Abstract
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Configuring capabilities in ambidextrous supply chains

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Key words: Ambidextrous supply chains, capabilities, configurations
1. Introduction

When firms, for competitive reasons, simultaneously participate in market segments that differ in their product development speed, supply chain management becomes vastly complicated. Participating in alternatively paced markets (e.g. Lo and Power, 2010; Selldin and Olhanger, 2007) managers increasingly seek to work with ‘ambidextrous supply chains’, which require a blending of both efficient and agile supply chain capabilities (Vorst et al., 2001; Selldin and Olhanger, 2007). Little is known about how supply chain managers deal with associated challenges in their daily work when working with ambidextrous supply chains. Thus, the key questions of our paper becomes how do supply managers cope with managerial challenges when working in an ambidextrous supply chain context?

Supply Chain Management aims at improving the long-term profitability of supply chain partners (Mentzer et al., 2001) through integrating demand and supply management within and between companies (CSCMP, 2012). According to Hult et al. (2007) supply chain management involves value-adding relation of partially discrete but inter-reliant business units which cooperatively transform raw material into finished products through different network structures. Managers dealing with ambidextrous supply chains at the same time, however, face additional challenges because their company participates in several product markets that are alternatively paced (e.g. one fast, one slow). For example, prior literature highlights product market characteristics as key contingency in designing supply chains (e.g. Fisher 1997, Lee 2002). If demand uncertainty is high (rather than low) an agile (rather than efficient) supply chain configuration is recommended. However, when supply chain managers seek to serve ambidextrous markets at the same time and those markets exhibit different product development
speeds and different degrees of uncertainty, matching product market characteristics with supply chain design is far from straightforward.

Even when firms operate in a single market, empirical studies (e.g. Vorst et al., 2001; Selldin and Olhanger, 2007; Lo and Power’s, 2010) only partially confirm a matching between the level of demand uncertainty in product markets and supply chain configuration. Instead, companies appear to operate along a supply chain frontier, thus, raising the possibility of operating profitably through a ambidextrous or leagile supply chain configuration --- combining elements of efficient and agile supply chains (Vorst et al, 2001). However, the implicit notion behind these suggestions is to set up a kind of optimal design for a single supply chain. Unfortunately, little is known on how to set up a kind of optimal supply chain design when operating many supply chains at the same time and how supply chain managers work with so many supply chains and how associated combination efforts influences supply chain managers’ behaviour and choices when seeking to calibrate especially their sourcing capabilities.

Managing ambidextrous supply chains is increasingly common in practice. Due to a dearth of prior empirical insights and limited theoretical guidance on managerial practices in ‘managing ambidextrous supply chains simultaneously’, this paper explores through a grounded case study (Yin, 1989; Glaser and Strauss, 1967) how managers pursue such strategies in the practice of a fashion firm --- ScanFashion. Specifically, we examine a transition process where a fashion company combined fast fashion practice with slower paced supply chain management practices in an increasingly competitive market.

Based on our empirical work, we contribute to the literature and managerial practice in several ways. While prior supply chain management research presents an increasingly rich
understanding, researchers have also noted that many gaps remain, especially at a managerial level (Ozcan and Eisenhardt, 2009; Kotzab et al., 2011): Insights on what supply chain managers should be doing (in theory) dwarfs the amount of research on what managers actually do (in practice). In this paper, we highlight a managerial perspective seeking to unpack challenges and managerial practices used in the context of managing ambidextrous supply chains simultaneously. We further contribute by outlining an empirically grounded conceptual understanding of trade-offs and decision making heuristics that managers need to heed when configuring ‘ambidextrous supply chains.’ To this end, the remainder of this paper proceeds as follows. We first outline our (a) research context and method before (b) presenting and (c) conceptualizing our findings. Finally, (d) a discussion of conclusions and managerial implications for the practice of simultaneously working with ambidextrous supply chains follow.

2. Research context and method

2.1 Industry context

The context of management processes is important for understanding how managers make sense in particular business situations (e.g. Pettigrew, 1992, Ring and Van de Ven, 1992). The fashion industry is a particularly well suited context for the study of emergent supply chain management practice (Christopher and Peck 2001; Kotzab and Walenta 2006; Fernie and Sparks 2009; Fernie et al. 2010; Lou et al. 2009): Companies in the fashion industry are perhaps at the frontline of adapting so-called fast fashion practices that complement prior used supply chain management practice more suited to a fashion company’s slower paced product lines.
Today, supply chain managers in the fashion business are facing increasingly short lifecycles, a high volatility and low predictability as well as a high level of impulse purchasing (see e.g. Christopher et al. 2004; Fernie and Sparks 2009; Fernie et al. 2010). While in the past, long lead times caused negative effects for the supply chain members (see, Iyer and Bergen 1997): either too less stock and too high stock-out or too much stock and too many markdowns (e.g. Christopher and Peck 2001), adopting additionally fast supply chain practices that supplement slower managerial approaches has become increasingly a necessity in the increasingly difficult fashion world (Christopher et al., 2004; Lou et al. 2009).

2.2 Method choices

We conducted a grounded longitudinal case study of ScanFashion (Eisenhardt, 1989; Yin, 1989; Glaser and Strauss, 1967) --- an explorative research design, particularity suited to explore the new phenomena of managerial practices associated with an ambidextrous supply chain context. We entered the field with three broad questions that were prompted by initial encounters with supply chain managers of ScanFashion: (a) What particular challenges do supply chain managers face when managing ambidextrous supply chains simultaneously?; (b) How do supply managers cope with complexity challenges when managing ambidextrous supply chains simultaneously?; (c) What are the key success factors when working with multiple supply chain strategies? To address these questions we collected and analyzed data as follows.

Data collection: We took an explorative approach (Yin, 1989) concentrating on theory development in favour of theory testing. By implication, interviews are particularly well-suited as they allow to “map novel, dynamic, and/or complex phenomena ignored or inadequately explained by existing theories” (Daniels and Cannice, 2004). The data were collected by 3
researchers throughout the years 2008-2010 from 79 interviews with the case company ScanFashion and its suppliers. We intentionally spoke to informants at different levels of the supply chain organization in order to assure data representativeness, and sampling data from stratified sources which appropriately represented the organization or the phenomenon studied. Towards this goal, we also interviewed major suppliers from different locations and size, representing different relationship types. In addition to personal interviews, other sources of primary data included telephone interviews and email correspondence. Finally, archival data such as consulting reports, internal documents and websites were also employed by the 3rd researcher to corroborate the findings of the first 2 researchers across the case study and provide internal control for researcher bias.

Data analysis: Informant opinions were controlled by circulating a preliminary copy of the research findings among the interview respondents. We also held a number of follow-up interviews via email and telephone in order to solicit qualifications and criticism to our initial conclusions in order to correct for researcher bias and increase the internal validity of the qualitative research. In addition, we participated in the monthly meetings of the supply management team (that is, chief designer, product development manager, international product manager, and international sale manager) of the case company, lasting one hundred and twenty to one hundred and eighty minutes. Twenty additional semi-structured interviews followed up with why and how questions where uncertainty remained. The general purpose of the meetings was to discuss relevant partner activities, the status of the individual supplier activities, and fire fighting on burning supplier platforms. Furthermore, we participated in informal socialising events organised by the case company during four supplier events conducted during the cycle of
the collection developments process. Finally, we were added to the supplier’s mailing list and obtained access to all project documents. The access to ambidextrous sources of information allowed us triangulation of various data sources to strengthen the robustness of our findings.

As is typical in inductive research, we analysed the data by first synthesising the interviews, combining transcripts and archival data and constructing the individual case study from several perspectives (Eisenhardt, 1989). Data was analysed through qualitative content analysis using: 1) inductive categorisation, where categories, themes and patterns emerged out of the interview material itself, and 2) deductive categorisation, which meant that categories were built based on prior literature (Strauss & Corbin, 1990). We documented the data analysis, checked for researcher bias, triangulated our findings with secondary data, and obtained feedback from informants on different levels of analysis (Miles and Huberman, 1994). Cross comparing different data sources, interviewee opinions were triangulated with company reports, other secondary data sources, and by interviewing additional informants.

The data were coded using guidelines from the Straussian tradition of grounded theory (Strauss and Corbin, 1990). Grounded theory is an especially useful methodology to employ when a phenomenon has been little explored (e.g., practices associated with managing ambidextrous supply chains simultaneously). The Straussian tradition encourages the researcher to employ prior knowledge and understanding (e.g., literature from related disciplines) to shed light on the phenomena being examined, in contrast to the Glaserian tradition, where the researchers draw conclusions entirely from the data (Glaser, 1992). In this case, prior understanding from the supply chain literature revealed design factors and important choices that guided our investigation. We created “open” codes initially to identify patterns in the data and steadily refined the codes as our understanding of complexity challenges and coping strategies in
working with ambidextrous supply chains simultaneously increased. We converged upon four top-level codes and several layers of sub-codes within them. Briefly, the codes were: (i) pace of product markets, (ii) relationship type, (iii) supplier locations, (iv) complexity challenges, and (v) managerial practices. Pace of product market were derived from the supply chain management literature interested in the relation between product market uncertainty and supply management approaches as applied to the in the fashion industry (e.g. Fisher 1997, Lee 2002, Christopher et al., 2004; Ferdows et al. 2004). Specifically, we employed five top-level dimensions including: time to market; demand uncertainty; postponement; agile; efficient; and sequential vs. simultaneous. Codes for relationship type were based predominantly on partnering types as identified in the supply chain literature (Kotzab and Teller, 2003; Simatupang et al. 2004) included concepts such as requirements management, quality assurance, trust, opportunism, interdependencies management, and time horizons. Codes for supplier location stem from the specialized supply chain literature (Sinha and Kotzab, 2011; Kotabe et al. 2003) and include cognitive distance, cultural distance, legal distance and institutional distance between supply chain partners. Finally, codes for managerial challenges and practices emanate from the literature interested in supply chain management practices and include sub-codes such as challenges, simultaneity, coordination, resistance, and power (Kotzab et al., 2011).
3. Findings:

3.1 Ambidextrous supply chain management practices. During the time of observation, ScanFashion, our case company operated in the hyper-competitive environment of the European fashion industry, signified by tough price competition, increasingly rapid collection succession, as well as increasing international sourcing. These competitive developments garnered significant interest among the top management team into improvement possibilities in the context of managing international supplier chains, especially, on how ambidextrous inter-firm dependencies with suppliers could be managed to synchronize approaches and practices in product development, design, sourcing, and production. Having experimented with simultaneous management of ambidextrous supply chains for about 5 years, ScanFashion, by 2008 successfully competed in both fast and slower moving segments of the fashion market.

More specifically, ScanFashion operates within the female fashion clothing and accessories segment, which competes mainly on price for the trendy products targeted at fifteen to forty year old consumers. The company was founded in 1990 and employs two hundred and ten people worldwide who design, develop, source, sell and do the marketing for the ScanFashion’s brands. ScanFashion’s clothes and accessories are mainly sold in Europe. The home market, Denmark, is still the most important in terms of revenue, but is closely followed by Germany, Sweden, Benelux, Switzerland, the UK and Ireland most recently. Fashion items are sold mainly via branded stores, but also through several independent retailers. Whereas the first independent ScanFashion shop opened in 1990, today, ScanFashion has more than one hundred and fifty shops in its country markets including direct owned stores, franchises, and concession stores.
Traditionally, the company offered new products to the market four times a year. The product quantities, styles and delivery schedules were decided far in advance of the season, and reordering was only allowed if stocks were available. However, the market and competitive landscape changed with the arrival of the new century. Demand from consumers and competition from high-street fashion firms offering the latest trends on a weekly basis had a significant influence on ScanFashion’s strategy. The Managing Director recalled the time when the market became much more competitive and demand began to change rapidly:

“Fast fashion had a huge impact on the fashion industry by that time [at the beginning of the century], so if you were in a commercial segment for young customers, you either joined the industry trend or re-positioned, or you were simply out of the market.”

Accordingly, ScanFashion had to respond by adding new styles during the season to keep up with the market changes. The Managing Director described the company’s response to the uncertain market:

“With the decision to compete, we decided to develop catch-up collections to offer updated fashionable products. Today, catch-up collections are offered monthly with much shorter lead times to reflect real-time fashion trends and quickly evolving consumer tastes. Exploration of new product designs for keeping up with every market change is organized separately from, but tightly coordinated with, the ‘main collection’s’ design department.”

Today ScanFashion simultaneously serves different market segments. It tried to keep its fashion identity and explored new styles to meet changing consumer demands. This, however, also required a supply chain organization, which simultaneously catered to alternative segments served. As indicated in table 2 below working with ambidextrous supply chains comes with specific key challenges, as well as associated managerial practices that are discussed in detail in section (3.2) and (3.3).

Insert Table 2 Approximately Here
3.2 Configuring capabilities for ambidextrous supply chains

Balancing between capabilities conducive for both slower and faster paced market segments was perceived as a complicated management task. In the following, we describe five specific challenges (e.g. orchestrating long range planning and agile response; ensuring coherent appearance; hedging enhanced supplier risk; reaching creative synergies, and applying qualification criteria for diverse suppliers) that surfaced when analysing ScanFashion’s ambidextrous supply chain approach.

**Combining long range planning and agile response:** Sourcing for different types of collections required the simultaneous management of different speed in supplier relations. As the Production Manager Assistant explains, “... *some fashion trends last long and can be foreseen, some are fads and only emerge clearer when the season starts or few months before the season, yet, serving different markets we have to manage both simultaneously in our supply chain.*” The Chief Designer shares the same view and explains that the company manages four main collections per year corresponding to the four seasons of a year and twelve additional catch-up collections. The catch-up collections are offered in-season to “catch-up” for what is missing in the main collections when the trend of the seasons is evident, that is, when the demand patterns in the season indicate new trends. Country sales managers are enabled to send the designers their suggestions for samples of clothes which can then be quickly produced and delivered to the stores. The Production Manager explained, “... *planning of the main collection is six to ten months ahead, the catch-up collections take one to four months before the products can be delivered to the shops. The production of ‘catch-up- collections’ can be done by the same suppliers and the delivery can be completed together with the main collections of the current season or the next season.*” In the words of a supplier: “Added complexity requires flexibility
from the suppliers...and this is not only an issue of production capacity but this also concerns the mind-set of the supplier”. A main implication of using a particular constellation of basic, main, and catch up collections in the examined supply chains is that sourcing managers do need to constantly live, act, and decide on supplier relations that concern design-to-market cycles that are paced differently.

Ensuring coherent appearance: Managerial challenges in the context of simultaneously managing ambidextrous supply chains obtain when fast and slow collections are sold side by side in the same shop, but different collection items are sourced from different locations. For example, blouses, jerseys, knitwear, jeans, glasses, belts, shoes, etc., are produced by different suppliers in different locations ranging from Egypt, Turkey Vietnam, and India. To make all these suppliers comply with one theme, that is, to synchronise the look and feel of all products in a coherent overall offer appeared as a specific managerial challenge in the context of managing simultaneously ambidextrous supply chains. An international sales manager stated: “When facing customers, our offer is a overall composition of items...in the background, supply managers do the hard job combining all items from suppliers around the world.”

Hedging enhanced supplier risk: Dealing with different suppliers simultaneously appeared instrumental in accessing relevant production capabilities under time pressure. Especially, during times of capacity shortage, the ability to rely on a second source of supplies reduced the risk of stock outs and slow replenishment. Thus, including several types of suppliers can help hedge supplier risks. However, ‘main’ and ‘fast collections’ required different sets of supplier relationships. As a product developer noted, “sourcing for our main and fast collection requires different management styles, contracts, and ways of dealing with each other.” Although including different types of suppliers in ScanFashion’s portfolio did contribute to hedging
fashion risks, complexity challenges increased due to the additional inclusion of non-overlapping suppliers and supply management styles

**Applying qualification criteria for diverse suppliers:** Qualification criteria for suppliers of slow and fast collections do differ, thus, adding complexity for sourcing managers involved. The ‘main collection’ requires readiness at two important points of delivery: selling samples and real product delivery. The real product delivery can be further divided into two or three deliveries stretching over the whole season, but orders for one main collection sent to factories are fixed to one time after the selling seasons. For main and basic collections, the garment suppliers usually know about the main collection from the point that designers send in production files for samples, so they can already plan the production half a year in advance. The bulk production usually takes two to four months, from the point where it is ordered. As the main collection is designed and agreed on with suppliers a year in advance, it is hard to predict which trend will hit the market a year later. Qualifying as a supplier for catch-up collections requires being ready whenever ScanFashion requires. Catch up collections do not have fixed schedules in terms of time and quantities, and therefore pose much greater flexibility requirements. The production capacity has to allocate suitable material found, and the transport of the finished collection needs to be arranged in very short time spans. Considering a wide range of diverse quality criteria for suppliers created additional complications in the context of simultaneous management of ambidextrous supply chains.

**Reaching creative synergies between collections:** Because suppliers are locally dispersed, it appeared challenging to communicate learning from failures and solutions across relevant suppliers participating in ScanFashions’ multiple-supply chain. Synchronising dispersed suppliers required the development of a shared language to facilitate the sharing experiences, to
coordinate actions and interests. A designer explains, “…storytelling about fashion collection is a preferred form of spreading experience and developing shared knowledge across our suppliers”. Such storytelling creates common ground, which helps aligning expectations, sharing experiences and challenges, as well as facilitating joint imaginations. A shared common ground and participation in storytelling in “our supplier portfolio can be used to deliver creative input that plugs easily in our own imagination,” highlights a designer.

3.3 Managerial practices

Our analysis also revealed the importance of three interrelated issues associated with managerial practice in managing simultaneous ‘ambidextrous supply chains’, including (a) managing proximity to suppliers; (b) managing relationship styles and building social capital, and (c) portfolio management of suppliers.

Managing proximity: The supplier base of ScanFashion is substantially more global as compared to its sales organisation. ScanFashion purchases from China, India, the Baltic States, as well as from countries in closer proximity such as Egypt, Turkey and Portugal (especially for the ‘catch-up collection’). When ScanFashion experienced serious problems through delays in the production and supply processes, supply chain managers at ScanFashion attempted to balance delivery speed and cost requirements associated with the diverse product markets served. A crucial issue in this context was to manage proximity to suppliers. ScanFashion initially distinguished between close to output market suppliers for the introduction of the fast catch-up collections and long distance suppliers for cheap basic items. A supply manager explained, “…fashion sensitive products are usually sourced at closer proximity, in close cooperation with reliable and committed suppliers … less trend sensitive and basic fashion items can be sourced
in remote location and this is a long range process.” Overall proximity management remained a constant issue in management discussions. The Production Manager summarized how the understanding of proximity management evolved: “...staying competitive for basic items meant to change supplier location all the time; else, we would have to change the target group as prices in original locations kept rising...” When we were overburdened with the process of location change, he continued to argue, “…we decided to develop particular good supplier relations, we seek to share location risk and jointly drive costs down.”

**Building social capital for managing relations:** Engaging in trusted and good relationships with suppliers was considered as a means to achieve in-point delivery and flexibility in managing supply chains. However, achieving the required delivery speed appeared as a tricky thing to do. ScanFashion, as a small company, also does not command sufficient bargaining power. Unlike large fashion companies (e.g. Zara and/or H&M), which were able to make substantial progress in terms of inventory turnover, and greater full-price sell-through (e.g., fashion items sold without discount reached approximately eighty percent), the situation of a smaller fast fashion company such as ScanFashion is vastly more complicated. While bigger companies with larger order volume may be able to lock-up capacity, not just at garment suppliers, but also fabrics and yarn suppliers, ScanFashion operates at much smaller scale. As a consequence, the company’s order capacity and/or bargaining power is not big enough to either reserve the fabric stocks from fabric suppliers, or to reserve the production of fabric and yarn dying. What ScanFashion does, in compensation for this, is use left-over fabrics at garment factories from other’s and own main collections for designing own express collection. Another way to deal with such problems was to engage in frequent buying, which reduces excess stock, markdown risk and out-of-stock/lost sales but increases ordering costs. Overall the company decided to develop close relations with
some selected and trusted suppliers of fast fashion items. As product developer noted, “...to guarantee a psychological lock-in, we nurture a longitudinal relations with suppliers...we substitute bargaining power with good will.” A supplier representative suggested, “...using smaller volumes, simply pushing timing risks via postponement to us as suppliers is prevented, and vertical backwards integration to ensure full timing flexibility cannot be profit-justified for small firm such as ScanFashion. The Production Manager of ScanFashion added: “We have no choice but to rely on good relationships with our supply chain partners...and part of our success is to delight our suppliers through reliable in-time payments (not always common practice in the fashion sector)...also, we do support suppliers where we can through advice, early information, and sharing supply risk were we can.”

**Supplier portfolio management.** While managing proximity to suppliers and building social capital with them appeared important, dealing with an increased number of suppliers in ambidextrous supply chain was addressed through ScanFashion portfolio management approach. As the Production Manager Assistant explained: “Underlying our portfolio management framework is the premise that supply chain managers must prioritize one out of three basic portfolio choices, be it location, number of suppliers, and contracting style.” The analysis of ScanFashion’s supply-chains revealed serious constraints on the ability of supply chain managers to optimize all three key choices simultaneously: doing so appeared to exceed most supply managers cognitive capacity. As a consequence, for fast production and delivery, the company sought to source more of their products from the same suppliers who made the main collections in a particular season, rather than sourcing from new suppliers, regardless of their proximity. As a long standing partner, a specific supplier would understand the products and season themes easily, while adding new suppliers would creates challenges in fabric supply. In other words,
transaction costs for theme communication, fitting, sizing, etc., increase if a new supplier is substituted for repeated interaction. Clearly, ScanFashion managers did heed a trade-off between the number of suppliers and the depth of relations that one can have with each. Having fewer suppliers enables a greater depth of relations. Conversely, having more, rather than fewer, suppliers helps decrease dependence on each. Nonetheless, as the Production Manager suggested: “Usually, we bet on good relations with specific suppliers and manage proximity accordingly...”

3.4 Managerial heuristics

Managers engaged in the above ambidextrous supply chain practices rarely optimized clear cut tradeoffs in a strict economic sense. Instead, they exhibited decision-making using heuristics that we summarize under the emerging headings ‘sensemaking’; ‘synchronizing’; ‘compromising’, ‘power play’, and ‘deference’. Decision-making using heuristics appeared to substitute for rational decision making in the practice of managing ambidextrous supply chains simultaneously. Especially, when decision situations are characterized by ‘time pressure’ and ‘incomplete information sets.’ (March, 1994) meeting challenges of working in ‘dual ambidextrous supply chains’ cannot be reduced to choosing between well known supply chain design alternative (e.g. agile vs. efficient). The following codes (in order of frequency) appeared most frequently in our transcripts on managing in ambidextrous supply chains.

- **Sensemaking (N=56):** Respondents indicated that when addressing challenges when managing ambidextrous supply chains simultaneously, they engaged a substantial amount of their time in sensemaking in cooperation with other supply chain partners.
Sensemaking activities included information search, perspective taking, and developing joint understanding among managers involved in different supply chain parts.

- **Power Play (N=51):** Because managing ambidextrous supply chains involved also conflict of interest between different sourcing managers, a substantial amount of managerial time was also spent on haggling and seeking for attention of suppliers, interpreting problems, distinguishing joint from adverse interest etc.

- **Synchronizing (N=46):** Respondents indicated also that they engaged a substantial amount of their time in synchronizing activities which included mutual adaptation to colleagues and suppliers time perceptions, the coordination of orders with particular suppliers and across suppliers of collection items.

- **‘Bricolage’ (N>37):** Managers involved also indicated that meeting their challenges task involved make-do approaches rather than seeking optimal solutions. Sub-codes associated with Bricolage included tinkering, trial and error learning, and compromising, just-do-it approach.

- **Deference (N=32):** More often than not problems and challenges were also deferred rather than addressed. For example, when developing supplier guidelines, a lengthy discussion and conflicting interest often did lead to the deference of supplier access quotas and not its resolution.

Taken together our data indicated that in the context of working in ambidextrous-supply-chains when engaging in diverse managerial practices (e.g. managing proximity, building social capital, and supplier portfolio management) supply chain managers in practice rarely engaged in optimizing the situation by choosing between well known alternative. Instead they engage in
heuristic driven decision making, and action without complete information sets. Consequently, when addressing ambidextrous-supply chain challenges (e.g. combining long range planning and agile response; ensuring coherent appearance; hedging enhanced supplier risk; reaching creative synergies between collections) a substantial amount of time is spend on decision support activities such as sense-making, power-play, deferring problems, bricolage, as well as synchronizing decisions, actions, and understanding under time pressure.

4. Discussion and Conclusion

So far the supply chain literature discusses supplier management in a generic way largely disregarding the issue of managing ambidextrous supply chains simultaneously. Emphasizing the management of ambidextrous supply chains, our research contributes by complementing recent work in the supply chain literature. Our focus on ambidextrous supply chains extends Simatupang et al. (2004) work, which examined how coordination was executed in a specific fashion supply chain. Our research also highlights supply chain flexibility in an uncertain environment (e.g. Yi et al, 2011), but our analysis emphasizes the complexities of a simultaneous supply chain approaches. Our findings also lend further support to Lo and Power’s (2010) suggestion that product nature is not always aligned with supply chain strategy, an argument, especially salient to our research context of ambidextrous supply chain approaches inside a single company. Overall, our findings emphasize that fashion companies may not only participate in one but in several and totally different supply chains. Here our research reveals managerial challenges, presents several insights on supply chain practices and managerial behaviour; as such it has managerial implications and presents several fruitful avenues for future research.
While the literature on agile supply chains seem to emphasise fast processes, our case illustrated that the reality of competing in different fashion segments requires combining fast and slow processes at the same time. As what regards the management of ambidextrous fashion supply chains, the benchmark company appears to be Zara with its super-responsive network management allowing rapid-fire fulfilment of consumer demand (see Ferdows et al., 2004). However, one of the key success factors of Zara’s SCM approach may well be its vertical upstream and downstream supply chain integration as well as in sheer size, which confers market power. When it comes to small and medium sized companies, such as ScanFashion, that are relatively small scale and not vertically integrated, managing ambidextrous supply chains is cast in a different light.

Like larger fashion companies, small companies like ScanFashion operate in high-speed environments, where time to market is crucial for both first moving and fast following companies. Under such conditions, Christopher et al. (2004) suggests that time-to-market is crucial for success in the market place. However, if imitation barriers are low, the time-to-react, which is the time needed to adjust the output of the business in response to volatile demand and/or competitor moves, is equally important. Unlike larger fashion companies that operate with market power, managing ambidextrous supply chains without much market power, as our research highlights, requires social capital and managing good relations with globally dispersed suppliers.

Our findings also show that the drivers of ScanFashion’s value creation in managing ambidextrous supply chains simultaneously point to a crucial supply chain management capability (Mason and Leek, 2008): supplier portfolio management. While traditional approaches to commercial success emphasise the importance of solid alliance relationships built on trust and
commitment, complemented by an active approach to knowledge exchange in order to achieve outstanding performance (e.g. Kraljic, 1983; Wagner and Johnson, 2004 or Geldermann and Semeijn, 2006), an emergent perspective highlights the importance of viewing multi-partnering and ambidextrous location management as a portfolio problem that defies easy optimization.

Our research suggest continues and extends this line of literature. Common to previous portfolio approaches is that all look into product characteristics and purchase situations, supplier characteristics and supplier relationships proposing generally valid suggestions on how to set up supply strategies within one supply chain (may they consist of a single or various product groups). In our case, ScanFashion deals with ambidextrous supply chains. When managing ambidextrous supply chains, it is obvious that not all supplier relations will be alike and accordingly, conditions of their management differ as well. While one supply chain like the one for innovative products require more market responsive processes, emphasizing more modular design to facilitate postponement of product specifications (as suggested e.g. by Fisher, 1997), slow moving fashion items require a different supply chain design. Taken together, our findings suggest that supply chain managers need to be ready to manage both parts at the same time in their portfolio of supplier relations.

Managing ambidextrous supply chains simultaneously has also crucial consequences for the dimensions of supply chain integration (Lee, 2000): Information integration and knowledge sharing (e.g., regarding production plan, inventories, replenishment, and design input); coordination and resource sharing (e.g., the alignment of responsibilities, the division of tasks, and decision making), and organisational relationship linkages (required trust levels, conflict resolution mechanisms, and performance measures). These issues do differ between slow and fast cycle fashion items. It is the exploration of such differences and their implications for
managing ambidextrous supply chains that constitutes an important managerial task and a formidable research agenda that we have started to address in this paper.

Overall, it seems that for ScanFashion the ability to make managerial decisions about when, and with whom to partner, as well as how to structure and manage ambidextrous supply chains simultaneously, can be regarded as a primary source of its competitive advantage. However, understanding the practice of supply chain management is not easily confined to a single perspective on decision making (e.g. rational choice) or to a single scientific discipline (e.g. managerial economics). Instead, understanding practices of supply chain management requires a plethora of perspective, including those that account for behaviour under uncertainty. Generally, our research highlights a stronger need to understand what managers actually do as opposed to what they are supposed to do in theory. While previous literature has emphasized the rational analysis of supply chain choices and associated trade-offs, managers interviewed and observed in this study also engaged in decision making by heuristics while dealing with ambidextrous-supply chain challenges.

As a consequence, our findings emphasize that decision making by heuristics in addition to rational analysis; power-play in addition to cooperation; deference rather than resolution of well defined problems; and, bricolage to supplement ex-ante planned implementation when synchronizing various and partially conflicting actions and understanding that comes with coordinating ambidextrous supply chains. By emphasizing the former (as opposed to the latter) our research urges fresh attention in the supply chain management literature to managerial practice as experienced by supply chain managers working in a ambidextrous supply chain context, and elsewhere.
References


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<th>Informants</th>
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<th>Interviews</th>
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<td>Company management</td>
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<td>Company challenges, strategies and re-structuring processes</td>
</tr>
<tr>
<td>Brand Coordinator</td>
<td>Direct assistant to Managing Director, Coordinator</td>
<td>4</td>
<td>All company activities and changes during the study period</td>
</tr>
<tr>
<td>Financial Controller</td>
<td>Management of finance and accounting</td>
<td>1</td>
<td>Development, changes and overall strategies affecting the financial success of the company</td>
</tr>
<tr>
<td>International Sales Managers</td>
<td>Sales activities based on geographical divisions</td>
<td>3</td>
<td>The coherence of collection, the delivery of final products to the stores</td>
</tr>
<tr>
<td>Chief Designer</td>
<td>Theme setting, style approval and designing</td>
<td>5</td>
<td>Dual tasks of designing both collections, the separation of the catch-up collection unit and coordination during the integration process</td>
</tr>
<tr>
<td>Designers (for all collections)</td>
<td>Designing products</td>
<td>7</td>
<td>Daily tasks, changed tasks, and challenges of coordinating and integrating different collections into assigned themes</td>
</tr>
<tr>
<td>International Product Manager</td>
<td>Coordination of design and sales; decisions on production quantity, calculation of prices, merchandising</td>
<td>4</td>
<td>Coordination and integration at different times</td>
</tr>
<tr>
<td>Production Manager</td>
<td>Coordination, Information sharing, conflict handling etc</td>
<td>12</td>
<td>The coordination between two sourcing calendar, the decision for sourcing and handling complexities</td>
</tr>
<tr>
<td>Assistant to Production Manager</td>
<td>Planning of sourcing, production cost and capacity</td>
<td>7</td>
<td>The sourcing process, term negotiation, optimization of choices and collection integration</td>
</tr>
<tr>
<td>Product developers</td>
<td>Technical product development, Procurement, supplier selection, sourcing of products</td>
<td>10</td>
<td>Sourcing process and choice of suppliers: materials, costs, location, delivery, etc.</td>
</tr>
<tr>
<td>Key Suppliers</td>
<td>Supplying products to Scanfashion (including intermediary agents and contractors represented for different collections)</td>
<td>19</td>
<td>Supply styles and contracting, proximity management</td>
</tr>
</tbody>
</table>

Table 1: Key interview partners
Working with diverse ambidextrous supply chains simultaneously....

<table>
<thead>
<tr>
<th>Market segments</th>
<th>Catch-up Collection (12 times a year)</th>
<th>Main Collection (4 times a year)</th>
<th>Basic Collection (all year round)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time perception</td>
<td>Short term, rapid delivery</td>
<td>Medium term, average speed delivery</td>
<td>Long term, Continuous delivery</td>
</tr>
<tr>
<td>Speed to market</td>
<td>Fast</td>
<td>Medium speed</td>
<td>Slow</td>
</tr>
<tr>
<td>Supplier Risk</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Sourcing location</td>
<td>Near-shore</td>
<td>Near-shore/Off-shore</td>
<td>Off-shore</td>
</tr>
<tr>
<td>Style of contracting</td>
<td>Cooperation</td>
<td>Cooperation/Bargaining</td>
<td>Bargaining</td>
</tr>
</tbody>
</table>

Combining long range planning and rapid response

<table>
<thead>
<tr>
<th>Ensuring coherent appearance</th>
<th>Supplier risk hedging</th>
<th>Qualification criteria for suppliers</th>
<th>Reaching creative synergies between collections</th>
</tr>
</thead>
</table>

....involved key managerial challenges...

and triggered engagement in

<table>
<thead>
<tr>
<th>Managerial Practices</th>
<th>Decision making by heuristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building social capital</td>
<td>Sensemaking</td>
</tr>
<tr>
<td>Proximity management</td>
<td>Power Play</td>
</tr>
<tr>
<td>Supplier portfolio management</td>
<td>Synchronizing</td>
</tr>
</tbody>
</table>

Table 2: Key findings