply chain. It can even to do advance planning to downward the costs by knowing the customer's demand, increase product, doing fast delivery and finally to approach "ZERO STORAGE" of inventory control.

4 Evaluate Giordano's corporate and business strategies based on the balanced scorecard

In this section, we will use balanced scorecard to collect information then identify and evaluate Giordano's internal operations and the effectiveness of their strategic management. Based on 4 perspectives of Financial, Customer, Internal Business Process and Learning & Growth to understand the system that they had made and geared up by providing values, to company, customers and satisfy stakeholders to financial performance, see below table 1.

Balanced Scorecard (BSC)

Balance Scorecard - Vision and Strategy				
Financial	Goals	- Financial Health	Measures	- Reduce solvency ratios
		- Increase sales		- Inventory turnover days within 115 days
		- Reduce expenses		- Targeting "Zero Storage" for inventory control - Applying conserving resources, eg. enegry saving in office & stores, etc.
		- Improve stock market price		- Stay financial healthy, improve "Beta" and P/E to attract investor.
Internal Business Process	Goals	- Increase environmental aspect	Measures	- Promote environmental awareness to business partners & consumers - Result of internal green performance
		- Supplier management		- Process supply chain management - Require supplier to comply "Core Ethical Sourcing Requirements" & select supplier according to Quality Assurance Mechanism
		- Technology upgrade		- Increase work efficiency / productivities - Smart shop operations - Improve internal communicate - Reduce development cycle
Customer	Goals	- Increase customer satisfaction	Measures	- Awards from market / organization - Commit "Giordano Means Service" - Apply quality assurance - Result of ARPU
		- Attract new customer group		- New development and product sales
		- Increase environmental aspect		- Reduce packaging consumed and raw material usage - Promote environmental awareness to business partners & consumers - Result of internal green performance
Learning & Growth	Goals	- Employee's development and training	Measures	- Improve knowledge & skills and work performance to motivate workforce - Reviewing and monitoring the training for continuous improvement - Provide application of "Study Allowance & Management Academic Assistance Scheme"
		- Conduct staff's needs		- Survey

Table 1 – BSC, (Tarver, 2020)
Sources: Compiled by the Author.

4.1 Financial Perspective

The perspective in financial is to ensure Giordano's business to earn and return to shareholders as well as satisfying customers and suppliers. The Group by using the control of inventory in two ways of "Zero Storage" and inventory turnover days no more than 115 days to reduce the expenses and promote to increase their sales. This is a way to maintain the company financial health by monitoring their finance ratios and in parallel to attract more investors to get interested to the company, and drive stock price based on company's profitability and the behavioral factors of investors.

4.2 Customer Perspective

In the customer perspective, it is to identify the customer and market segments and by that to measure customer satisfaction, customer retention and increasing of market share. Giordano has always been recognized by the global, such as: "2019 Service & Courtesy Awards presented by HKRMA, Deira Store awarded 4-stars in Green Star Awards for environmental efforts and sustainability, etc (Annual Report, 2020). These awards may lead customers to fall into their quality, performance, servicing and contribute values for customers.

On the other hand, by protecting the environment and natural resource, to impact the environment during production and operations, responsible to public and introduce green for sustain development. This could lead consumers and supplier to pay less and innovative tailored to customer needs to increase their retention.

4.3 Internal Business Process

After the consideration of customer needs then to the internal needs of internal business process perspective. As on the other side, this is also the needs may impact on customer satisfaction which may affect to cycle time, quality, employee skills and productivities.

In this part we may focus more by using technologies for manufacturing. Information systems plays valuable role to help company manage the supply chain on quality assurance, reduce the development cycle by smoothen the processes through communication, increase work efficiency and maintain shop operations. The investment of technology upgrade not only for Giordano but also to help supplier's quality and their production efficiency. The relationship will get closer on both side and allows to have a stable and mutually beneficial cooperation.

4.4 Learning & Growth

For learning & growth perspective, it is continuing to improve and creating value to Giordano business process. To target for success, the Group needs to create their own competition to make continual improvement on products, process and staffs. By giving survey out, knowing their needs and to give more support on continuous study and academic assistance scheme, enhance their knowledge and skills. The invest not only on comprehensive staff training, but also to provide development programs on management, planning leadership as to create more professional staffs, and finally beneficial for Giordano's improvement and values.

5 Suggestions and Recommendations

Giordano current position is value-for-money which sells its apparels and merchandise at low and affordable price. The pricing strategies is just good enough only to attract customers but not unique for selling point as competitors such as Baleno and Bossini or other 'brand less' clothes shops that are in the retail market and consumers may choose to go other shops. And this generally made Giordano to change its business strategy under new management and sells unisex casual apparel with different brands under "Giordano", "Giordano Concepts", "Giordano Junior" and "Giordano Ladies" in previous, to be more diversify in other customer group. They may not be attractive but the servicing of customer oriented based on excellent and well-mannered frontline staffs providing high-level customer service and their fashion trends are changing to simplicity may potentially create a slow move upward.

The Group should implement multiple marketing strategies in developing countries and more customer appreciation program which fit their vision and mission of "To be the Best and the Biggest World Brand in Apparel Retailing." & "To Make People "Feel Good" and "Look Great".

The success of Middle East and Africa as they already had for Giordano (PaperAp.com, 2018), and new market to Asia's development countries will be their next advantage because of the strong awareness from frequent travelers via Middle East and stores in the Dubai and Qatar airport duty free stores and low-income which specialized in men, women, and children's casual clothing in developing countries.

The existing “critical markets” situation which affected its business for short-term due to coronavirus outbreak and nevertheless, with a secure brand positioning and quality merchandise, the group will need to overcome the challenges and need to expand the new market share. These markets are not target for high-end apparel, when we do communicate on our values to them and provide value-for-money and giving the right products and services, this can easily to build the recognition from these customer’s group and maintain their loyalty in the development countries.

In order to increase their international market share and on the other hand to improve supply chain management, they also need to look for the possibility of outsourcing to an appropriate level of cost and adjust the customer satisfaction of each market segment according to their own external factors. With the link of long-term new technologies and developments will help the Group improve supply chain management and the entire supply chain from design to stores to meet customer needs. We need to use the latest technology to monitor the demand and production process of its products through the technical facilities of inventory control, and to be able to maintain low inventory. As a result, it saves a lot of costs through fast-selling projects, and delivers benefits to customers through low-priced, high-quality clothing. Customers' needs for each product are always different. Low-cost production with high quality and service is the most important for Giordano's customer base.

Giordano had suffered and considering the Group’s net cash situation in 2021, sales recovery and reduce their operation expense by doing inventory and cost control are needed. Plans are divided into short and long term by perform trainings, auditing, monitoring, and upgrading technology system, see below Table 2.

Contingency Plan

	Short Term	Mid / Long Term
Business Impact	- COVID-19 Business going downstream - Production & Manufacturing cost increased - Logistic cost rapid rise	- Weak / Slow economic recovery after COVID-19 - Manufacturing cost further remaining high
Recovery Strategies	- Perform cost cut - Balance Inventory	- Keep cost down - Balance Inventory
Plan Development	- Track Sales - Perform 80/20 Rules - Perform training on existing inventory system internally & externally	- Audit inventory - Analysis supplier performance - Upgrade inventory management technology
Testing & Exercising	- Keep track on inventory days <115 days - Quarterly performance review	- Target "Zero Storage" and perform annual audit - Audit supplier performance - Annual report review

Table 2 – Contingency Plan, (Smartsheet, 2021)
Sources: Compiled by the Author.

Based on the existing situation of bad and weak economic growth and the contingency plan had defined in short and long term. The purpose of the plan is to help Giordano to overcome the weak business situation. As some of the major economics such as: China and The United States are expected to contribute about 1/4 of global growth in 2021. In regionally, they expected strong rebound from East Asia, the Pacific and South Asia like India and Nepal will still uncertain as serious renewed virus outbreak (World Bank, 2021). The forecast from the first half will assume widespread vaccination population by end of the year, therefore uncertain outlook still remain.

Hence, below as refer to a sample planning of new upgrading inventory system which include: project scheduling, work breakdown structure, estimated lead time and who will be involved to the activities, see below Figure 3.

Gantt Chart

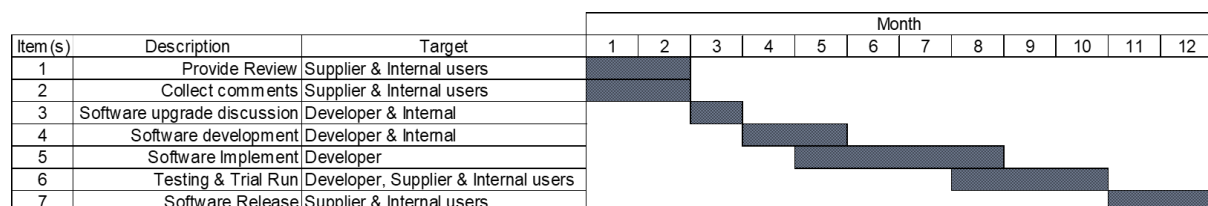


Figure 3 – Gantt Chart, (APM, 2019)
Sources: Compiled by the Author.

6 Conclusion

Giordano's core business is across mainland China, their success strategies included the company's positioning, high quality services, career development, selection policy, compensation & benefits, flat structure and quick decision making. To increase their further strategy and inly to the fast clothing industry with short product life cycle, they need to puts pressure on their supply chain for survival. The group needs to be more flexible, efficient and meet customer needs. The key of Giordano has a flat structure which can do fast response and the characteristics of fast fashion are response and time.

By understanding their target customers, implement the technology and doing cross cultural to attract new customers and earn their loyalty. This is good in marketing and strong brand positioning, excellence servicing. On the other hand, if they could do new market expansion, using the local resources to help local economy by employ local people. This enhances credibility amongst the various stakeholders and customers of the region or new market and quickly respond to local challenges as create win-win situation to those developing countries, conducting business in an outstanding and professional manner, and help the Giordano brand reach somewhere in those developing countries in Asia.

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