

Technopak: Workshop series (TWS) - Apparel operations

Since their inception in 1991, as a management consulting firm across diverse sectors, Technopak offer services that have had far reaching impact on client business. Their team comprises of more than 250 skilled professionals from leading International and Indian engineering and management institutes. Most of their consultants have hands-on industry experience in their fields of specialization and represent a wide variety of functional backgrounds. This enormous knowledge and talent pool enables Technopak to create special customized teams for each project depending upon the client requirements.

Continuing with its Technopak Workshop Series, Technopak Advisors organized the second edition in New Delhi on November 13, 2009. The event with the theme "Global Meltdown – Opportunity in Diversity" discussed current challenges, strategies and way forward on various issues related to current changing global and domestic textile and apparel scenario. The workshop aimed towards the steps apparel manufacturers and exporters need to under take in order to be globally competitive and make a mark for themselves in the world apparel trade.

The forum served as a platform for industry veterans to exchange ideas, share individual and organizational experiences as well as discuss the current apparel export scenario.

The workshop covered topics related to apparel sourcing and the future of sourcing from India, growing importance of incorporating Lean Sigma as a part of manufacturing operations, ways to streamline pre production processes as a part of the supply chain as well as different tools to be adopted for improving productivity levels on the shop floor.

Inaugurating the series, Bjorn Palmqvist, Country Head, H&M spoke about how H&M sees India as a strategic partner for the company growth. "We see sourcing from India growing at the rate of 10 – 15% year on year over the next few years", said Bjorn.

Elaborating further, Bjorn talked about the aggressive growth plans that H&M plans to undertake to become a retailing giant. "We plan to double the number of stores from the present 1,920 in the next 5 years", mentioned Bjorn.



Bjorn Palmqvist, Country Head, H&M.



Mr. Amit Gugnani from Technopak, Mr. Arshad Rafiq Khan from ATC Pakistan, Muhammad Nawab from UNDP Pakistan, Mr. Sanjeev from Technopak, Hitesh Mital from Technopak, Sajeel Butt from UNDP Pakistan, Syed Irshad Abbas from Masood Textile Mill Limited, M. Kamran Basharat from Masood Textile Mills Ltd., M. Imran Sajid from Masood Textile Mills Ltd, Mian Rashid Mehmood from US Denim, Lahore.

"This translates to H&M globally sourcing of about 2 billion pieces from the current 1 billion pieces", said Bjorn. "We definitely foresee India as a strategic partner for this H&M's exponential growth. We need dedicated supplier base who can form a part of this growth", says Bjorn.

As a part of his presentation, Bjorn highlighted the need for exercising "Circle of Influence" whereby H&M, its suppliers and their vendors need to work together so as to ensure timely delivery of goods, with the right quality and the right price. "H&M critically looks at areas of pricing, on time delivery, quality and shorter lead times as the key differentiating factors for suppliers to become our strategic partners for our growth" mentioned Bjorn.

Speaking on the occasion, Rakesh Ranjan, Senior Consultant, Technopak Advisors discussed about "Lean Sigma" – the latest technique being used in the apparel industry that aims towards continuous improvement through

waste reduction and improving efficiency levels.

Rakesh highlighted how other industries have benefited from applying lean sigma principles through reducing wastages and how the principles can be applied to apparel manufacturing companies.

Highlighting the need for continuous improvement, Rakesh said "Continuous Process Improvement (CPI) is a management process whereby business processes are constantly evaluated and improved in the light of their efficiency, effectiveness and flexibility." He stressed upon various Lean Sigma tools that could be easily incorporated as a part of overall apparel manufacturing operations.

Talking about incorporating software tools as a part of manufacturing operations, Ramesh from Fast React showed features that Fast React software offers for effective production planning. "Fast React software provides you with an excellent tool to manage your planning and execution operations", mentioned Ramesh.

Workshop

"In addition, it helps you bring in transparency as every detail gets recorded thereby enabling identifying culprits and taking corrective actions in a timely manner", said Ramesh.

Ms Nidhi Datt, Senior VP, Orient Craft talked about the role of implementing effective pre production processes so as to ensure timely delivery of shipments. "Though we tend to blame the production floors for our shipment delays, many a times, I must admit that it is the merchandiser who delay things in the beginning that ultimately delays the overall supply chain", said Nidhi.

Adding to the topic Nidhi highlighted the areas that they critically analyze before confirmation of any order. "We have increasingly started focusing on areas of Product Design, Assessing Unit Capacities, Fabric Controls, Garment Engineering and identifying factors that could help us improve our bottom lines", said Nidhi.

Ultimately, we are looking at graduating towards complete solution providers for our buyers", mentioned Nidhi. Elaborating further, Nidhi highlighted the vendor assessment report card process they undertake to identify dependable vendors who can become their strategic partners in future.

Speaking on the occasion Nidhi also highlighted the massive waste reduction drive that Orient Craft has undertaken to control costs. "There is so much waste around us that we just take it for granted. Ever since we have started looking at waste critically, we have made tremendous savings. For example, on one of our sewing floors we were able to bring down wastages from about Rs 8.85 lacs to Rs 1.55 lacs over a duration of 6 months through better controls and monitoring", mentioned Nidhi.



Nidhi Datt, Senior VP, Orient Craft Orient Craft.

Highlighting the importance of having efficient manufacturing operations, **Adarsh Sharan, VP, Matrix Clothing** talked about the increasing pressure on prices as one of the main driving factors for being more efficient.

"Over the past few years costs of raw materials, wages as well as operating costs have escalated exponentially making it really challenging to operate in the manufacturing scenario. In addition, smarter and ever demanding customer along with fluctuating currency has further escalated the problems", highlighted Adarsh.

"Supply Chain, Production Planning and Production Efficiency are most serious managerial challenges for us. Any slippage lead to higher costs and loss of profitability to us", mentioned Adarsh.

Highlighting what Matrix Clothing has done to overcome these challenges, Adarsh said, we have adopted a business model whereby Matrix works on short order runs, large no. of SKU's, multiple customers, shorter lead times and weekly deliveries.

He also highlighted the challenges related to high absenteeism, skill shortage, high raw material costs, process time losses and lower prices, season after season accompanying this business model. "To overcome these challenges, we have taken various initiatives including setting up a dedicated training centre for operators, introducing various worker welfare schemes along with an attendance bonus, introducing single piece flow that has resulted in reduced changeover times, introducing online finishing leading to reduced WIP (work-in-progress) levels, as well as introducing a worker incentive scheme based on efficiency levels. We have started identifying and eliminating waste at each step", mentioned Adarsh.

Elaborating further, Adarsh also highlighted how Matrix has started sourcing from Bangladesh to leverage 'labor cost advantages'. "We also plan to introduce dormitories for our workers in near future", added Adarsh.

Highlighting the importance of developing internal design capabilities, Karunesh of Munch Design stressed upon the need for developing internal design concepts to increase speed to market. "Integration of Design with manufacturing can effectively cut down on the production feasibility aspects that are dealt with at later stages.

In addition, they also help the designers gain a perspective of the manufacturing processes", says Karunesh.



Rakesh Ranjan, Senior Consultant, Technopak Advisors

Presentations at workshop

- ❖ Emerging trends in global sourcing - Buyers perspective by Bjorn Palmqvist, H&M.
- ❖ Improved profitability through better efficiency by Oommen Kutty, JC Penny.
- ❖ Application of lean sigma principles in quality assurance by Rakhi Handa, Levis / Rakesh Ranjan.
- ❖ Role of effective planning and control in improving manufacturing performance by Dimitri Suraweera, FastReact SriLanka.
- ❖ Role of effective production processes in manufacturing supply chain by Nidhi Datt, Orient Craft / Gautam Mukherjee.
- ❖ Trends and forecasting - Developing and retaining customers by Karunesh, Munch Designs.
- ❖ How to approach overall performance enhancement in a manufacturing unit by Adarsh Sharan, Matrix Clothing / Hitesh Mittal.

The workshop was appreciated by all delegates representing companies like J C Penny, Reebok, Impulse, H&M, Grabal Alok, Ginni Filament, Li & Fung and OGTC.

The workshop also saw participation from Pakistan and had presence of delegates from Masood Textile Mills, Faisalabad; US Denim Mills, Lahore; UNDP and ATC. Arshad Rafiq Khan from ATC Pakistan, Muhammad Nawab and Sajeel Butt from UNDP Pakistan, Mian Rashid Mehmood from US Denim, Lahore and Syed Irshad Abbas, M. Kamran Basharat and M. Imran Sajid from Masood Textile Mills Ltd. were among the delegates.

Thanking the delegates, Amit Gugnani, AVP, Technopak Advisors detailed the plans for holding similar workshops across other cities as well as Dhaka in near future. ♦