The Fung Group

Preparing the Next Generation of Leaders

Operating in more than forty economies, the Fung Group is the global leader in supply chain orchestration for design, development, sourcing and distribution of consumer goods. While not exactly a household name, the company’s products can be found in virtually any home in the developed world – many leading brands in apparel, footwear, toys, and accessories rely on the Fung Group’s expertise, efficiency, and widespread network.

The Fung Group has been in business for over a hundred years, but it continues to be driven by entrepreneurial energy, as the company’s “capital-asset-light” business model places value largely with its people. Chairman Victor K. Fung (MIT SM ’66), believes that the ongoing, large-scale custom executive education program with MIT Sloan is a cornerstone of the organization’s efforts to excel as a learning organization.

At the official launch of the program in 2010, a three-day executive overview was offered to the company’s most senior leadership, coinciding with a key strategic milestone, the company’s upcoming three-year planning process. “The initial goals were to help our business leaders understand the principles of strategic thinking, collaboration, principles of leadership, leading change, and sustainability as a competitive advantage in the supply chain,” says Dr. Leonard Lane, Group Director Leadership Development at the Fung Group.

The first year, the MIT Sloan faculty and Executive Education staff, in partnership with Hong Kong University, designed and delivered a highly engaging program for a group of almost 200 Grade One managers over a period of six months, with sessions held in Cambridge and Hong Kong. Developing a new program and delivering it to such a large number of senior managers in a short time challenged the MIT Sloan executive education faculty and staff as well as the Fung Group’s staff. However, the positive impact for the Fung Group was immediate and apparent, as the experience led to a quick diffusion of concepts at the upper echelons of the organization.

Since then, on an annual basis, the program opens with Grade One managers from around the world gathering at MIT Sloan for a week-long session comprised of lectures, case studies, workshops, exercises, discussions, and executive briefings. In the course of the following three to four months, participants apply the tools and frameworks taught by MIT Sloan faculty to action learning projects based directly on the company’s business objectives. Then the group reconvenes for a week in Hong Kong to dig deeper into key concepts and share the results of the team exercises with each other and the group’s most senior executives. “The four overarching themes

CHALLENGE
The Fung Group, the Hong Kong-based global sourcing and purchasing giant needs to establish and reinforce a shared business culture across multinational operations, which include supply chain management, distribution, logistics, and retail.

STRATEGY
Give all of the company’s senior managers an opportunity to learn together the tools and principles that will help the Fung Group improve its strategy and operation practices across the enterprise. Apply advanced leadership principles and frameworks to specific business goals outlined in the company’s three-year plan.

EXPERIENCE
During the first week of the program held at MIT Sloan, participants are introduced to advanced leadership concepts through a combination of lecture sessions and action-learning projects, followed by the implementation of the projects in the workplace over the course of three to four months, and concluding with another session at the University of Hong Kong where participants report on their projects, recap the principles and frameworks from the initial session, and build on that knowledge with new content.

RESULT
The program participants see their experience as a career milestone and a testament of the organization’s commitment to their professional development and to building a company-wide culture of learning.
of the program – visioning, strategy, execution, and leadership – are woven through all of the faculty presentations and exercises and our roles as advisors to the participants’ projects,” says Henry Weil, Senior Lecturer at MIT Sloan and the program’s faculty co-director. “Furthermore, we layer innovation concepts and action on top of these four themes to emphasize the dynamics inherent in each of these domains, as well as the proactive roles the executives must play in shaping the processes for each,” adds Professor Charles Fine, the other program faculty co-director.

The company’s most senior managers are actively involved from start to finish. Victor K. Fung personally welcomes the participants and explains the objectives of the program, and Business Presidents, Directors, and C-level executives participate in the classroom discussions and serve as mentors on the action-learning projects.

As the program continues to evolve, the curriculum is updated to reflect the changing needs of the organization. “Each year we take a look at the program in relation to the future. And while the core of it always stays the same – we deliver the same leadership philosophy and the same principles – we can move some of the issues around as the world evolves. And the unique thing that the MIT faculty brings us are the new learnings that are important to the direction of our business,” observes Dr. Lane.

In each year, the program has integrated more deeply the classroom learning part of the program with action learning. “The program takes the senior managers into the supply chain with factory visits and retail-shopping exercises built to give all the Fung Group executives an end-to-end comprehension of the value chain, regardless of where in that chain their responsibilities lie,” explains Fine. Furthermore, information technology plays an important role to tie all the pieces together – each participant uses a tablet loaded with apps and an MIT-built social platform for business learning.

In addition to learning from MIT Sloan faculty, the program gives the Fung Group managers an opportunity to learn from each other and build relationships. “For us, it’s a creation space. MIT provides a tremendous opportunity for that to happen. These cohorts are now connected around the world,” says Dr. Lane. “The program helps build a social network for the executives across the organization,” adds Fine. The cross-firm connections are bringing tangible results, such as new efficiencies in integrated procurement, transportation, and logistics – essential to the company’s continued success. The program helps the managers to think not only about their customers, but about their customers’ customers, and the opportunities and threats that exist along the entire value chain.

“What makes the Fung Group program unique to MIT Sloan is the comprehensive training through a single, unified program of the top 300 leaders of a 40,000+ person organization. The mental models of the entire group leadership team have been enriched and connected through the program experiences designed and delivered by the MIT Sloan School in partnership with the Group Executive Education staff inside the Fung Group,” notes Fine.

For the Fung Group, the value of this program is three-fold: “First, there is a deep knowledge in the faculty of the topics that are of very high interest to us. Second, faculty have a tremendous amount of global learning experience that they’ve gained in working with other firms and can bring to our program that will help us improve both our strategy and our operational practices. Third, the Executive Center gives us a really nice learning environment,” explains Dr. Lane, adding “The program is important. Because every year we promote almost a complete class to the Grade One level, plus each year we make a number of acquisitions that bring new people into the business. We plan on having these two-week sessions every year. This is not a one-off piece for us.”