

Fashion Failed the 2020 Test—But There’s No Better Time to Reinvent for the Future

By [Kate Nishimura](#)

The 21st century’s global fashion [supply chain](#) is ripe for reinvention. Recent [sustainability](#) and social impact efforts are proving critical to addressing the market’s newfound demand for [transparency](#) and responsibility on the part of brands and their partners.

While pushing the industry toward a more environmentally friendly future has been a focus in recent years—with inventive new [material solutions](#) and [upcycling](#) initiatives stealing the spotlight—the sector must also address the impact it has on human lives, from providing [living wages](#) to providing safer, more productive workplaces.

At Sourcing Journal’s Fashion’s Business Model for Sustainability virtual event Wednesday, a group of industry experts came together to discuss fashion’s new [social impact](#) narrative.

Moderated by Sourcing Journal founder and president Edward Hertzman, the discussion centered on what companies can do in this year to address the issues that have long plagued the industry.

“I don’t know if fashion has gone wrong, or just forgotten that this is why we outsource: for cheap labor,” said Morten Lehmann, chief sustainability officer of Global Fashion Agenda, a leadership forum for industry collaboration on sustainability in fashion.

“We have so many conflicting agendas, and this one isn’t one with easy fixes,” he added. “In navigating the sustainability landscape and all the different challenges, this one hasn’t risen to the top.”

Unfair treatment of the industry’s workers is a systemic issue that’s impossible for one brand to solve on its own, he said. The [COVID crisis](#) has only served to highlight the inefficiencies and pitfalls that all brands have bought into.

“We’ve definitely been choosing suppliers based on price,” echoed Liz Simon, chief sustainable transformation officer at Fashion3, a firm that owns six European fashion brands.

While [third-party certifications](#) and human rights organizations have instituted a degree of order and some important organizing principles for companies to follow, she believes audits serve to control and sanction rather than provide solutions to an issue’s root cause.

According to Lehmann, addressing these issues could begin with something as simple as changing the way companies internally speak about their employees. “Instead of calling them workers, why don’t we call them artisans, because it brings more value to what they are producing?” he said.

When it comes to sustainability, the concept must be drastically simplified in order to mobilize consumers and create real, scalable change, said Akanksha [Himatsingka](#), CEO of EMEA and Asia Pacific for the Himatsingka Group, a vertically integrated home textiles company. “Demand creates supply, and sustainability must be simplified for consumers in order to create demand.”

A “paradigm shift” must take place that permeates every aspect of an organization in order for change to occur, from sourcing and manufacturing to the retail level, she said. “Businesses need to start asking ‘Why are we creating?’” she added. “Because once those energies are infused into the creation process, it slows down the pace of big decisions that have a lasting impact.”

Addressing the issues of visibility and [transparency](#) are paramount to achieving that goal, Simon said.

As an industry, many brands are overly obsessed with [profit](#) and margins, she added, and it has become a barrier to tackling human rights and environmental issues in an effective way.

Balancing [capitalism](#) with advocacy has created a tough situation for brands to navigate, Lehmann added. Companies are fighting to survive this year, but they must ask themselves tough questions, even in an uncertain time.

“They need to ask, are they actually aligned with the winning companies of the future? Will what they’re doing enable them to attract investors, to communicate to consumers in an authentic way? Can they attract and retain the best employees in the industry?”

In the short term, companies may not be addressing these issues, Lehmann said, but in order to build an infrastructure that can weather future storms like the current one, they’ll have to work harder to prepare.

“This was the first test, and the industry failed in terms of how prepared it was,” he said. “Would I want to invest in a company that doesn’t invest in [future-proofing](#) its supply chain? Probably not.”

Simon chided fashion for “operating in a very sub-optimal way for the last 30-40 years.” While it’s never easy to change, brands must turn the tide now—or risk losing increasingly savvy consumers.

An unnamed brand has received a [public thrashing](#) due to rumored issues with compliance and payments to workers, Simon said by way of example. The missteps, which might at one time have remained under wraps, have instead cost the heavy-hitter relationships with retailers, Instagram influencers and consumers.

Companies’ values must evolve “without further delay,” and brands must immediately re-draft their roadmaps for the future of their supply chains, Himatsingka said.

“The future is going to be unforgiving,” she added. “Companies need to understand that.”