

The structure of business: The New York garment industry

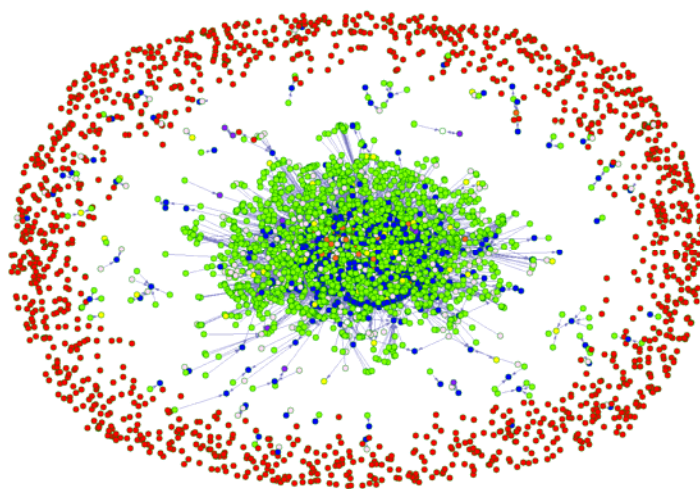
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We view the supply network as the structure of interrelated supply chains that integrates and synthesises the relationships between different firms. The New York garment industry exhibits a dynamic supply network which interconnects sourcing, design, production, processing, and merchandising functions embedded in different firms through market and relational mechanisms. The structure of this supply network is of particular interest because it has not been centrally designed or stipulated, but instead is an emergent outcome generated by behavioural rules which apply to firms and the links between them. We use empirical data to analyse the New York garment industry from 1985 - 1995, and using a combination of network and supply chain theory, show how a dynamic inter-organisational network can be characterised by a natural structure. In line with much recent work on the statistical properties of networks, we focus on the link between local and global network properties, in order to better understand the supply network's properties and behaviour. On the basis of this structural analysis, we identify certain characteristics that we believe are necessary for a functional trading network.



Graphical representation of the 1985 snapshot of the New York garment industry. In the centre of the figure is located the main supply network or giant component with 65.95 percent of 4786 firms found in this year. The graphical position has no relation with physical location.