THE LEVER FOR INNOVATION IN THE BUSINESS MODEL: INFORMATION SYSTEMS IN THE FASHION INDUSTRY

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Abstract

There's no doubt that today's market is increasingly volatile, complex and competitive also due to the increasing use of new technologies and applications such as mobile devices and social networking. Nowadays fashion companies, operating in contexts characterized by a fast reduction in the times required for production, have to understand at what pace data needs to be gathered, sorted, and analyzed in order to produce insights in time for managers. Furthermore, outsourcing and industrial delocalization has become significant, especially in fashion industries, where currently a large part of their production is made prevalently by foreign contractors with consequent changes in the whole supply chain. Starting from these premises this research aims to test the role that fashion companies assign to information systems analyzing whether enterprises use them basically to reduce the costs of the main company's processes, reducing management time, or whether they are also seen as a lever for innovation in the business model and in the kind and strength of relationship with their clients. From a methodological point of view this study will perform a quantitative strategy of research through a cross-sectional and longitudinal study using questionnaires for data collection.

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1. INTRODUCTION

This research basically tries to find an answer to the following question "information systems are intended as a cost or investment for enterprises in the fashion industry"?

In a world that is shrinking in a progressive manner, in particular regarding the gap between an idea and its feasibility for success, it is important for an entrepreneur who wants to succeed, to understand precisely the difference between costs (operational costs) and investments (capital costs). Very often in a company there is a tendency to make a distinction between "cost" and "investment"; this is expressed in the way entrepreneurs view how a particular item will change drastically as one of the values and how they perceive its potential.

If the entrepreneur sees IT as a cost, then he/she will most likely see it as a single transaction to be performed with great expenditure of financial resources, time and human resources.

On the contrary, if he/she sees IT as an investment, not only do they think of it as a final product, but what it will do for the future profitability of the company. They would subsequently probably be more inclined to evaluate the strategic significance of the implementation of ITS.

Only 1.38% of fashion companies' annual revenue is spent on IT (Celauro, 2011). The size of the IT budget, which on average does not reach 1.4%, rises from 1.15% in smaller companies to 1.67% in larger ones, although in 53% of cases the values are constant and in 27% they increase. Only 30% of this 1.4% of the company turnover is designed for new investments in information systems, which drops to 25% in smaller companies. Add to this the difficulty of investing in the technology sector with a positive outcome; developing an IT system that fits and supports the outsourcing of success is not easy; paradoxically, the information necessary for its own constitution resides outside of these systems and thus becomes complicated by the companies to create a proper integration between them and the needs or opportunities for outsourcing.

There's no doubt that today's market is increasingly volatile, complex and competitive also due to the increasing use of new technologies and applications such as mobile devices and social networking (Arlbjorn, Haas, Munksgaard, 2011, Atwal, Williams, 2009, Varacca Capello, Ravasi, 2009). Nowadays fashion companies, operating in contexts characterized by a fast reduction in the times required, have to understand at what pace data needs to be gathered, sorted, and analyzed in order to produce insights in time for managers. Furthermore, outsourcing and industrial delocalization has become significant, especially in the fashion industry, where currently a large part of production is made prevalently by foreign contractors with a consequent change in the whole supply chain (Brun, et al, 2006, Gereffi and Memedovic 2003; Mitchell 2005; Quinn 1999; Hamel

and Prahalad 1989).

Starting from these premises this research aims to test the role that fashion companies assign to information systems, analyzing whether enterprises use them basically to reduce the costs of the company's main processes, reducing management time or whether they are also seen as a lever for innovation in the business model and in the kind and strength of relationships with their clients.

There are three aspects that we consider to be particularly important for the fashion industry.

The first concerns the structure in the supply chain, i.e. sector organization that goes beyond the traditional succession of stages of production, processing and sales but which also includes cross-cutting relationships and cross-coordination between the different areas of the supply chain (Saviolo, Testa, 2000; Saviolo, Testa, 2002). The second aspect consists in the frequent recourse to subcontracting specialty that is a specific reason precisely in the particularity of the activity performed (Ricciardi, Pastore 2010; Ricciardi, 2010). The third characteristic, finally, concerns the presence within these enterprises of a widespread logic of collections; an activity, in fact, which revolves entirely around these events that affect management. In all this innovation, not only in its physical components but also in its intangible aspects, related to the ability and the tools and information management, logic of collections is presented as an important lever to defend the competitiveness of companies (Fiocca, 1984; Ciappei, Sani 2006).

2. LITERATURE REVIEW

Nowadays fashion companies are facing several important challenges. They are increasingly summoned to reduce production times, to enlarge the range and typology of products, to reduce the time to market, to improve collaboration and the sharing of information among the different actors of the value chain (Chu, Lee, 2006). They are also expected to manage suppliers located in different and far off locations, and to create realistic simulations of the product in a digital form in order to reduce physical samples (Choi, 2006). Furthermore, like many other industries, fashion companies also need to reduce costs. Often this need results in the delocalization of production and the acquisition of raw materials in emerging countries (Donohue, 2000).

In such a context, information technology has impacted in many ways and in different parts of the value chain implying change in the organization's flexibility and level of responsiveness (Nenni, Giustiniano, Pirolo, 2013).

Competition in the fashion industry is more and more clearly related to the time variable that affects aspects related to design, production and distribution.

In this respect, the increase in the number of annual collections and the creation of mini-collections during each season is a recent phenomenon in the progressive enlargement in the fashion industry (Vona, 2004). For the firms in the fashion industry reducing the lead time of the collections, minimizing the inventories and developing partnerships have become strategic imperatives.

This requires a management-type that is reactive to the market and, at the same time, an organization based on integration between the different phases of the supply chain.

Consequently, a larger flexibility in production that brings out relationships of coordination and dependence among the different actors is necessary. Such types of collaboration are increasingly evolving towards forms of partnerships involving actors from different countries.

Efficiency, innovation and internationalization are revealed as being three competitive levers that have an increasingly important role in the fashion industry. The efficiency in production implies cost containment, innovation, in the products and processes, changes in the type, frequency and variety of the collections, as well as in logistics and information systems. The internationalization entails finally an expansion in the market and an ever more frequent recourse to outsourcing. The choice of production relocation is increasingly adopted by companies in the sector. This is often due to higher production costs in Italy, the complex bureaucracy and the sometimes lengthy responses from government.

From an operational point of view today it seems to be more and more relevant to have accurate and timely information flows, which are able to ensure "protection" and control the different stages of processing. In this direction convincing support can be funded into Business Intelligence (BI) and Enterprise Resource Planning systems (ERP) (Thomas, 2001; Davenport, 1998). Business intelligence systems combine data gathering, data storage, and knowledge management with analytical tools to present complex internal and competitive information to planners and decision makers (Moss, Atre, 2003). Business intelligence presents information in a timely and easy way providing the ability to understand business information through analysis and queries (Azoff, Charlesworth, 2004). In the same direction ERP systems allow one to integrate legacy information systems across different areas of an organization (Davenport, 2000). Such kinds of innovations are mainly suitable for the fashion industry to manage and integrate business processes among various organizations, minimizing information sharing time and streamlining the business processes, becoming a real source of competitive advantage (Simon, 2012).

Though BI and ERP systems companies can manage their processes more efficiently and effectively, minimizing all the costs (direct and indirect) related to production, outsourcing and delocalization and reducing the asymmetrical and incomplete distribution of information between the different actors (Abramovsky L., Griffith, 2006).

The integrity of the supply chains is a factor which is unique to the world. In recent years there have been changes in the level of domestic production; including the outsourcing of some of the stages of the production process (Forte, Mantovani, 2005). Obviously, the choice of internationalization of the supply of raw materials, manufacturing processes, the acquisition of finished goods, etc., require new management systems, which

enable the company to deal with the complexity that is gradually increasing. An optimization of control processes and information systems within a company is required, so you can limit what we can define “agency costs” (Forte, Mantovani, 2005).

In recent years, the increasing complexity and heterogeneity of demand has led to a "micronization" of markets; this operation is performed in order to identify more clearly the differences in terms of the needs of the application (Lipparini, 2002). The ability to manage the trade-off in terms of speed of response, low prices, high variety is evidence of a managerial orientation focused on efficiency, to which is added, a strong focus on the commercial materialized in innovative format distribution and the coordination of an international sales network.

The level of productivity was unchanged in the Italian manufacturing sector, despite the marked reduction in production volumes; however, the negative gap with major competitors remains very large or has even widened further. On the other hand, the cost of labor has continued to rise and has expanded the loss of competitiveness (Luglio, 2003). Companies, during the crisis, have been defending the jobs to retain the skills necessary to be able to compete on international markets, which is oriented toward an even larger turnover. The reorientation of the revenues from exports was certainly exacerbated by the weakening of internal demand. But it is, however, inevitable in order to fully grasp the opportunities of a global industrial system that has become multi-polar as a result of the rise of a large group of emerging markets in terms of size and dynamism. The last three decades, with the complicity of unique events (the fall of the Iron Curtain, the political changes in South America, China's entry into WTO), have changed the history of the global industry. The head of the advanced WTO was accompanied by a set of emerging countries, but mostly composed of non-small economies with a very high tonnage and continental growth (Grandinetti, Rullani, 1992). The advances in emerging industries occurred at rates that were especially high in China, India, Eastern Europe, Turkey, Indonesia and Taiwan. Among the advanced performers stands out Korea, with a rate of growth equal to that of an emerging country, so that it nearly doubled its share of world production. Slower steps have been recorded in the U.S., the Netherlands and Germany and a real setback in activity levels in Japan, France and Spain (Confindustria, 2013). Italy has had the worst performance in real terms, using current exchange rates, and still keeps the seventh position in the overall ranking of industrial output, second in Europe only to Germany, which has, however, almost doubled.

The processes of internationalization of companies in Italy have strong characteristics of specificity, mainly due to the prevalence of small and medium-sized enterprises (SMEs) and to the influence of the industrial districts in which they are inserted. It is a model of development certainly antithetical to those focusing on the function and primary driving force of the big multinationals (Grandinetti, Tabacco, 2003). In the past, companies were successful thanks to the role played by the industrial districts, whose membership was able to largely compensate for the individual limits (especially in relation to the size of the scale to be achieved and investment capacity for innovation) and, at the same time, it was possible to amplify the success factors of individual companies, mainly in terms of transfer of knowledge, dynamism and the ability to adapt quickly to market changes (Corbellini, 2004). This condition occurs more easily in the sectors that are most sensitive to the components of flexibility and in which the weight of investment in research and development is less present. Typically, the traditional sectors with lower technological content and more characterized by rapid changes in demand are those in which the potential of domestic SMEs is better expressed (Grandinetti, Rullani, 1992).

The changes in the competitive landscape over recent years, however, have been radically changing the terms of the debate and the role played by the districts. (Musso, 2000). In the light of this perspective, it is necessary to reconsider the strategic models adopted by companies in the past and reflect on what new organizational strategies have to build on in the future (Grandinetti, Rullani, 1992).

The internationalization strategies of companies operating in traditional sectors are perhaps one of the most frequently recurring themes in economic discussions at the moment. The opportunities - and increasingly needs - arising from operating abroad are becoming more stringent in the development process and dimensional spatial tasks. There can be several reasons behind the process of internationalization of companies, some of which consider this strategy to be the only solution to the stagnation of the markets of origin, while others follow this direction to acquire or strengthen their competitive advantages and pursue the development of their business. (Belussi, Gottardi, Rullani, 2000). In any case, whatever the rationale, this strategy becomes explicit and rationalized only after gaining some experience, and assessing which is the best direction to affirm the company’s competitivity in the new global context. The definition of an internationalization strategy must, out of necessity, start from an analysis of foreign markets, aimed at identifying and selecting those that present the best opportunities for the company (Gros-Pietro, 2004). Without a doubt, if information is the fundamental resource and necessary to evaluate the effectiveness of any strategic choice in the competitive international resource that is even more important, then it is more "strategic". The selection process of markets is certainly an essential step towards the internationalization of the company. In fact, if this is carried out deliberately with the intention of identifying new opportunities for development, it is necessary to have a scheduled job in order to grab the best opportunities that present themselves in foreign markets, while minimizing the costs arising from operating in unknown contexts (Vicari, 1989).

In any case, what is important to highlight is that the company is pushing towards the internationalization of its activities only when it realizes that its strategic objectives could not be achieved by limiting its development only to national borders. (Lipparini, 2002).

Currently internationalization strategies involve more and more often all the stages of the value chain, taking shape with organizational procedures that allow you to manage activities dispersed throughout the world (Musso, 2006).

The strategic approach of firms operating in international markets is configured so with the realization of one or all of the possible forms of internationalization: procurement, research and development, production and distribution (to which you can also add the financial internationalization resulting from listing on foreign stock exchanges) (Valdani, Bertoli, 2006). Small and medium-sized enterprises instead implement forms of market presence that are less pervasive, adopting inter-company agreements and favouring franchising (Lorenzoni, Maranesi, 2001). These differences are also found with respect to the type of business and target market to which they are addressed. Companies with an established tradition and a strong brand, for example, have adopted an expansive approach with selective openings but high international visibility with outlets mainly of properties, using the franchise for the less strategic markets. Companies that instead of pointing to the accessibility of the product (and not the image of exclusivity) implement internationalization paths that are instead aimed at the contemporary entrance into a large number of foreign markets, and trying to be present in the central areas of cities in order to attract customers (Lorenzoni, Maranesi, 2001). The last one is precisely the case of the clothing chains that make "forms of presence" in order to boost the reputation of the brand. Generally, the factors that have fostered the internationalization of the distribution of goods with a high symbolic value were:

- the existence of a trans-national segment of consumers who have similar characteristics;
- the standardization of global purchasing and consumption patterns;
- the need for the enlargement of the domestic market to similar markets globally such as to ensure an adequate market potential;
- the presence of economies of "replication" of the distribution.

3. RESEARCH METHODOLOGY

From a methodological point of view this study will perform a quantitative strategy of research through cross-sectional and longitudinal studies using a questionnaire for data collection (Babbie, 1990). Quantitative analysis uses numerical data to explain a phenomenon developing and employing a hypotheses pertaining to the phenomena. Data was collected by a questionnaire addressed to a sample of fashion industries, year 2015.

The source we used is the Pambianco, which annually conducts research aimed at identifying areas of Companies of Fashion & Luxury Home Design; these companies are characterized by having been listed on the Stock Exchange over a period of 3/5 years.

The criteria used for a first selection by Pambianco are the following: the sample considered for the "quotability" consists of 850 companies of the Fashion & Luxury sectors, 180 firms operating in the Home&Design sector. It made an initial selection of 155 companies, based on the criteria listed below:

- annual sales of more than EUR 50 million;
- increase in sales (2014 vs. 2011) more than 8% and EBITDA % on average over the last 3 years (2014-2011) above 6%;
- modest increase in sales (... even negative), and EBITDA % on average above 10%;
- EBITDA % on average between 6 % and 8 %, but revenue growth of over 20%;
- EBITDA and revenue growth modest (... even negative), but the brand has a global reputation.

Out of the firms selected, (120 Fashion & Luxury firms and 35 Home & Design firms) Pambianco then identified the top 50 Fashion & Luxury firms and the top 15 Home & Design firms that had the right characteristics for a stock market listing

The evaluation model of the same "quotabilità", Pambianco, which aims to evaluate certain elements of companies and give each of them a certain weight (with a total sum of the weights of the various 100), was then applied to selected companies.

We decided to contact the companies by phone, so that they could get an idea of the person who was conducting the analysis. This contact was a way to get immediate feedback (negative). In fact some companies said by phone that their policy is not expected to give information about production outside of the company, much less to answer questionnaires that could carry sensitive data outside of the company. Telephone contact was followed by sending an email with the explicit objective and scope of the research, therefore, the link to the on-line compilation of the questionnaire. The drafting of the questionnaire created for the empirical verification of the information gathered from the texts required a few weeks of work; in fact we tried to create a questionnaire that responded to our questions, thus achieving the objectives proposed by us, but at the same time we wanted a streamlined questionnaire, which was clear and fast, so companies, after the phone call and after opening the link in the email, were not scared by the excessive length of the questionnaire or the lack of clarity of the questions (Barisone 1999). First, we developed a questionnaire that did not exceed thirty questions and did not require respondents to take more than 5/6 minutes to complete it. We therefore undertook to present a series of clear and direct questions, which then wouldn't create doubts or uncertainties about what we were asking and expecting to be answered.

4. RESULTS

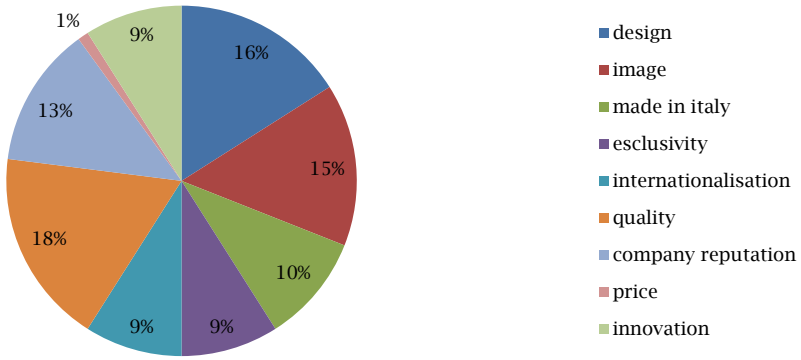
The questionnaire was sent by mail to 65 quotable and quoted companies and received a response rate of over 20%. Among the non-respondents, about 17% did not give their consent for the compilation of the same (explicit recast): in particular, about 7% said they did not want to respond to any kind of questionnaire, 8 % said that, according to its policy, the company did not agree to the dissemination of sensitive or confidential information. After an initial analysis of the responses received, we now realize that we are faced with a series of responses that

have not been manipulated, and that match the profiles of the companies we contacted. In fact, Pambianco, each year applies specific criteria for choosing the 50 quotables of the fashion industry including "more than 50 million turnover businesses." Other parameters of the Pambianco score are: growth rate, the reputation of the brand, size, export, distribution strength and market segment. Our sample, confirming the above hypothesis, revealed that:

- more than 60% of the companies that responded to our questionnaire has a business turnover of between 50 and 250 million per year; the remaining 40 % have a turnover of over 250 million;
- more than 50 % of the companies we contacted has over 250 employees;
- more than 80% of the companies said they were part of a group and that they managed not only a brand but most brands;
- companies stated that they work with the following product categories: clothing (73%), accessories (67%), footwear (53%), leather (40%), perfumes, cosmetics (33%).

It was interesting to see what the strengths are reported by companies (Figure 1).

Figure 1. Italian company success: the Critical Factors



Some companies stated that the image (15%), quality (18%), reputation of the brand (13%) and design (16%) are the strengths of the products sold, regardless of the price that is a success factor for only 1%. These results are quite obvious, since we are talking about companies of high-end or mid-high. It is important that a critical success factor, with a share of around 10%, is the Made in Italy, which we have already spoken about. Made in Italy is not a label of origin applicable without distinction to all products made in Italy. It is rather an abstract concept, a brand that is a signature of the author, and defines those products for which Italy expresses genuine specialization and where there is a real advantage in terms of innovation, style, and service. It is therefore clear that, despite the costs, with the maintenance of the entire production in Italy, companies try to defend the brand "Made in Italy".

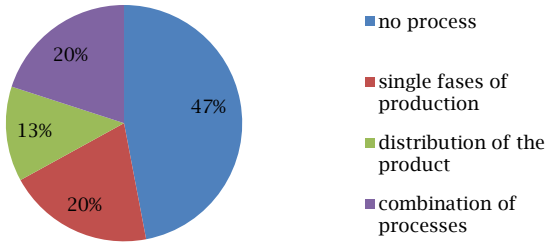
Many of the companies have stated that the Made in Italy is one of the factors of success, and most of their suppliers are located in Italy: 60% in Italy, 27% in Europe (except Italy), 13% (Countries of UE).

As foreign materials may cost less, most of our companies, in the specific case in question 60%, are really defending the production chain, keeping it completely in Italy. The origin of the success of this endogenous entrepreneurship includes: the availability of natural resources, a long tradition of craftsmanship, knowledge handed down from father to son, the informal transfer of information (the craft that you learn in the workshop), the availability of services and support structures (specialized lending institutions, consortia for exports, technical schools). The specialization of the districts is a response to globalization, standardization and approval of production and especially to price competition from emerging countries. From the analysis of the received data it seems that for most of the cases there is only a simple outsourcing of commercial activities, or only with regard to the final stage of the creation of value and the time of sale. The location of customers is mainly Countries out of UE (47%), followed by Europe (33%) and Italy (20%).

The main objective of the company is to extend its activities to a new country - markets searching for greater profitability, a goal typical of all the strategic decisions taken, irrespective of the degree of foreign countries involvement. Most companies market their products in countries outside the European Union, and in particular working with Asia and North America; and to a lesser extent also selling in South America.

We asked the companies if, over the past five years the process of outsourcing had begun, and the response was really interesting (Figure 2).

Figure 2. Italian company activities: the Phases Outsourced



Despite the problems and costs that a company may face choosing to keep the entire production chain within Italy, the defence of Made in Italy is not a cliché, but it 's a fact: almost half of our sample (47%) said they did not outsource any stage of the production process, thus keeping the entire value chain within the Italian territory. A part of the companies surveyed said they would outsource part of the production processes:

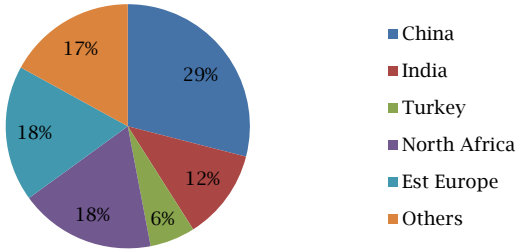
- 20% admitted to outsourcing various stages of the production process;
- 13% admitted to outsourcing stages of logistics and distribution;
- 20% admitted to outsourcing a combination of production processes.

It is this 53% that we then focused on, given that outsourcing one or more stages of the production process is never an easy decision, and must be followed step by step as mentioned above, especially from the point of view of enterprise information.

With regard to the production process, in 75% of cases the companies stated that they outsource all production lines, while the remaining 25% admitted to outsourcing only those processes that deal with the second or third line.

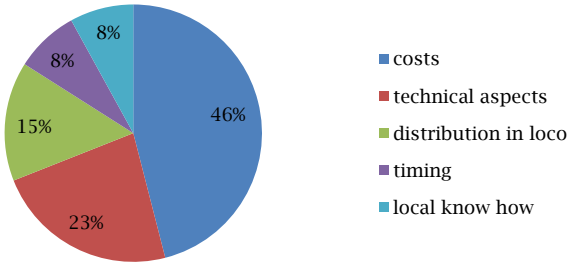
With regard to the geographical choice, we can see how much of the production has shifted to geographical areas where costs such as labor are much lower compared to in Italy (Figure 3).

Figure 3. Italian company activities: the Localization Outsourcing



Nearly 30% of companies said they have exported some production to China, 18% admitted to manufacturing in Eastern Europe (without specifying where), 12% in India, 6% in Turkey. We have a relatively high percentage (17%) that reported to producing abroad, but they did not specify where; and we cannot rule out that this was in Korea. An initial analysis of data immediately shows how cost containment is one of the factors that most influences the company's decision to outsource manufacturing processes (Figure 4):

Figure 4. Italian company activities: the Reasons of Outsourcing



Nearly half of our sample admitted to having taken an outsourcing process just for the containment of costs; 23% said they outsource for technical reasons (technical processes), which we know, mostly, in certain geographical areas have a lower cost than in Italy; 15% said they outsource so you can make a better on-site marketing, which sheds light on how the globalization process now involves not only the business side of the company, but the whole production process. Another 8% outsources for reasons of timing: in spite of possible cost increases that may be encountered (e.g. transportation costs, which then affect the marginal revenue product), reduces the time to produce abroad. The companies stated that they entertain exchanges of information with their foreign suppliers about the quality of the product (75%), and about the techno- productive peculiarities (75%), 12% said that instead they entertained foreign exchange of information at a strategic level, e.g. demand forecasting; already this result sheds light on how a good corporate information system is necessary to make good international collaborations, which is not limited to a ratio of "agency", but is a collaboration where constructive and not destructive is created; it obviously needs a valid IS. Some companies (25%) engage in a relationship of continuous exchange of information in order to establish a relationship of trust with customers/suppliers overseas. In fact a continuous collaboration, even at the informational level, creates a more profitable collaboration and increases trust and loyalty. However, in 25% of cases, the vendor that handles the logistics also manages the quality control; in 75% of cases, although there is an obvious collaboration between the company and the supplier, the controls are entrusted to the company itself, and not the supplier. The analysis of part of the information systems and logistics was very interesting: 88% of companies said they have systems to control and monitor the quality, while the remaining 12% said they did not have them These results confirm our assumptions; in fact, we were expecting that a company that engages in transactions with foreign countries would have information systems; in particular, for controlling the quality. 75% of our sample said, in line with our hypothesis, that the process of outsourcing has resulted in investment in IS, which are becoming essential, precisely in an international context, if not global: the need to identify and monitor the ' trend of the drivers of value creation has led to a gradual expansion of the scale of analysis within the systems for measuring the performance of the companies. As for the Business Intelligence systems: 63% of companies said they possessed them; this fact goes to confirm that over the years, business processes increasingly require advanced systems of planning and control, in other words, systems that circulate the information in a timely manner.

In line with the Italian mentality, sometimes reluctant to change, the introduction of an innovative information system is complex. However, a good percentage of companies have business intelligence systems; we have obtained the following information regarding the information systems adopted in the companies.

With regard to the presence of Business Information Systems 13% of companies have business intelligence systems, 25% have traditional information systems, and the remaining 62% have ERP systems; furthermore 88% have a system to track cost information, while the remaining 12% said they did not use them.

As a last piece of information, we went to see how companies operate at the level of planning and control, and what tools they need: strategic plans are adopted by 88 % of the companies in our sample, while the budget is achieved in 12% of the remaining companies. They did not declare the use of "tableau de bord", strategical or balance scorecards. This finding is in line with the concept that we have already quoted extensively in Latin companies, which are more conservative in many ways, for example, regarding planning and control.

5. CONCLUSION

From the analysis performed on the first 65 listed companies and quotable, according to the list compiled by Pambianco on the Italian fashion industry, two key findings stand out.

The first is that the Italian fashion industry, as the name implies, is irrevocably tied to the Made in Italy. This feature is not only a critical success factor, as it may be the design, the quality, the image or reputation of the brand. Made in Italy is more; it is a distinctive feature, something that makes it unique all over the world, for the story that it brings with it, for the values it brings with it, and for all those features that we have already mentioned and which are associated with the Made in Italy in the world. The uniqueness of this endorsement means that companies, at the cost of having to deal with more costs, defend the production on Italian soil, in order to give the customer a unique product for its both tangible and intangible value. Most of the companies are ready to face higher costs in terms of labor and raw materials, but are not willing to lose the added value that the customer associates with a product that is "Made in Italy". The symbolic factor is essential in goods with a high content of fashion, because it is the language, which in the case of clothing is associated with the behavior of people. Ultimately, as a result of the observations that we have made, our first hypothesis was rejected.

The second hypothesis is that a process of internationalization, as a result of the phase of outsourcing of production processes, no doubt implies an investment in a company's information system, because it makes it easier to communicate and organize information for the entire production process; the availability of data (in a timely manner, without duplication, with highest relevance and detail), is in fact essential to the organization of the various processes. This system must be efficient and effective, especially if there is outsourcing and the company wishes to have the opportunity to exercise direct control over every stage of the production process.

It is not surprising that the results showed that a small percentage has adapted the Business Intelligence System, while "the biggest slice of the cake" uses the ERP system, now consolidated in time. In Italian companies there is a strong concentration of ownership, with the frequent presence also in the listed companies of a shareholder (or a family) that controls de jure or de facto the company. In many cases, there is therefore

a separation between ownership and control: companies are often managed directly by the controlling shareholders or under their close supervision.

The peculiarity of the Italian model of governance, and thus of fashion companies are well known: for example, the presence of family relationships with the manager that are primarily based on mutual respect, trust, reliability as well as professionalism.

On the basis of skills and on the basis of traditional instruments of planning and control, strategic decisions have been taken.

It is no surprise then that for the moment there is still no full utilization of advanced information systems or business intelligence: such as, for example, is already present in the Anglo-Saxon capitalist reality. Only when the concept of IT, as a mere waste of money, time or resources, is completely abandoned will the concept of investment emerge as a strong possibility of a financial return, and will it have a positive impact on corporate performance.

At the moment we are not sure that there is a unique interpretation about the strategic role of IS in outsourcing processes and, therefore, whether it constitutes an additional cost for the period, rather than an investment for the medium and long term. In light of the findings, therefore, the second hypothesis has been partially confirmed.

Our research presents some limits that can be summarized as follows:

a) The sample considered: It will be interesting to compare Italian fashion companies to the companies of other countries in term of model of governance.

b) The further classification of companies within the sample: no separate consideration has been made between family companies and non-family companies.

c) The method: to improve our method we could adopt some econometrical model.

This study contributes to the literature on business model of Italian fashion companies.

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