

A strategy of moving the emphasis away from manufacturing towards design has been in place at Clarks since the 1990s, bringing new supply chain challenges.

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A challenge to all partners



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UK-based footwear brand Clarks announced the appointment of Nick Cullen to the new role of group supply chain director at the start of this year. Mr Cullen has become a member of the brand's executive leadership team, reporting to Melissa Potter, the company's chief executive. In the newly created role, Mr Cullen will focus on organising the supply chain for the entire Clarks group, with the aim of delivering improved costs and customer service. Clarks has stated that his appointment reinforces its business strategy of "leveraging the scale of the combined UK, North American and international businesses".

Two brothers, Cyrus and James Clark started making footwear in Street, in Somerset in the south-west of England, in the 1830s, starting with sheepskin slippers (Cyrus Clark had started out in 1825 as a sheepskin tanner and rug-maker) but quickly broadening its output. It became a major retailer of footwear, through acquisition, in the 1930s. It began to make an impression on international markets from the late 1940s onwards with the successful development of the desert boot. Nathan Clark, a great-grandson of one of the founders, introduced the desert boot in 1949. He was serving in Burma during the Second World War when he noticed soldiers wearing rough suede boots with crepe soles. They had come from local tradesmen in Cairo's Old Bazaar. "I thought a version of these boots would make a good all-round shoe," he said in an interview later in his life (he died aged 94, in June 2011), so he created a version for Clarks.

Other acquisitions of footwear manufacturing and retail

Footwear brand Clarks started the year by appointing a new group supply chain director, Nick Cullen (pictured). He reveals that he expects the best manufacturing and logistics partners to challenge the company, to help it grow and to grow themselves.

operations, particularly in the US, followed during the 1970s, but Clarks began the process of closing factories in its traditional manufacturing base in the UK in the 1980s, a pattern that continued until it closed its last substantial footwear factory in Somerset in 2005. The company said at the time that it was sorry this had happened, particularly as so many consumers regarded Clarks primarily as a manufacturing business, but it said the competitive advantage of the manufacture of footwear had clearly moved by then to Asia. Certainly before the turn of the twenty-first century, Clarks had ceased to be a manufacturing-oriented business and had become, in its own description, "a consumer-driven, design-oriented branded products group" with outsource manufacturing partners in various parts of the world. It is, therefore, very much a global supply chain that Nick Cullen signed up to look after at the start of 2012.

Global brand background

Mr Cullen joined Clarks from UK airport operator BAA, where he was chief operating officer. His background also includes senior roles in manufacturing and distribution with international organisations including Mars, Diageo, DHL and The Gap.

At the time of his appointment, Melissa Potter, said: "Nick brings to Clarks a proven track record of success in end-to-end supply chain operations and planning. We hope that his appointment demonstrates our firm's commitment to continuously improving the global service to Clarks' consumers and our business partners. Nick's experience of working with top-tier brands on a global scale positions him well to support Clarks in the next stage of our own strategic development."

In conversation with *World Footwear* soon after his appointment Mr Cullen says Clarks already had in place "an accomplished supply chain team that have built an effective end-to-end supply chain over several years". He sums up the level of complexity in that supply chain by explaining that the company designs its own shoes (and accessories) and sources their production in several countries, mainly across Asia and the Americas. This includes working with more than 50 tanneries from which Clarks chooses its leather and several third-party footwear manufacturing partners.

Mixed model

"We operate a mixed model for logistics," he adds, "operating our own warehouses complemented by third-party facilities where appropriate. It's evident in my early weeks that both our own supply chain teams and our vendor base have worked effectively to improve our performance. We can now step back and look at where the growth will come from in our business and how to develop an even more effective end-to-end supply chain that can contribute to this growth. At this stage there are no preconceived solutions or ideas out of

scope. We are currently engaging our supply chain experts, internal stakeholders and key vendors with what we could do to take our performance to the next level. As we work through that process it will become clear where the emerging opportunities are in sourcing, logistics and planning and where the priorities lie."

For him, the key to the new role of global supply chain director is to support the company's framework as it transitions from being international to becoming genuinely global, with an understanding of what gets done globally, regionally and locally. It includes bringing together sourcing, logistics and supply planning, globally. "This will enable the supply chain to be tailored for specific needs," he continues, "for example differing by customer and by consumer, product category and route to market. We are now in a position to leverage our global scale where it makes a difference on costs, agility to respond to changing market needs and working more closely with our vendor base on improving quality and service."

Rewards for the best

The implication of this is that Clarks will do more business in future with the best performing supply base; the best tanneries, shoe factories, warehouse and transport providers, shipping lines and forwarders can expect to become busier. "As we go on this journey we will be engaging our partners who have a big impact on our success," Mr Cullen explains. "The successful partners should expect to gain from this; when they challenge us and contribute to our growth, there will be growth for them as well. Our business is unique, so are most others. The challenge is to work through what supply chain best practice works for us, and what is most appropriate. Once we have all the components of the plan (input from stakeholders, a view on what best practice is appropriate and where the priorities lie) we'll then be able to take another step on Clarks 186-year journey to success." 

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