T&C Capacity Building: Approach & Content

Clothing Imports in 2005; Source: Worldmapper.org
Structure

- Requirements of a changing industry and market
- ITC’s approach to address market/buyer requirements
- ITC Training Modules
  1. Material Sourcing
  2. Product Development and Design
  3. “e” Business Solutions along the Value Chain
  4. Export Strategies & Marketing
  5. Supply Chain Management
Competitiveness: Moving up the Value Chain

Changing international buyer expectations

- Manufacturing
- Manufacturing & Sourcing
- Manufacturing & Sourcing & Product Development
- FULL Service
- FULL Partnership

Value-Added Buyers requirements

1970

2005

Time

EXPORT IMPACT FOR GOOD
Our role in your success: an ITC approach, linking and working with the key components

Clothing industry suppliers

ITC Technical Inputs

National sector association

Global buyers and suppliers
COURSE STRUCTURE FOR ALL MODULES

• MODULES OFFERED (minimum 15 to maximum 25 participants per course)

Each course includes: individual course material for each participant, cost of the ITC course modules, all materials required for the course

• Basic (2 day modular option)
• Intermediate (4 day modular option)
• Advanced (7 day modular option)
• Supplement type 1 (Individual solutions for 10 – 15 companies)
• Supplement type 2 (working with individual companies or a group of companies to develop samples and collections for identified market/buyer)

*Note: the complete course can be provided over period of time & customised to suit demand.
1st Buyer Requirement: Material Sourcing

ITC’s Response:
a) Training
b) Supply Market Development
Course Outline: Material Sourcing and Textile Knowledge

1. Product Development (1 to 3 days)
   - Overall understanding from order inquiry to order delivery.
   - Retailer’s Profile and Buying Patterns (Selected retailers)
   - Retailer’s Customer Profile and Buying Patterns.
   - Textile and Fashion Trade Shows
   - How to interpret a tech package and design concept.
   - Product Development Process from design concept to finished garment.

2. Material Sourcing (1/2 day to 4 days, incl. mill visit & evaluation)
   - Top Ten Textile Exporting Countries
   - Sourcing for materials based on specifications vs. design trends
   - Where and how to find materials suppliers
   - Material Suppliers Evaluation
   - Sourcing Strategy Development
   - Fabric and Trend Exhibitions or Shows Calendar and Tools
   - Trade Agreements, Trade Remedies and WTO Regulations
3. Basic Textiles (1.5 to 3 days)

- Fibers – Identify fibers and understand its properties
- Yarns – understand the different yarn size, 2ply vs single, spun vs filament, comb vs. carded
- Knits & Wovens – identify fabrics by names
- Dyeing – know the different types of dyestuff and their properties in colorfastness
- Printing – know the different types and applications in printing
- Finishing – know the common types of finishings and their impact on costs

4. Textiles Testing (1/2 to 1 day)

- Common Test Standards and Requirements
- Interpretation of Test Reports

5. Fabric Inspection (1/2 day to 1 day practical)

- What are fabric defects?
- How to inspect fabric using 4 point system for fabric inspection?
6. Garment Costing (1/2 day to 2 days)
   • What are the factors that affect costs in materials?
   • SMV Costing
   • Apparel Costing

7. Quality & Garment Inspection (1 day to 2 days)
   • Quality Definition and how the following inspection and statistical sampling is conducted:
     • Pre-inspection
     • In Line inspection
     • Final Inspection
     • Review of garment defects.

8. Tools in Order Tracking from design to delivery
   • Art of Follow-Up
   • Trouble Shooting and Problem Solving

9. Social Accountability Compliance (1/2 to 2 days)
   • Why are the buyers asking for in compliance audit?
   • Case Study
2nd Buyer Requirement: Product and Design Development
Course Outline: Product Development & Design

• Understanding Consumer Needs
• Understanding Apparel product category and Consumer Profiles
• The Product design and development process
• Trend analysis
• Product Adaptation
• Fashion Forecasting
• Conceptualising the collection
• Translating concept to product
• Product costing and sourcing
• Presentation methods (from trend board to look board)
1. Consumerism: Understanding Consumer Needs
2. Understanding Apparel Product Categories & Consumer Profiles
3. Product Design & Development Process

- **One Product**
  - Comes in many Colorways
  - Each with multiple Size Categories
  - That each have many Sizes
  - Produced in multiple Factories
  - And sold in different Regions
  - Merchandised with many other Products

- **T-shirt**
  - Yello
  - Green
  - Pink
  - Aqua
  - Petite
  - Missy
  - Women's
  - India
  - China
  - Pakistan
  - North America
  - Europe
  - Asia

- **Variations**
  - 1 product = 1 variation
  - 4 x 3 = 12 variations
  - 12 x 10 = 120 variations
  - 360 x 3 = 1080 variations
Product Life Cycle

Seasonal Concepts
- Business Plans
- Concepts/Mood
- Color Palette
- Materials/Trim
- Silhouettes

Line Development
- Merchandising Plans
- Line Boards
- Material Usage
- Market Calendars
- Product Tracking

Style Definition
- Initial Spec.: Construction Details
- Fabric and Trim
- Colorways
- Measurements/Fittings
- Adopted Spec.: Packaging
- Labeling
- Colorways/Lab Dips
- Approved Materials/BOM
- Final Fittings
- Showroom/Sales Samples

Sourcing / Costing
- Vendor Collaboration
- Vendor Allocation
- Multi-Sourcing
- Estimate Costing
- Quality

Special Size Spec.
Multi-Channel Spec.
4. Trend Analysis & Product Adaptation

Stripes
5. FASHION FORECASTING

- Fashion Scan
- Consumer Scan
- Cultural Indicators
- Partners & Competitors

Future Probes → Forecasting

FASHION ANALYSIS
TREND ANALYSIS
COMPETITIVE ANALYSIS

Combined Forecast

ITC - Export Impact for Good
Wanna kill yourself coz you aren't getting anything???
7. Conceptualising the Collection

e.g. line development

Fabric Board

- Silk/Satin blends
- Polyester
- Flower Jacquard
- Fail printed fabric
- Space dyed lurex
- Viscose/linen blend
- Nylon blend

- High gloss
- Shimmery surface
- Iridescent
- Reflective and coated surface

Sizes available in the range of 8-18

80's volume
60's silhouettes
70's detailing

e.g. fabric selection
8. Translating Concept to Product

**Example: Technical Spec for a dress**

<table>
<thead>
<tr>
<th>Index</th>
<th>Measurement point</th>
<th>S</th>
<th>M</th>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>½ Chest</td>
<td>44</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>½ Waist</td>
<td>44</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Neck width</td>
<td>23.5</td>
<td>24</td>
<td>24.5</td>
</tr>
<tr>
<td></td>
<td>Neck width bottom</td>
<td>49</td>
<td>50</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Depth of sleeve</td>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Neck drop front</td>
<td>5.5</td>
<td>16</td>
<td>16.5</td>
</tr>
<tr>
<td></td>
<td>Neck drop back</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Total length</td>
<td>83</td>
<td>85</td>
<td>85</td>
</tr>
</tbody>
</table>

**Construction detail**
- Machiné: Single needle lockstitch
- Seam type: 55a1
- Stitch type: 151
- Seam finishing: all over: Bab.

**Style no. #NT-X001**
- Style name: Bell Gown
- Fabric: glazed printed cotton
- Fabric content: 100% cotton
- Fit standards: UK size 10

**Index Measurement point**
- S
- M
- L

**Size Sticker**
- 100% Cotton Sheeting
- RVL
- S-1B
- P-100
- MWL-5
- MWL-5.CA

**Care Label Brand**
- Placement: To the right side of inside label.

**Price Ticket**
- Paxar
- P-100
- MWL-5
- MWL-5.CA

**Care Label Canada**
- MWL-5.CA

**Hanger**
- No

**Diagram**
- Front and back views of a shirt with measurements indicated.

**Table**

<table>
<thead>
<tr>
<th>STYLE</th>
<th>FABRIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>217669</td>
<td>Heavy Twill 9 oz</td>
</tr>
</tbody>
</table>

**Authentic Cargo Pant**
- Season: S/S 2006
- Color: Brown Kelp, Pumice, Thyme Green, BLOT
- Button: C Commando
- Zipper: YKK
- Fabric: Heavy Twill 9 oz

**Table of Measurements**

<table>
<thead>
<tr>
<th>S</th>
<th>M</th>
<th>L</th>
</tr>
</thead>
<tbody>
<tr>
<td>44</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td>154</td>
<td>158</td>
<td>162</td>
</tr>
<tr>
<td>37</td>
<td>38</td>
<td>39</td>
</tr>
<tr>
<td>13.5</td>
<td>14</td>
<td>14.5</td>
</tr>
<tr>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>83</td>
<td>85</td>
<td>85</td>
</tr>
</tbody>
</table>

**Care Instructions**
- Wash before wearing
- Tonal darker
- Thyme Green

**Pocket Bag**
- 100% Cotton Sheeting
- RVL
- S-1B
- P-100
- MWL-5
- MWL-5.CA

**Care Label Brand**
- Matchbook Canada: RVL
- MWL-5.CA
- MWL-6
- MWL-7
- MWL-8
8. Product Costing and Sourcing

<table>
<thead>
<tr>
<th>Style no.</th>
<th>Description</th>
<th>Fabrication</th>
<th>Fabric width</th>
<th>Fabric cuttable width</th>
<th>Fabric price</th>
<th>YY</th>
<th>Total fabric</th>
<th>CMT W</th>
</tr>
</thead>
<tbody>
<tr>
<td>217769</td>
<td>Cargo pant</td>
<td>Body Heavy twill (non peached)</td>
<td>58</td>
<td>57</td>
<td>1.66</td>
<td>2.00</td>
<td>332</td>
<td>4.77</td>
</tr>
<tr>
<td></td>
<td>Quota</td>
<td>Count 16s x 12s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cat</td>
<td>Const : 115 x 58</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>347</td>
<td></td>
<td>Fabric width: 60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fabric Price: $1.57 / yard</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Button x 6 pieces</td>
<td>0.12</td>
</tr>
<tr>
<td>Inside w/band self fabric</td>
<td>0.15</td>
</tr>
<tr>
<td>#5 metal zipper</td>
<td>0.35</td>
</tr>
<tr>
<td>Thread</td>
<td>0.25</td>
</tr>
<tr>
<td>locker loop</td>
<td>0.03</td>
</tr>
<tr>
<td>main label</td>
<td>0.03</td>
</tr>
<tr>
<td>care label</td>
<td>0.02</td>
</tr>
<tr>
<td>Hangtag</td>
<td>0.05</td>
</tr>
<tr>
<td>price ticket</td>
<td>0.02</td>
</tr>
<tr>
<td>Matchbook</td>
<td>0.03</td>
</tr>
<tr>
<td>size sticker</td>
<td>0.02</td>
</tr>
<tr>
<td>Packing</td>
<td>0.1</td>
</tr>
<tr>
<td>Pocketing</td>
<td>0.45</td>
</tr>
<tr>
<td>Hanger</td>
<td>0</td>
</tr>
<tr>
<td>total trim cost</td>
<td>1.62</td>
</tr>
<tr>
<td>CM/ Markup</td>
<td>2.75</td>
</tr>
<tr>
<td>WASH</td>
<td>0.4</td>
</tr>
<tr>
<td>CMTW</td>
<td>4.77</td>
</tr>
</tbody>
</table>

9. Presentation Methods

Trend board

Look board
3rd Buyer Requirement: « e » solutions

ADOPTING E-APPLICATIONS IN THE TEXTILES AND CLOTHING SECTOR

PART 1: GUIDEBOOK

ADOPTING E APPLICATIONS IN THE TEXTILES AND CLOTHING SECTOR

PART 2: PRESENTATIONS AND CASES

Get Connected
E-applications in the textile and clothing sector

International Trade Centre
Product and market development

Export Impact for Good
Use of “e” along the Value Chain

E-Linking of the Value Chain

Sales Info + Direct Order

Delivery Status Info

Fabrics → Clothing → Agent → Retailer → MARKET

Physical Delivery

Clothing Value Chain

R&D → Inbound Logistics → Production → Outbound Logistics → Marketing to Retailers
...but Reality is not that Structured Complex Value Chain

- Multiple points of communication
- Limited process Visibility
- Not centralized
- Multiple versions
- Duplication of efforts
- Lack of control

Source: Liz Clairborne and PTC
Course Outline: Training Modules

1. Apparel Production
2. Sales & Marketing/ Merchandising
3. Design & Product Development
4. Inventory & Warehouse Management
5. Developing and e-strategy

Introduction to IT in the Apparel Industry
1º Passo - Defina o estilo da sua camisa

2º Passo - Escolha as opções de sua camisa

3º Passo - Defina as medidas

Monograma
- s/ monograma
- Posição:
  - a)
  - b)
  - c)
- Fonte de monograma:
  - Script
  - Times
  - Bordado a mão
- Cor:
  - No tom da peça
  - Marinho
- Iniciais: NK

Exemplo da Fonte escolhida, caso você optou por Monograma: A B C D E

Adulito  Junior  Adulto-Extra

36  37  38  39  40  41  42  43  44  45  46

Colarinho: 39  Tórax: 59  Compimento: 74
Referência USA: 155  Manga: 83  Ombro: 16
Referência Esporte: 2  Abdomen: 57  Pala: 45

Aguarde, breve lançamento.
« e » in Product Design: because « Designers change their minds frequently »
Reverse Internet Auctions:
Success through Virtuel Vertical Factory

The Bidding Process
4th Requirement: Export Strategies & Marketing

COMPETITIVE EXPORT AND CASES FOR THE C INDUSTRY
PART 1: GUIDEBOOK

COMPETITIVE EXPORT STRATEGIES AND CASES FOR THE CLOTHING INDUSTRY
PART 2: PRESENTATIONS AND CASES

CLOTHING DEMAND FROM EMERGING MARKETS
AN OPPORTUNITY FOR LDC SUPPLIERS
Course outline: 3-5 days

DESIGN & APPROACH: This course features a structured approach to make the transition from a traditional outsourced workshop (CMT) to a modern supplier with product portfolios. Key topics include:

1. International market space and dynamics
2. Different buyer formats and their value
3. Analysis of the environment
4. Market intensification strategies
5. New market developments
6. How to develop an export growth strategy
7. Pricing & costing approaches
8. Clustering as a competitive advantage
9. Customer relationship management
10. Market entry strategies
e.g. Characteristics of Buyers in the Value Chain: Buyer Categories and Demands on Suppliers

<table>
<thead>
<tr>
<th>Buyer Category</th>
<th>Examples</th>
<th>Product Quality</th>
<th>Price</th>
<th>Order size</th>
<th>Demands On Supplier</th>
<th>Relationship With Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importer / Wholesaler</td>
<td>Traders</td>
<td>Narrow range</td>
<td>Broad Range</td>
<td>Small to Medium</td>
<td>Price competition is often fierce</td>
<td>Usually price driven</td>
</tr>
<tr>
<td>Discount Chain</td>
<td>Walmart, K-Mart, Target</td>
<td>Standard</td>
<td>Low</td>
<td>Massive</td>
<td>Low margins, continuous pressure to cut price, timely delivery</td>
<td>Primarily assembly operations in captive supply or price driven</td>
</tr>
<tr>
<td>Manufacture brands</td>
<td>Benetton</td>
<td>Good</td>
<td>Medium</td>
<td>Medium to large</td>
<td>Quality, timely delivery, price CSR, IPR</td>
<td>Partnership</td>
</tr>
<tr>
<td>Department Stores</td>
<td>Bloomingdales, Marks and Spencer, federated</td>
<td>Considerable range – from good upwards</td>
<td>Medium to high</td>
<td>Medium to large</td>
<td>Quality, consistency, variety, some design, short lead times, timely delivery</td>
<td>Broad range, increasingly full-relational and longer term</td>
</tr>
<tr>
<td>Sensory luxury retailers</td>
<td>Ralph Lauren, Donna Karan, Armani, Gucci</td>
<td>Exclusive</td>
<td>High</td>
<td>Small</td>
<td>Quality, co-design, multiple skills</td>
<td>Partnership</td>
</tr>
</tbody>
</table>
Product Life Cycle Of ZARA

e.g.: Market Strategies

Close watch on trends & buying behaviour
- Market research on university campuses, discos & other venues
- Feedback from the stores
  - Sales report
  - Qualitative comments

Quick decisions
- A HQ regional managers collect and analyze the feedback.
- Commercial team sits with designers to use the information to create new lines and tweak existing ones
- Deciding with the commercial team on the fabric, cut, and price points of a new garment

Inventory Control
- Fabrics from stock
- Dyeing/Finishing (if required)
- Production
- Line in Stores
- Fleet to stores

Distribution
e.g. Case Studies: Vendor-managed Inventory:
Penny – TAL example: cooperation targeted at store packaging, i.e. providing a certain shirt to a certain store based on sales data
Vertically Integrated Companies: Regional solutions along the VC

- Close to factory
  - Thailand
    - Thread
  - Thailand
    - Label
  - Thailand
    - Button

- Supplier nominated by customer
  - Cotton (Africa)
    - Yarn (Indonesia)
    - Fabric (Indonesia)
    - Garment (Laos, Cambodia, Vietnam)
    - Retailer (World market)

- Selected by fabric mill
  - Vertical setup by fabric mill
  - Good relationship
  - Major garment factories

- Malaysia
5. Modular Learning System on Supply Chain Management: Adapted to the T&C Sector

Understand the Corporate Environment

1. Preparing the Contract
2. Specifying Requirements & Planning Supply
3. Analysing Supply Markets
4. Developing Supply Strategies
5. Appraising & Shortlisting Suppliers
6. Obtaining & Selecting Suppliers
7. Negotiating
8. Managing Logistics in the Supply Chain
9. Managing the Contract & the Supplier Relationships
10. Understanding the Corporate Environment
11. Managing Inventory
12. Specifying Requirements & Planning Supply
13. Environmental Procurement
14. Group Purchasing
15. E-Procurement
16. CRM
17. Operations Management & others...

Supplementary Modules
Modular Learning System on Supply Chain Management:

- **Coverage: The Total Supply Chain**

- **Cases**
  - Exercises, games etc...
  - Reading materials

- **+ LearningNet**

- **16 high quality Modules** (training packs) in English, Spanish & Chinese
- **Global Network**: 135 MLS-IPSCM institutions in 50 countries
- **More than 1,000 trainers** attached to above institutions
- **More than 25,000 individuals** trained worldwide
- **Professional certification programme**: 20,000 module exams taken
- **Validation by high level external Advisory Board**
ITC’s International Professional Certification Programme

Each module = independent exam (2 hrs)

Exams twice per year + online option

International Professional Certificates/Certificates/Diploma in SCM®

Certificate
Modules 1-6

Certificate
Plus Modules
7-12

Diploma
Plus 3 supplementary Modules & project report

Delivered by a Network of institutions accredited & supported by ITC

Climb the ladder of success

GOAL

DELIVERED BY A NETWORK OF INSTITUTIONS ACCREDITED & SUPPORTED BY ITC

EXPERT IMPACT FOR GOOD
Summary

5 training modules to address strategic issues of importance

- Material Sourcing
- Product Development and Design
- “e” business Solutions along the Value Chain
- Export Strategies & Marketing
- Supply Chain Management

Addressing requirements of a changing world market
ITC’s approach is outcome-oriented and works best in an integrated sector development approach
The LAO project: A coordinated effort …example of success in 10 months (2008)

ITC inputs

Outcome 1: Skills development
- Sourcing
- Product development
- Upgrading factory standards
- Export logistics

Outcome 2: Capacity building
- DPTP – ministry counterpart
- ALGI – private sector association
- Online web presence
- Trade fair participation
THANK YOU

Matthias Knappe
Programme Manager Cotton, Textiles and Clothing

For more information:
www.intracen.org/textilesandclothing