The Fung Group

THE CHALLENGE

Operating in more than 40 economies, the Fung Group is the global leader in supply chain orchestration for design, development, sourcing, and distribution of consumer goods. 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 Hong Kong-based global sourcing and purchasing giant 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. The Fung Group approached MIT with a need to establish and reinforce a shared business culture among their top 300 leaders and across multinational operations, which include supply chain management, distribution, logistics, and retail.

THE SOLUTION

In 2010, MIT Sloan faculty and Executive Education staff, in partnership with Hong Kong University, delivered a highly engaging program for a group of nearly 200 Grade One managers over a period of six months, with sessions held in Cambridge and Hong Kong. “The initial goals were to help our business leaders understand the principles of strategic thinking, collaboration, 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. While the sizing and rapid timing of the new program was a challenge, the positive impact for the Fung Group was immediate and apparent; the experience led to a quick diffusion of concepts at the upper echelons of the organization.

On an annual basis, the program opens with managers from around the world gathering at MIT Sloan for a week-long session consisting of lectures, case studies, exercises, and executive briefings. During 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. Chairman Victor K. Fung personally welcomes the participants and explains the objectives of the program.

“The four overarching themes of the program—visioning, strategy, execution, and leadership—are woven through all of the faculty presentations and exercises,” says Henry Weil, Senior Lecturer at MIT Sloan and the program’s faculty Co-director. Each year...
Senior managers are taken into the supply chain with factory visits and retail-shopping exercises, providing an end-to-end comprehension of the value chain, regardless of where in that chain their responsibilities lie. Information technology also plays an important role; each participant uses a tablet loaded with apps and an MIT-built social platform for business learning.

As the program continues to evolve, the curriculum is updated to reflect the changing needs of the organization. “MIT faculty bring us new learnings each year that are important to the direction of our business,” observes Dr. Lane.

WHY MIT

For the Fung Group, the value of collaborating with MIT Sloan is three-fold: “First, there is a deep knowledge in the faculty of the topics that are of very high interest to us,” says Dr. Lane. “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. “We plan on having these two-week sessions every year. This is not a one-off piece for us.”

THE RESULT

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 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 also about their customers’ customers, and the opportunities and threats that exist along the entire value chain.

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. And 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.

“THE RELATIONSHIP WITH MIT SLOAN IS ONE THAT ADDS VALUE AND REINFORCES OUR COMMITMENT TO LEARNING. WE ARE PREPARED TO BRING OUR PEOPLE FROM ALL OVER THE WORLD TO CAMBRIDGE, MA, TO SPEND TIME TOGETHER LEARNING IN THIS ENVIRONMENT.”

DR. LEONARD LANE
Group Director Leadership Development
The Fung Group