

SUPPLY CHAIN IN APPAREL INDUSTRY OF BANGLADESH

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Supply chain refers to all inputs required to produce a product and fulfil a purchase. It includes planning (demand planning & Supply Planning), raw materials sourcing, manufacturing, transporting, warehousing, shipping etc. Fast delivery with required quality is now sought by buyers in this fast fashion era. Therefore, a strong supply chain network could give an organization a leading position in all aspect.

The readymade garments (RMG) sector is a success story for Bangladesh. The industry started in the late 1970s, expanded heavily in the 1980s and boomed in the 1990s.

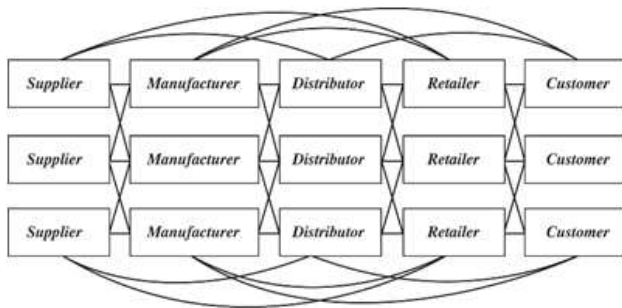
the quick expansion of the industry was possible because of the use of the less complicated technology, cheap and easy to operate sewing machines, and relatively cheap and abundant female workforce.

But, apparel industries in the country have moved into a challenging position in the new millennium. The challenge is now to offer high-quality low-cost products within a shortest possible lead time; and to meet health, social and environmental compliances in the face of stiff competition. To face the challenges, the apparel makers should focus on effective supply chain management as it will ensure

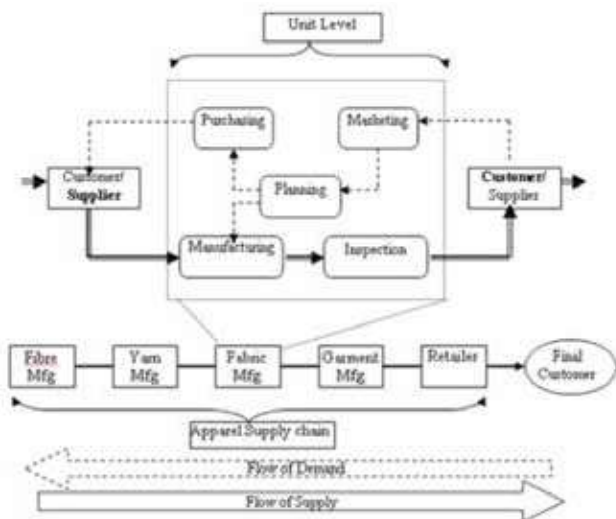
delivering the right product to the right place at the right time at the right price, say supply chain experts.

Effective supply chain management is the way to offer high-quality, low-cost products within the shortest possible lead time as it integrates the whole apparel supply chain as one.

The RMG manufacturers need to start working together with all the supply chain partners, as the landscape of low-cost sourcing countries is about to change. Buyers in the future would be more interested in TCO (total cost of ownership) rather than just the unit price. So now need to understand who the supply chain partners/stages are. In short – Supply Chain Management (SCM) includes all stages that are involved directly or indirectly in fulfilling



customer request. This includes manufacturers, suppliers, transporters, warehouses, retailers, and customers. Within each company, the supply chain includes all functions involved in fulfilling a customer request (product development, marketing, operations, distribution, finance, customer service). So in a nut shell it we can tell that Supply Chain is becoming the senses and organs for the organization.



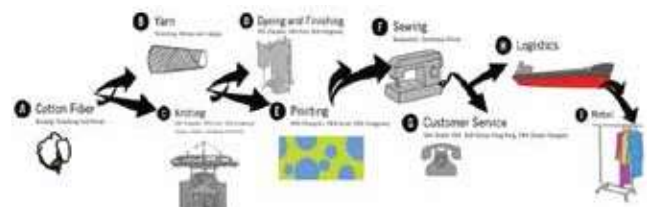
So we should consider the whole apparel supply chain as one, adopt a fact based approach upon thoroughly understanding current realities, invest in the appropriate skills and constantly monitor and adjust to optimise results in the current changing world.



Fig: Textiles & Apparel Supply Chain Circle

Any RMG /Apparel industry is positioned as a natural extension of our customer's business and covers the entire apparel supply chain; from product development & design to merchandising and from production to distribution. In working with brand-owners, all over the world, apparel industries support customers with quality apparel solutions to address every aspect of apparel sourcing and manufacturing, from concept to delivery.

Supply chain: from yarn to delivery

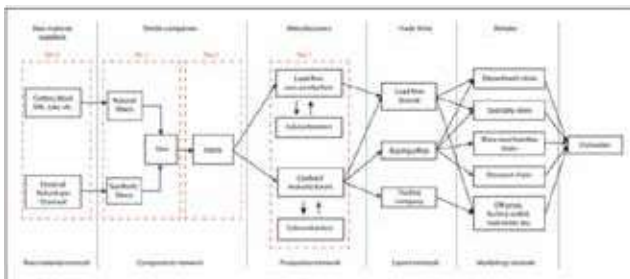
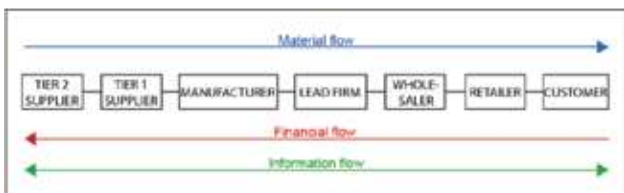


Systematic supply-chain management ensures efficiency and effectiveness as fabrics are transformed into garments and flow seamlessly to the retail shelf

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We can find the scope of supply chain management in every single place within our garment's industries. In the factory, we may require to supply, receive of materials from one department to another, one section to another section and one location to another location. So, there must be a proper planning for designing and setup of an effective supply chain management in apparel industry.

From merchandising order booking to delivery on time is the biggest challenges ensuring proper planning of the Cutting, sewing and packing – backed by the proper supply of all its back/sub-processes like Spinning, Knitting, fabric during and finally ensuring printing, embroidering in the garments. So, a proper planning/visibility of the big picture of understanding of the end to end supply chain of the yarn to garments making & delivery is the most challenging.

Without proper planning and ERP system of the whole end to end supply chain it would be theoretically impossible to ensure coordination across all the stages of apparel supply chain. Visibility of the total supply chain processes and traceability of materials movement across the apparel supply chain is the vital for apparel Industries to be competitive in the current world – which is moving towards the industrial revolution 4.0.

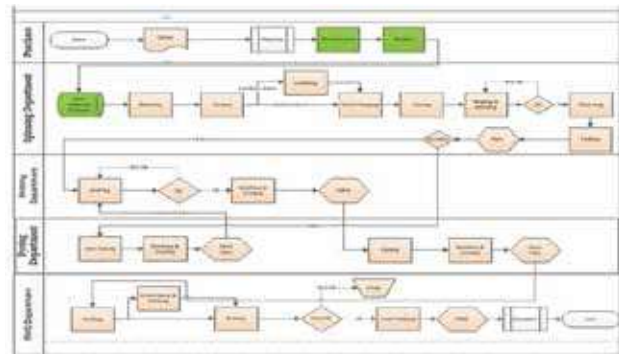


Fig: Manufacturing process flow of apparel Industries

Form the above process flow it is evident that with proper planning and ERP system with proper T&A (Time and Action Calendar) it is quite difficult to ensure the right time delivery of the goods and services.

The concept of “complete understanding of Supply Chain management’ is absent in most organizations in Bangladesh because of lack of understanding and need for it. The apparel industry is lacking the correct supply chain management (know-how/ tools & techniques/ supply chain systems/ understanding of the apparel supply chain process flow) people who understand the complex nature of supply chain management of apparel industry. Few apparel industries like DBL Group, Viyellatex Group and few others are putting lot of emphasises on their supply chain to align their supply chain strategy with their business processes and competitive strategies and investing in the RMG planning systems like FastReact and ERP like SAP/Oracle to cope with the agile supply chain needs.

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