



# Tariffs, Trust, and Lead Time: Architecting Resilient Supply Chains for the Era of Disruption

An Interview with Michael Bennett on Global Instability, Artisanal Quality and Operational Efficiency



## Introduction

In an era defined by geopolitical turbulence and rapid shifts in consumer demand, the apparel industry's global supply chain faces intense pressure. To shed light on these critical strategic developments, Paul Lennen, host of The Sourcing Exchange, recently sat down with Michael Bennett, an experienced Director of Sourcing and Operations boasting significant expertise with brands including Decathlon, Puma, and Coach. Their candid conversation offers valuable insights into the necessary evolution of supply chain strategy, the enduring complexity of maintaining quality, and the urgent need to address structural inefficiencies that erode profitability and resilience.

## Foundational Strategy: The Cross-Functional Imperative

The discussion highlights the necessity of moving beyond traditional, siloed sourcing roles toward a comprehensive, integrated operational model. Michael's career trajectory—originating on the retail floor before advancing to production leadership—demonstrates the fundamental power of a cross-functional perspective. This integrated view is no longer an optional skill set; it is a core strategic requirement for achieving robust operational efficiency and resilience, acting as a vital risk mitigation tool against organisational misalignment that often plagues complex global structures. This dual experience, which fundamentally connects the retail front-end with the manufacturing factory floor, is highlighted as possessing immense value for any professional transitioning into a modern retail brand structure, ensuring tactical sourcing decisions are perpetually informed by strategic market and consumer goals.

The initial conversation established that gaining direct insight from the store-level provides a full, 360-degree view of the supply chain, spanning the entire distance from initial product conception right the way through to final consumer sale. Michael underscored that professionals can often only gain this level of detailed insight by physically engaging in the front-end—moving boxes, stocking shelves, and handling the product precisely as the customer does. This deep knowledge is crucial for revealing the hidden costs and downstream effects of operational decisions at the manufacturing end. Seemingly small factory decisions—such as specific packing methods, box quality standards, or the precise placement of labelling protocols—directly impact the overall efficiency, logistics flows, and final cost when the product is handled by the retailer.

For instance, efficiency gains made at the factory can be entirely eroded if the packaging is difficult for retail staff to manage or displays poorly, leading to unnecessary labour or product damage at the distribution centre or retail point. Without this holistic, front-end understanding, disconnection is inevitable as the strategic distance from the end-user increases up the supply chain. This linkage is especially critical in sectors like the sports industry, where the consumer base is a demanding clientele that requires specific product performance understanding and consistent presentation. Michael noted that the exposure to people who actually use the product is essential to the design and quality focus of brands.

Furthermore, scaling operations in emerging sourcing markets demands an absolute commitment to patience and strategic focus. The industry faces an inherent conflict: sound strategic development mandates a phased approach—establishing stability, building trusted local relationships, and mastering production in one product category or region before aggressively pursuing expansion—to ensure the development of genuine, long-term capacity. Michael detailed the systematic process: when establishing new operations in India, for example, the focus was rigorous. Early investment was placed exclusively on stable categories like knitted garments in the South and specialised horse-riding equipment in the North. This rigorous, strategic constraint ensured the foundational operations were robustly stable before complex expansion into areas like footwear or bicycles began. This disciplined, patient approach, which prioritises stable maturity over raw volume, is often directly contradicted by the immediate, short-term gains driven by stock price metrics and high-level stakeholder impatience. Leaders must therefore adapt internal governance to manage these expectations effectively, ensuring that the critical long-term stability and capacity are not sacrificed for the short-term velocity demanded by the financial markets. The consensus is clear: companies must learn to adapt to the specific type of environment they operate within, distinguishing strategically between long-term investment that builds genuine resilience and short-term financial demands dictated by external market pressures. This approach is exemplified by companies maintaining a "local for local" strategy, where products sold in a market are also manufactured within that market to enhance both efficiency and responsiveness.

## **Complexity Management: The Mandate to Industrialise Artisanal Quality**

One of the industry's most enduring and complex challenges is achieving and maintaining product integrity at mass scale. The complexity of high-end product development requires multidisciplinary coordination, which the conversation aptly likened to an "orchestra" of specialised talents (for example in the bag or leather industry with designers, chemists, tanners, production experts).

This demanding level of collaborative synchronisation is necessary because achieving the final product quality requires bringing together five to eight different talented parties simultaneously across diverse functions, including design, materials science, and production engineering, all working toward a singular, non-negotiable standard of finish. Paul noted this highlights the sheer reliance on a broad set of specialised skills inherent in upstream product development, often sounding like a truly unique, coordinated effort.

The challenge is profoundly amplified by the specialised nature of different product categories. While performance sportswear demands continuous innovation in chemical compounds for footwear soles and advanced fabric engineering (a key focus area for brands like Puma), other sectors, like luxury leather goods, centre on highly subjective material characteristics. Michael's experience at Coach illustrates the central paradox of industrialising an artisanal process that focuses entirely on the "hand feel"—the precise tactile sensation a client experiences when touching the product. The essential difficulty lies in translating this subjective quality—getting the right smoothness, the correct give in the leather—into objective, repeatable manufacturing methods that can be replicated 100,000 or 300,000 times globally. This challenge is not limited to leather; in the garment sector, there is a "real cult" around achieving a specific, desirable hand feel for T-shirts and sweatshirts, which requires specific chemical and mechanical processing that must be precisely controlled. The first time one witnesses a product development team staring mystically at leather, assessing its texture, the intensity of this requirement becomes clear, demonstrating the depth of commitment to tactile quality.

Successfully mastering this process relies on rigorous coordination to integrate specialised, proprietary knowledge held by material experts (like tanners) into consistent, global production cycles. The expertise required is often described as an "awful lot of personal knowledge," highlighting its tacit, experiential, and non-codified nature. The challenge persists because design feedback, such as "the hand feel is wrong," is frequently not tangible enough for the factory to implement a technical solution, leading to cycles of confusion and frustration between design and production teams. This forces professionals to seek quantifiable metrics where none exist naturally. This necessitates strong, coordinated leadership to manage the inherent tension between the art and the craft, ultimately protecting brand equity and the critical consumer experience across millions of units. This artistic integrity, when successfully maintained at industrial scale, becomes deeply embedded in the culture of the most successful brands.



## Geo-Economic Resilience and Strategic Sourcing Shifts

The current sourcing landscape is accurately characterised by "chaos," largely driven by US tariffs and external pressures which are accelerating pre-existing global manufacturing shifts. These macro movements include China concentrating on a domestic "China for China" strategy, leading to a structural decrease in export availability, and markets like Bangladesh facing difficult recovery periods due to extreme market volatility. The consensus is that the world is currently in a period of intense flux, necessitating strategic recalculations.

The discussion strongly positions India as the "big winner" poised to fulfil its potential thanks to proactive government reforms, increased infrastructural investment, and a favourable geopolitical environment for western markets. This confidence stems from decades of groundwork. Michael recounted that setting up operations in India in the late 1990s was a rigorous process involving massive administrative hurdles and securing basic logistics infrastructure (including backup generators, independent water supply, and uninterruptible power supplies) in a demanding, pre-Internet era. The necessity of these preparatory logistics and local hiring efforts (often resulting in long queues of local talent) underscores the difficulty of establishing a stable sourcing presence. The reward for this focused effort is that India is now emerging as a crucial strategic pivot point for future global growth, building upon Decathlon's original strategy of "local for local"—making what is sold in India, in India.

To counter current instability, companies must adopt highly focused strategies for geo-economic resilience. This involves a major strategic decision on supplier relationships: pursuing a "partnership dialogue" versus a purely transactional approach. Michael emphasised that in the US market, vendors were seen investing in production facilities in Latin America to support business going into the US, illustrating this resilient, partnership-driven model. The more resilient strategy involves strategic partnerships where vendors co-invest in production facilities closer to market (e.g., Latin America or Africa to support US or European business), jointly engineering value and cost-out solutions. This contrasts sharply with companies that adopt a purely transactional approach, immediately hitting suppliers with requests for tariffs or discounts, thereby fundamentally risking long-term relationships and foundational stability when market volatility hits. The long-term model favours integrated risk sharing over short-term cost aggression, recognising the supplier base as a vital partner in finding intrinsic value within the operating model.

## Sustainability and the Trust Deficit

Sustainability is no longer a strategic option; it is an intrinsic part of daily operations, with enormous improvements seen globally in social and environmental compliance over the last two decades. However, despite these improvements, the industry suffers from a crucial trust deficit between brands and factories.

Michael contended that non-compliance is often an unintentional consequence of the buyer's actions. Many buyers and brands are simply unaware of the negative impact their last-minute demands—such as changing delivery dates, materials, or even negotiating price aggressively—have on the factory floor. Brands fail to understand how these requests disrupt the factory workflow and directly drive non-compliance, forcing difficult, high-risk choices on the supplier. This failure to understand impacts is often due to the internal disconnect within the brand itself, between the sustainability team (focused on ethical mandates) and the operations team (focused on immediate delivery/cost). This lack of transparency forces factories to hide issues, further eroding trust, as suppliers justly fear that disclosing problems—even those demonstrably caused by the brand's own actions—will lead to immediate business loss and termination of contracts. The result is an awful lot of operational risk hidden under the carpet.

A major structural inefficiency compounding this problem is the lack of a single global compliance standard. The volume of multiple and conflicting auditing requirements creates excessive disruption and operational strain in factories servicing several retailers. While global initiatives like the SLCP aimed to unify standards, the issue persists and appears to be worsening, resulting in a constant cycle of disruptive audits for different brands every week. This drain on resources and time prevents factories from focusing on core production. Michael argued that the industry must team up and focus on where it can have a positive, unified impact, rather than relying on limited-volume, 'lighthouse projects.' The resolution hinges on establishing a stronger, more confident dialogue based on transparency, allowing issues to be addressed openly without fear of immediate business loss, thereby shifting the responsibility for compliance back onto the entire supply chain.

## Structural Bottlenecks: Technology, Trust, and Lead Time

The conversation highlights that the apparel industry's greatest structural weakness is its long lead time—often extending up to 18 months from design approval to delivery. This excessive timeframe is largely consumed by "just waiting time" for manual approvals and decisions, rather than active production.

This inherent lag creates predictable waste as volume and styling decisions are made too far ahead of market demand. The consensus is that the industry is fundamentally built upon an "intrinsically inefficient model."

Despite the widespread availability of advanced technologies (3D development, big data, collaborative platforms), the process remains archaic, dominated by endless streams of emails and multiple Excel sheets. This technological failure is rooted in profound organisational resistance. The discussion concludes that the primary obstacle is not technology but change management. Resistance stems from organisational inertia and the fear of job roles (e.g., individuals responsible for approving lab dips or samples) being made redundant by digital acceleration and the decentralisation of authority. Individuals whose jobs rely on being the final approver are naturally resistant to systems that automate or devolve the decision process. This friction prevents the industry from fully capitalising on the immense efficiency gains offered by modern digital tools.

Overcoming this internal friction and devolving the "ability to say yes, move on" is the strategic imperative. Michael asserts that until the industry can effectively leverage technology to speed processes up and empower decision-makers, it will continue to suffer from the inherent waste and volatility created by taking vital strategic decisions so far out from the point of sale, contributing to chronic incorrect assumptions about volume, colour, and styling. Unlocking true agility requires giving people the accountability and authority to make decisions quickly and efficiently. The time consumed by these bottlenecks is the industry's greatest vulnerability, directly limiting responsiveness to market trends and contributing to unnecessary waste and discounting. The vision is to reduce the "casts of thousands" involved in late-night meetings and end the cycle of endless email streams where individuals participate solely to register their presence.

## **Conclusion: Charting the Future of Apparel Supply Chains**

Paul's insightful discussion with Michael provided a comprehensive look at the multifaceted challenges and dynamic opportunities facing the apparel supply chain today. From the necessity of phased strategic growth and mastering artisanal quality at scale, to addressing the trust deficit and the change management hurdle, their conversation underscores the urgent need for structural adaptability. Success in this evolving landscape will hinge on embracing a more transparent, disciplined, and integrated approach, ultimately driving both profitability and foundational resilience.