Sustainable Fashion at Nordstrom

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Linda Peffer sat down at her desk and opened her email. At the top of her list was a link to a report by Forum for the Future called Fashion Futures 2025: Global Scenarios for a Sustainable Fashion Industry which outlined the environmental and social risks that Nordstrom would be facing in the coming decades. Among those risks, the most significant were threats to the Nordstrom supply chain of designer and high-end apparel. The stability of markets for materials, labor, and transportation were seen as increasingly volatile due to global climate change, resource shortage, and political unrest.

Linda serves as the divisional vice president for Social Responsibility at Nordstrom and she knew that she would need to develop a plan to address these threats in the long-term. Her phone rang and Blake Nordstrom, President, was on the other end. He had seen the same report and asked Linda to bring a plan to the management team that would maximize Nordstrom’s ability to leverage their long-term strategic advantage in the marketplace while mitigating the risks that would be experienced by the entire industry and the global economy.

Nordstrom’s business is built on a foundation of exceptional customer service and attention to customer needs. Their ability to be their customers’ retailer of choice is increasingly threatened by shifting consumer expectations and competitive delivery channels. Developing a strategy to secure their supply chain in a resource constrained world will enable them to leverage their customer service brand image while meeting the quality and style expectations of their customers.

Mr. Nordstrom asked Linda to utilize current thinking about the factors affecting the apparel industry supply chain when creating this report. He is interested in turning a potential threat into an opportunity for Nordstrom to gain a competitive foothold in the future.

According to their website, Nordstrom has always followed a simple philosophy when it comes to running their business: Leave it better than you found it. This has been Linda’s guiding principle when building the “pillars” of the Social Responsibility plan at Nordstrom.

The Nordstrom 2012 Social Responsibility Report has multiple focus areas and targets:

Recycling - Reduce total waste sent to landfills and/or incinerators by recycling plastic, glass, metal, paper, corrugated cardboard and organic waste.
Transportation - Reduce carbon dioxide (CO2) emissions through improved fleet fuel economy, carton delivery optimization, and reduced air freight.

Paper and Packaging - Reduce consumption of paper and packaging and increase recycled content in forest products we use (paper, corrugated cardboard, shopping bags, gift boxes, catalogs and collateral).

Energy - Reduce energy consumption through more efficient technologies, elimination of excess energy use, creation of streamlined processes and researching alternative energy sources.

Water - Practice clean and responsible water use in our operations by decreasing demand in our stores, headquarters, and all our facilities, and by encouraging our supply chain partners to adopt more efficient methods and processes.

Human Rights - Ensure the rights and safety of workers in the facilities where we manufacture Nordstrom private label products.

Natural and Organic Food Offerings - Increase the use of organic and sustainably produced food products in our restaurants.

Community Support - Give back to the diverse communities where we do business by supporting organizations who champion arts and culture, education, health, community development and the environment.

Throughout the website, annual report and social report of Nordstrom, there is a consistent message of caring about Nordstrom’s people, communities and customers.

Linda called your team and asked you to create a report to the management team of Nordstrom that addresses their long-term threats and the strategies that they should consider implementing now and over the next few years that will turn those threats into opportunities.

This case provides you an opportunity to use your knowledge and research skills to explore the issues related to corporate social responsibility, supply chain management, environmental and social sustainability and multiple other related topics.

You have the next 72 hours to develop your presentation to the panel of judges who will represent the management of Nordstrom. You will have 15 minutes to make your presentation and to convince the panel that your team’s recommendations represent the best course of action at this time. The judges will then have 10 minutes to ask you questions about your recommendations. Be prepared to defend your position in a professional manner.

You may use any publicly available information about Nordstrom, the apparel industry and trends in sustainability issues. You may not contact the company, or any other organizations for additional information.

This case description and the attached links are presented solely for the purpose of case study discussion. It is not intended to serve as an illustration of effective or ineffective management.

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